

ADVISOR PLANNING STRATEGIES | ADVISOR POV

Women Care Deeply About Their Causes. How They Can Max Out Their Influence.

BY ANN MARIE ETERGINO

Advisors like to put client spending under the microscope to the point where we view any outflows through a critical eye. But clients also come to us for help with spending, especially when it comes to philanthropy.

In my conversations with high-net-worth women—those with assets of \$10 million or more—I've found that charitable giving is as important to them, and to the advisor-client relationship, as any aspect of wealth planning. Creating a values-based philanthropy plan offers an opportunity for financial empowerment, intentionality, and fulfillment for women, who are more likely than men to take part in charitable giving across just about every demographic you could name.

In my experience, women value advisors who can help them focus their giving to have the greatest impact on issues they care about, including environmental causes, health, social justice, education, hunger, and many other priorities.

For example, I have a client who used to collect dozens of solicitations from nonprofits every year. Every December, she would send about \$200 to each organization. Her total charitable giving might add up to about \$20,000, but those gifts didn't have the impact she wanted.

Instead, I suggested she make larger, multiyear commitments to the two or

three organizations she felt most strongly about. In doing so, she could build deeper relationships with those groups. Plus, those significant, ongoing commitments allowed the nonprofits to plan ahead and use her donations more effectively, thereby increasing her impact.

Time and talent. What about the causes that fell by the wayside? Giving doesn't have to mean just writing a check. Women of means can use their time and talent to effect change, and good advisors can use their own resources to create such opportunities for their clients.

I often host events bringing together women to share experiences about their community involvement—gatherings where we get to learn from and inspire one another. At one such meeting, one of my clients who has a visual impairment talked about her involvement with organizations focused on blindness research. This client used her financial savvy and influence to propose an unusual public/private partnership that would create government-backed loans to promote biomedical research.

Another client did pro bono legal work for female victims of human trafficking, and used these skills and contacts to create a charitable organization within a local university to provide full-service support to these women.

Nonprofits in need. Executing on any kind of long-term plan is never

easy, but I have seen firsthand the excitement that high-net-worth women feel when they see how more focused efforts can create a tangible difference for their causes.

Not to put too fine a point on it, most nonprofits are worried about making ends meet. According to Giving USA's 2023 report, giving by individuals declined 6.4% in 2022. That amounts to an eye-watering 13.4% drop when adjusted for inflation. Many charitable groups are struggling to recover.

For such organizations, multiyear commitments from high-net-worth individuals can make a major difference in their financial health and ability to sustain programming. Gifts can be made using a donor-advised fund, direct gifts of appreciated stocks, or a qualified distribution from an IRA account. There are a number of options to work into a long-term plan.

I've found that women, after years or decades of accumulating wealth, have a harder time spending on themselves than men. They do, however, find it easier to give and watch the impact of their philanthropy during their lifetime. A charitable giving strategy helps fulfill a mission for many clients as they align their spending with their values.

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