

*"THE NORMS AND ASSUMPTIONS OF CAPITAL ARE OFTEN PRESENT – ELIMINATING BROADER DISCUSSIONS ABOUT GIFTS OF TIME AND TALENT."*



# BREAKING THE MOULD: ADVISING CLIENTS ACROSS THE GIVING SPECTRUM

MICHELE FUGIEL GARTNER

Changing the philanthropic advisory landscape requires us to challenge some fundamental assumptions – not least about what philanthropy is, and who can be a philanthropist

**T**he enormity of issues facing modern society can feel overwhelming – climate change, equity and equality, recession and inflation, food insecurity, global health, and the socio-economic impact of the COVID-19 pandemic. Yet, they are human-made, meaning that humans have agency in their solutions. There are tools we can use. The challenge is knowing what they are and linking to the people who are best placed to enable their use.

Philanthropy is the use of private resources, such as time, treasure and talent, for public purposes. These private resources exist for every human. Yet, the first challenge is that the philanthropic field has told us that the term philanthropist is something for only the strategic, and the billionaires. The field has continued to promote ideas taken from the United States in the early 20th century, indicating that a scientific approach to giving is better, more effective, and more efficient than a charitable one. And yet, nearly a quarter of the way into the 21st century, we see a return to billionaires who give away their money without constraints or conditions. The field is confused about this about-face and what it might mean for their previous advice. Maybe the tension between scientific and charitable was just one person's opinion?

Suppose we put this duality aside and consider philanthropic activity as a broad spectrum of tools. In that case, we open more creative conversations about how to put them to use to address social issues. The second challenge is that discussions about giving tools have often been relegated to the hidden and opaque worlds of wealth and financial advisory. Within this, it isn't easy to see if these conversations are being had and in what manner. The norms and assumptions of capital are often present – eliminating broader discussions about gifts of time and talent. Previous research has highlighted the challenges of providing philanthropic advice within these structures: advisors are not trained in philanthropy, they are not raising conversations with their clients, and direction comes later in the legacy conversation. For advisors working in wealth, estate and legacy spaces, the advice might be offering a selection of charities, a donor-advised vehicle, or establishing a family foundation. The tools of philanthropy are narrow in this framework.

What if, instead, the advisory conversation might be broadened by focusing on two variables: the desire for financial return and the donor's participation? Philanthropists will undertake different styles of activities at

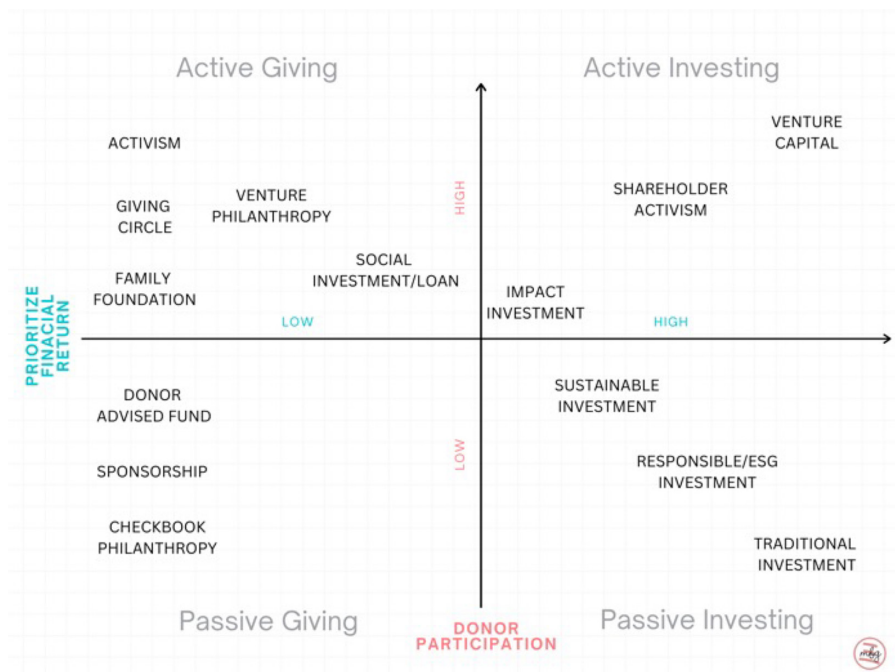
various points in their lives. The matrix below is an initial rendering of the philanthropic tools that can be activated and combined to meet client goals. Tools are available depending on a client's interest in financial return and high/low participation. The axes create four quadrants: passive investing, passive giving, active investing, and active giving. Unlike the contrast between scientific/strategic and charitable giving, there are no value judgements in the terms active or passive. They merely reflect a style of activity. Within the matrix, various unique tools are shown, such as ESG investing, shareholder activism, giving circles, and venture capital.

The breadth and complexity of what could be considered philanthropic advisory are viewable. For one client, they might see themselves as a passive investor, but also as an active giver. Their advice might be to invest for returns, but through ESG and responsible screens, as well as participating in social investment, giving circles, or activism. Through this view, the options of giving tools become more visible and more creative. This matrix is illustrative, and the opportunities become even more diverse as more tools are conceived.



“THE EXPECTATIONS FOR ONE ADVISOR TO BE ABLE TO PROVIDE THIS BREADTH OF PHILANTHROPIC ADVICE ARE OVERWHELMING.”

## PHILANTHROPY ADVISORY MATRIX



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This conceptualisation demonstrates how capital dominates our discussions of giving tools – but it can also show how time and talent might be woven into conversations to provide more fulsome, bespoke advice to clients. High or low donor participation are broad generalisations but demonstrate how cultural, gender and age-related approaches must also be considered within advisory services. Within this view, the variety of options is significant, and they would be made more so by viewing a client’s unique talents and contributions.

The expectations for one advisor to be able to provide this breadth of philanthropic advice are overwhelming. With such a complex space, the advisor’s role will also require bridging relationships with other philanthropic advisors and their specialities.

Intermediaries, such as Philanthropy Impact, can help with this task through their Giving Advice tools and directories. Ultimately, firms and advisors will need to see the value and be provided with incentives to pursue these relationships and this approach to philanthropic advisory. Whether philanthropic advisory remains an assets-under-management business model or an add-on for the highest net-worth clients is a choice. Both limit the agency of clients and the pool of potential clientele.

Breaking the mould of philanthropic advisory requires unearthing and challenging our assumptions about what constitutes philanthropy and who can be a philanthropist. It then requires understanding the philanthropic advisory landscape and the available giving tools. We need to provide more creative advice to clients and offer

more substantial network support to those providing advice. Academics and practitioners are starting to undertake these types of sense-making activities. The matrix above provides a small contribution to support advisors’ conversations with their clients. The task at hand is to challenge a century-old notion of philanthropy, demonstrate to donors the variety of tools within their reach, and work on solving the issues of our modern societies. ■