

Advice to Advisors

Achieving philanthropic goals



NOVEMBER 2015



CALGARY
FOUNDATION

FOR COMMUNITY, FOREVER

60

calgaryfoundation.org



As Vice President, Donor Engagement at the Calgary Foundation, Laily Pirbhai's extensive charitable gift planning knowledge has earned the Foundation a place at the forefront in philanthropic services.

A Commitment To valued relationships

LAILY PIRBHAI

In the 60th year of the Calgary Foundation, we reflect on decades of relationships with professional advisors that have been key to our success. You exemplify our shared values – excellence and commitment to best practices in all that we do.

Advice to Advisors is focused on providing authoritative information on philanthropy while demonstrating the Foundation's expertise in charitable and planned giving.

In this issue you'll note a "refreshed" look and updated format that is mobile friendly.

Storytelling guru **Andy Goodman** thinks all relationships have a story, here is one of mine...

Early in my retail banking career, I provided a line of credit and mortgage to a recently-graduated chartered accountant.

That individual later became the founder and CFO at a private, venture capital company and I was the "relationship" manager in the commercial bank's knowledge based industries group.

Many years go by and I was now working in the philanthropic sector.

One day I got a call from the CFO whose company was being acquired by a large, global public entity.

While planning the merger, the CFO apprised me of the business' succession plans which resulted in a significant windfall.

He expressed plans to "pay it forward" to the community that had helped him succeed and was considering his giving options.

After many discussions, he felt confident that the Calgary Foundation would serve his family's philanthropic intentions well.

Our valued professional relationship of over 20 years allowed me to bear witness to the full circle of success and is a treasured experience.

I am confident that you have a story to share and we would love to hear them.

We dedicate this issue to the value of relationships.

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Timeless community leadership



A salute to four philanthropic advisors

LISA MACDONALD

The growth of the Calgary Foundation is rooted in the vision and hard work of some very special people who understand that a community is built by the citizens who live in it and dedicate their time to ensure a sustainable future for all. This article spotlights a few remarkable volunteers who are also part of the professional advisor community. You may know them as colleagues or friends – we appreciate them as leaders and advocates in all that we do.



Making connections makes the difference

"Big problems can't be solved with a single-minded focus."

For Bev, one of the most satisfying aspects of volunteering is the people that she meets. "With the Calgary Foundation, the staff are incredibly knowledgeable; the hard-working volunteers are loyal and the donors are passionate," enthuses Bev. "People thrive when they make connections with other people. Through our grants we connect with people who share common interests. The Foundation creates and nurtures opportunities for connections for the betterment of our communities."

Bev sees the rapid growth that CF has experienced as a positive challenge. "We are stewards. Keeping up with the pace of growth in a thoughtful way has required diligence and, at times, risk evaluation." The learning opportunities that these instances have provided are another reward of her volunteer experience. Bev laughs as she says, "I've never been on a boring or ineffective committee at the Calgary Foundation!"



Bev Foy

Bev is a Calgary Foundation Board Director and Fellow with the Institute of Chartered Professional Accountants. She has been engaged as a volunteer with the Calgary Foundation since 2008, serving as Chair of the Audit Committee and as a member on the Donor Relations and PA Committees, as well as the Major and Signature Grants Committee and Ad Hoc Committees for the King Edward School and the Kahanoff gift.





Roy D. Boettger, QC

Roy's involvement with the Calgary Foundation dates back to 1996 when Honorary Life Director Don Hatch asked Roy to join the Development Committee. Roy was a Board Director for 9 years, serving as Board Chair from 2002-2004, and was a member of the Donor Relations and Professional Advisor Committees. Roy was instrumental in bringing forward a relationship with the Estate Planning Council (EPC) and continues to make donor and PA referrals.

Timeless community leadership



A salute to four philanthropic advisors

Volunteering is part of Calgary's DNA

With a long history of volunteerism, Roy says, "Calgary has a mentality based in volunteerism. Maybe it's because of the Calgary Stampede and what the city has done with the event. Or, perhaps it's our agrarian beginnings. People just want to get involved. My experience is that it can be a lot of fun and that's why I've been fortunate to be doing it here."

Calgary is equally lucky to have someone like Roy in the trenches making a tangible impact for various communities through the Calgary Foundation, the Rotary Club of Calgary, the Alberta Children's Hospital Foundation and a variety of other charities.

Roy sees organizations like the Calgary Foundation to be change agents and thinks that professional advisors need to be an integral part of the process. "There's a mutual advantage for both the PA and the charity. Professional advisors can help to broaden the donor base. They can make philanthropic giving top of mind as part of an ongoing dialogue with their clients. My volunteering has made me a better advisor because I am more aware of the opportunities that exist."

"It's not about competition but about building bridges between donors and recipients for the betterment of the community."



Paying it forward is an imperative

Shelley considers herself an average person with a special skill-set. As a lawyer, she gets to help people imagine the legacy they want to create and then find ways to make that happen. "I think it's imperative that lawyers realize the opportunity we have to give back to the community," says Shelley. "I'm grateful to my mentors who taught me the value of both sharing our knowledge and paying it forward to others. I've benefitted from some of the best health care in the world. My involvement in the Calgary Foundation gives me the opportunity to talk about the value of philanthropy as it relates to estate planning which is rooted in personal experiences and values."

Shelley appreciates a grass roots approach when it comes to getting the idea of being philanthropic out to the public. She'll be the first to tell you that it can start with one person. In her words, "the Calgary Foundation has shown that even the smallest effort can have an enormous impact on our community. As lawyers, we just need to have the conversation and then be creative in our approach."



Shelley Waite

Since 2005, Shelley has held several voluntary roles with the Calgary Foundation including being a member of the PA Committee. She has acted as a speaker/panelist at Leave a Legacy workshops and has made several donor and professional advisor referrals over the years. She is a member of CBA and STEP, an adjunct professor and lecturer, author and speaker on wills, estates and cross-border planning.

"Life is terminal. Get over it and be creative."



Timeless community leadership



A salute to four philanthropic advisors



Dale Ens

Estate planner Dale Ens completed a 9-year term on the Calgary Foundation's Board of Directors in June 2015, a tenure that witnessed extensive growth and increase in capacity for the Calgary Foundation. Dale's involvement dates back to 2000 and includes service on the Development Committee, Donor Relations Committee and PA Committee. Today he reflects on the accomplishments and evolving role of the Calgary Foundation.

"We are more clear and confident about our 'Why we exist.'"

Finding our way in the world of impact investing

Summing up 20 years of volunteering with the Calgary Foundation that has culminated in the achievement of an all-time-high asset base of \$800 Million+ for the organization is not easy for Dale, but he focuses on impact. He says, "We've grown into a mature organization that can have a tremendous amount of impact in the community... and we are guided by the opportunity to move the needle just a little bit."

Dale shares the story of attending a Rotary dinner in High River, a community hit hard by flooding in 2013. "One of the Directors marched me across the street to a park and playground that the Foundation had supported. He was so proud and grateful." Dale recalls support provided to the Calgary Stampede Foundation to build a city park on the shores of Elbow River and the Foundation providing the final \$1 million to the Nature Conservancy of Canada for the completion of the Waldron – the largest conservation easement in Canadian history, as memorable projects during his tenure.

Innovative, creative and responsive is Dale's description of the Calgary Foundation. These same traits could easily apply to the man himself. A long time ago Dale aligned himself with a simple philosophy coined by Doc Seaman who challenged others to "leave it better than you found it." In terms of his work with the Calgary Foundation, Dale definitely succeeded.



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Bradley Offman is Founder and Principal of Spire Philanthropy and former Senior Vice President, Strategic Philanthropy at Mackenzie Investments. Brad is also former President of the Mackenzie Investments Charitable Foundation and Managing Director of the Mackenzie Charitable Giving Fund.

The power to change the world

Introducing charitable gift planning



BRADLEY OFFMAN

Charitable gift planning is the process of incorporating charitable giving into your client's overall financial plan. It's about giving money away in a thoughtful, and strategic manner. The decision to integrate charitable gift planning can have a dramatic impact on you, your clients and your community.

WHY incorporate philanthropy in your practice?

- Your clients are looking to you for direction. Increasingly, Canadians are seeking ways to give back to their community through strategic philanthropy. The average Canadian donor is much more aware of planned giving now than in the past. The baby boom generation is looking to move beyond "chequebook philanthropy." They have the potential to usher in a golden age of philanthropy.
- You will provide more comprehensive service. By discussing charitable giving with your clients, you are providing a wider spectrum of wealth management solutions.
- You can determine your clients' passions. Some advisors (including accountants) feel that charitable giving is a private subject, best left out of a financial discussion. This is a myth. By talking to your clients about charitable giving, you get a better understanding of their values, principles and dreams. Since when is getting to know your clients on a deeper level a bad thing?

- Charitable giving strategies have tremendous tax benefits. The income tax system is designed to recognize Canadians' charitable donations. The tax laws governing charitable giving are based on a tax credit system and the federal government has enriched the tax benefits of giving over the past two decades. In addition to making major donations at death, there are a variety of ways that charitable giving can be structured during one's lifetime.
- You have the power to make a difference. As a trusted advisor, you have the power to direct and influence your clients' thinking about important financial matters. Charitable giving is one of them. Self-directed giving can be a more efficient method of contributing to the general welfare of the country than paying tax dollars, the latter being spent by the government however it sees fit.

The power to change the world

Introducing charitable gift planning



HOW do I bring up philanthropy with my clients?

It's not hard to bring up charitable giving with your clients, especially when done in the context of an overall financial plan. Since charitable giving can be an integral part of tax and estate planning, it does not have to be an uncomfortable or touchy subject. Here are some suggestions:

"Tell me about your charitable giving."

If your client makes charitable donations of some kind (and over 90% of adult Canadians fall into that category), ask about his or her motivations behind their giving. With this simple conversation starter, you will learn a lot about your client's passions, values and history. Knowing your client on a more personal level allows you to provide better financial solutions and leads to greater trust and retention.

Talk to your clients about "social capital."

The Canadian tax system ensures that a portion of each taxpayer's wealth is going to be used for the general welfare of our country. Thankfully, our system allows Canadians, in part, to decide whether their social capital is directed to The Canada Revenue Agency or to charity. For many people, especially those who are extremely sensitive about paying taxes, this is a powerful argument.

Look for obvious cues.

Your client may bring up some obvious questions that can bridge the gap into a discussion about charitable giving. Some examples include:

- I'm a board member at the local women's shelter.
- I have season tickets to the symphony orchestra. I just love classical music.
- Are there any other ways that I can save money on my taxes?

While these statements might not seem particularly obvious, they all speak either to a client's potential support of a charitable organization or the desire to pay less tax. By taking the conversation further, you might uncover new planning opportunities for your client.

Rely on your software.

Most modern financial planning software contains a module on charitable giving. Use this module to introduce your clients to new strategies. Demonstrate to them through the software that any good financial plan requires a discussion on charitable giving.

WHEN do I bring up philanthropy with my clients?

The most obvious answer to this question is "anytime!" Having said that, there are some times when it might be more appropriate to bring up the subject of charitable giving.

Year-end tax planning

Most Canadians think about tax planning during the last quarter of the calendar year, stemming largely from a realization that they might be burdened with a large bill if they do not take steps to reduce their taxes. Charitable giving is one of the most powerful (and simple) tax saving methods available to Canadians.

Sale of a business

There aren't many events greater than the sale of a business that speak to the need for effective tax planning. The substantial capital gains that often result from the sale or transition of a private business may provide the motivation for a large charitable gift. Note that the capital gains tax exemption that currently exists on publicly-traded securities will be extended to gifts that result from the disposition of private shares beginning in 2017.

Sale of real estate

Like the sale of a business, the disposition of real estate often results in a substantial tax bill. Effective charitable gift planning can relieve your client of the tax burden resulting from the sale and, like private shares, the benefits of donating real estate will be extended in 2017.

Inheritance

When a client inherits a large sum of money, the first and most obvious question is what to do with it. Do I invest it? Do I spend it? Do I give it away? An inheritance is an opportune time to talk to clients about their overall financial plan. An inheritance will likely generate new taxable income so part of the strategy should be how charitable giving can reduce that taxable income.

The human desire to "leave a legacy" is a tradition that pervades virtually every culture, nationality and religious affiliation. In our wonderfully diverse country, increasing numbers of Canadians are thinking and dreaming about the legacy they can leave to this world. Their advisors can, and should, help shape these dreams.

What Gen X and Gen Y think about philanthropy

In 2013, a research project was undertaken by The Frey Chair for Family Philanthropy program at the Johnson Center for Philanthropy, and 21/64, to interview the next generation of major donors to gain a better understanding of how they think about philanthropy. The key findings from this report offer insight into the drivers that motivate this diverse group of philanthropists; information that becomes even more valuable when considering the unprecedented resources that Gen X and Gen Y will inherit over the first half of the 21st century.

Four key findings emerged

one Driven by values, not valuables

This group is mindful of the privilege they have inherited or that comes with the wealth they are creating. They are driven by values they have inherited from their parents and grandparents and seek balance between honouring family legacy and being responsive to the needs of today.

two Impact first

These donors see philanthropic "strategy" as the distinguishing factor between themselves and previous generations. They intend to change how decisions are made and how research and due diligence are conducted. Different from previous generations, they focus on impact rather than being motivated by recognition or for social requirements.

three Time, talent, treasure and ties

Giving without significant engagement feels like a hollow investment to next gen donors. They want to develop close relationships with the organizations they support. They rely on their peers to learn about causes and strategies and in-turn share their own knowledge and experiences. They believe that collaborating with peers makes them all better donors and extends their impact.

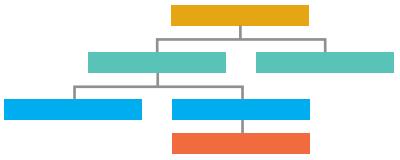
four Crafting their philanthropic identities

Next gen major donors are still figuring out who they will be as donors. In terms of identity-building, being relatively young and from a high-capacity family is challenging. Yet, rather than waiting for retirement to decide who they are as philanthropists this group is actively crafting their identities and thinking about their legacies now.

Based on this report, Gen X and Gen Y are seemingly fearless in embracing philanthropic giving as part of their inherited responsibility. It seems only fair that the charitable sector, and all its parts, keep pace by being equally fearless, accountable, forward-thinking and impactful.

For more information visit, www.nextgondonors.org/.

Ten tips for engaging next generation family members in philanthropy



SHARNA GOLDSEKER

Sharna Goldseker is Executive Director of 21/64, a non-profit consulting practice specializing in next generation and multigenerational engagement in philanthropy and family enterprise.

Charitable planning often takes into account the role that next generation family members will play in serving as trustees and successor trustees of foundations, donor advised funds and other vehicles. With four generations above the age of 21 in Canada today, "the kids" are often adults by the time they become involved in philanthropic activities. What follows are ten tips for engaging adult children in charitable endeavours.

1 Foster a transition from a parent-child dynamic to one of peers.

While we might imagine our children as they were at age 5, 12 or 16, often they are more like 25, 35 or sometimes 45 when they become trustees of charitable vehicles. Adult children bring academic degrees, work experiences as well as their own values to bear on the responsibility of making philanthropic decisions. Consider how you might transition the relationship between parents and children to one of peers making philanthropic decisions where every voice is heard.

2 The "next" generation: is two different generations – Generations X and Y – with distinct personalities: use different approaches for each generation.

Generation X (born 1964-1980) bring a strong sense of independence, resourcefulness as well as skepticism to institutions. Learn how you can embrace the creativity as well as the curiosity of Gen X family members even if it means creating new funding vehicles for them to explore. Gen Y'ers (born 1981-2000) were reared on the Internet. They are used to using technology to access information and to engage in civic activities. Consider offering them ways to tap into information about their family's giving and grantees.

Traditionalists
born 1925-45

Baby Boomers
born 1946-64

3 Generational personalities are enduring.

Traditionalists (born 1925-45) and Baby Boomers (born 1946-64) also tend to carry certain generational hallmarks. Traditionalists who lived through the Depression tend to "save for a rainy day" and believe in building lifelong institutions, while Boomers invest in causes like the social movements in which they grew up. Help clients comprehend that the "generational personalities" of Gen X and Y will continue to influence their values and decision-making just as the events and conditions of Traditionalists and Baby Boomers continue to influence theirs.

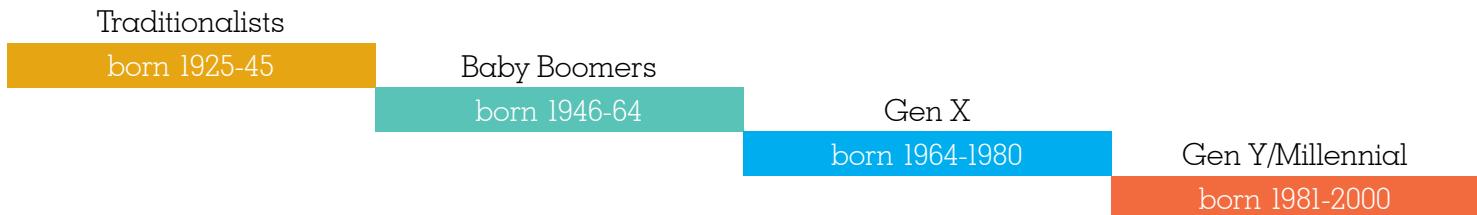
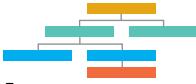
4 Uncover the values that lie beneath the next generations choices.

Encourage clients to take time to discover what motivates someone else's choices – members of different generations may find they have a lot in common with each other. A Gen Y'er's wish to support microloans in rural Kenya and her grandpa's funding of scholarships in Chicago might both be choices rooted in creating opportunities for low-income people.

Gen X
born 1964-1980

Gen Y/Millennial
born 1981-2000

Ten tips for engaging next generation family members in philanthropy



5 You don't have to step away to let the next generations step up.

Think about ways clients might share and trade power rather than transfer it. Facilitate conversations among family members about the roles they want to play in philanthropy. Help create multiple paths of engagement for next generation family members such as separate grant and investment committees, site visit teams and internships. Also consider helping senior family members find new yet equally meaningful roles.

6 Learning is a two-way street.

As advisors and families prepare the next generation for their philanthropic responsibilities, there is a tendency to assume learning has to be unilateral, with one generation educating another. While the next generation might not have the longevity of experience possessed by the older generations, they have fresh skills and perspectives to bring to the table. Once asked to share what they know, next generation family members tend to be more receptive learners.

7 Captivating new leaders requires more than a Facebook page or a twitter account.

Despite the next generation's facility with technology, it is a means to an end rather than an end in itself. Concentrate on first building relationships among trustees, and between trustees and grantees. Email and social media can then provide a means of communication after a relationship has been established.

8 Transparency matters.

Access to information is a given these days. While advisors and parents often worry about "the kids" learning about family money or philanthropic resources at too young an age, current technology allows next generation family members to Google more than we realize. Rather than worrying about what next generation family members may know, help clients with how to discuss what is already in the open and provide the next generation with tools and skills for handling their philanthropic legacy.

9 Show rather than tell.

Experiential learning is preferable to didactic learning with the next generation. Encourage tactile experiences like site visits, grantee presentations, philanthropy conferences and educational journeys to learn about funding areas.

10 Drawing people in is easy. Sustaining their engagement requires change.

Next generation family members can only stay at "the kids' table" – or the junior board of the associate position level – for so long. Material involvement is eventually what all adults seek. Discuss the trajectory of what their participation will look like so that along with what is expected of them, they know what they can expect in return.

*This article originally appeared in "The Charitable Planning Desk Reference for Advisors 4th Edition"
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IN TRIBUTE

On February 21, 2014 **Chris Thomas** lost a lengthy and courageous battle with cancer. Chris' commitment to community and philanthropy were legendary and he was a special Ambassador to many, including the Calgary Foundation. As a philanthropic advisor, Chris also positively influenced and mentored those around him. We remember his ongoing legacy by sharing a few memories from those who worked and/or volunteered beside him.



"Being on the Foundation's Gift Acceptance Committee is very gratifying. Hearing donors tell stories about how recipient's lives, and their own lives, have been enriched by giving, is extraordinarily moving."

Chris Thomas, 2001

"We all need charities and volunteers and we try to do our bit where we can. The Calgary Foundation was near and dear to Chris' heart. He thoroughly enjoyed his time on the Professional Advisor committee."

Chris' wife Wendy Thomas

When I joined the Foundation in August 2006, Chris was quick to reach out to offer his knowledge and guidance as I transitioned into my new role. At the time, Chris served on the Professional Advisor Committee and generously put forward his time and talent including the delivery of the Foundation's "Focus on Philanthropy" workshops. Chris' gentle demeanor and quiet leadership is sorely missed.

*Laily Pirbhai, Vice-President, Donor Engagement
The Calgary Foundation*

"Chris' volunteering endeavours are well-documented, but I will always remember Chris for his commitment to his family and his positive outlook on life. He adored his grandkids and enjoyed nothing more than introducing them to the wonders of the outdoors. He was a kid at heart and enjoyed practical jokes. Chris' enthusiasm was always contagious and made him a great person to know."

*William (Bill) M. Walker, Partner
McLeod Law LLP*

"Chris left a true legacy of incredible legal knowledge but also as a teacher and mentor. 'What would Chris Thomas do?' is often how I come to know what the right course of action is."

*Linda Lynch-Staunton, Associate
McLeod Law LLP*

"Someone once told me that when someone close to you dies, say their name often and tell their stories as this is the best way to honour them." Chris was the "gold standard." His humour was infectious. His law, and ethical and moral compass were always correct. It was my honour to have worked with him and to have called him my friend."

*Shelley Waite, Partner
McLeod Law LLP*

In honour of Chris Thomas QC McLeod Law LLP has founded the Chris Thomas QC Endowed Memorial Award through the University of Calgary, Faculty of Law.

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Editorial & Communications Services

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