



DAF Perspectives for Advisors

Expertise and tools to help advisors deepen the philanthropic conversation

Four Reasons to Talk to Your Clients About Donor-Advised Funds

By Natalie Pinon, Director of Development

As private client advisors, there are several reasons why you should talk to your clients about philanthropy and donor-advised funds (DAFs). In this series, we have already discussed why it is important for advisors to [support their clients' philanthropic efforts through a time of crisis](#) like the COVID-19 pandemic.

Even beyond the crisis, advisors are in a unique position to help their clients learn about DAFs. Here are four important reasons why:

- **Clients value your expertise.**

Clients turn to their advisors for financial planning help in all areas of their lives—which includes helping them to manage their charitable giving. Remember that bringing up philanthropy with your clients does not mean you have to have all the answers to their questions. However, staying informed about what philanthropic solutions are available and where experts can help them is valuable.

- **Discussing philanthropy is good for business.**

Having a conversation about charitable giving and the structures available to manage it will help you get to know your clients better—which is always a good thing. When discussing private philanthropy, clients will often share their personal values and passions, and will sometimes even bring in members of their family to participate in the conversation. This will help strengthen your relationship with your clients in the long term.

- **DAFs offer a convenient, low-cost, tax-efficient option for philanthropic planning.**

DAFs allow clients to donate now, receive an immediate tax benefit and recommend grants at any time to a qualified charity. Meanwhile, contributions to DAFs are invested, and any investment growth is tax-free.

- **DAFs meet the needs of the modern philanthropist.**

For many private clients, DAFs are becoming the alternative to setting up a private trust or foundation. Clients use their DAFs to fund solutions to some of today's most pressing global challenges. They use their DAFs to make impact and sustainable investments. They also use their DAFs to teach the next generation valuable lessons about giving and financial responsibility and to prepare them for transferring wealth later in life.

Four Reasons to Talk to Your Clients About Donor-Advised Funds (continued)

For many private clients, philanthropic planning is integrated into overall wealth planning because it is an essential part of their lives. As advisors, talking to your clients about philanthropy and the vehicles available to manage it can bring both longer-term relationships and increased business opportunities.

NPT UK is here to help you as you start the philanthropic conversation. For more information about how NPT UK can help you with your clients' charitable giving, [contact us](#).

Natalie Pinon is Director of Development at NPT UK. She has over 15 years of experience working with philanthropists and impact investors to manage their giving.

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