DONOR ADVISORS
AND
PHILANTHROPIC STRATEGY

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April 2008

supported by a grant from the **William & Flora Hewlett Foundation**

Donor Advisors and Philanthropic Strategy

Executive Summary

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At a time when philanthropy has enormous potential to advance the public good, donors can benefit from many kinds of assistance in making good decisions. *Do advisors to the wealthy help their clients shape philanthropic strategy, how do they do so, and how do advisors prepare for this work?* To provide some answers, interviews were conducted with 75 accountants, family office managers, philanthropic advisors, private bankers, trust and estate attorneys, wealth managers and institutional development directors, along with a group of thought leaders in philanthropy. A literature review, including publications of the interviewees, helped provide context.

The study took a *psychological* perspective throughout. Advising work, especially when focused on philanthropy, is inherently psychological – it involves clarifying deeply-held personal values, identifying causes that might have personal meaning, and dealing with the complex human realities of families. Shaping a philanthropic strategy requires attention to such psychological complexities. It also requires support for choosing appropriate philanthropic instruments; and for connecting donors with knowledge and skill about philanthropy, nonprofits and the community.

Findings were interpreted in the context of the specific work done by each of the seven categories of donor advisors, including similarities when the focus is on philanthropy. Strategy was defined as the operation of an enterprise by defining mission and values, setting forth a plan of action, and measuring outcomes to see if the mission is achieved. Donor advisor activities were placed in the larger context of the overall philanthropic landscape (foundations, infrastructure organizations, and so forth).

Five main findings emerged from the study:

1 - Effective donor advising takes many forms, but has four common characteristics and eight key areas

The four characteristics common to effective donor advising are:

* *building trust between advisor and donor*

* *finding a psychologically-based understanding of donor intent and behavior*

* *drawing on knowledge and experience with philanthropy, the nonprofit sector and the community*

* *doing skillful research to provide data for donor decision-making*

Beyond these commonalities, there is a great range of practice. For example, some advisors are pro-active, and have a well-developed, multi-step model for building philanthropic strategy, while being sensitive to client needs and preferences. Others are more informal and largely reactive.

Donor advisors interact with their clients in some or all of the following eight key areas:

* *financial assessment* - do I have the financial resources to be philanthropic?

* *values clarification* - what deeply-held values guide my philanthropic desires?

* *family involvement* - how and to what extent should my other family members be involved, and how are they likely to be impacted by philanthropy?

* *structure* - what philanthropic instruments fit my tax, financial and legal circumstances (as well as my values), and how will the instruments I choose be created?

* *actions* - what grants will be made or other actions taken to fulfill my plans?

* *learning & peer networking* - what opportunities are there for me to learn more about philanthropy, either from direct experience or from interaction with peers?

* *collaboration* - what opportunities are there for me to collaborate with other donors or foundations, and what are the advantages/disadvantages of doing so?

* *evaluation* - how do I define and measure the success of my philanthropic activities?

Advisors might provide input on only one, on some or on all of these. In some cases, clients may have several advisors providing them with input related to philanthropy.

A particularly important characteristic of some advisors emerged in this research. *Dual passport* donor advisors are persons of wealth who also provide professional service as advisors. At their best, they have natural authority and ability to generate trust. This does not guarantee they will do good donor advising work, of course, nor does it mean those not from such backgrounds can't be effective. In addition, there may be connections between the advisor's personal and family philanthropic history and their skill in donor advising work. Both observations need more study.

Some donor advisors are not specifically identified as such, but instead work more informally behind the scenes, on a compensated or uncompensated basis, with wealthy individuals, sometimes for years. These represent another kind of "dual passport" and also need further study.

Theme 2 - Donor advising in the U.S. is a fast-growing cottage industry which has not yet fully developed a business model

Donor advising is a cottage industry with many small firms or individual practices, plus some larger organizations in which philanthropic advising is only one aspect of their work. The infrastructure for donor advising, both internally and externally, is still limited. Some practices or firms are set up formally and are well-linked to the larger philanthropic world. Others are not.

It is fast-growing, particularly on the philanthropic side, the subject of direct interest here. It is growing because of client demand, with assistance on building philanthropic strategy increasingly seen as adding value. That leads clients to demand such assistance, and advisors to provide it.

Donor advising lacks well-developed business models to drive growth, particularly as a service offering of large business institutions that already serve donors. What does philanthropic advice contribute to retaining clients, or to getting assets under management – and what are appropriate fees, if any, to charge for it? In essence, what does philanthropic advising bring to the bottom line?

Theme 3 - More rigorous training and practice guidelines for donor advisors are needed

Very few formal training programs exist, but some training materials and interventions do. Many interviewees had advice about how training of advisors can be improved. Organizations providing information and guidance to advisors include Advisors in Philanthropy, Family Firm Institute, National Center for Family Philanthropy and The Philanthropic Initiative. The American College offers a certification program, leading to the designation "Chartered Advisor in Philanthropy" (though most of its training is on legal, tax and accounting issues).

A few academic institutions are beginning to develop or at least consider advisor training programs. At present, most of these are "one-shot" approaches like a seminar or workshop. Such events typically involve bringing in experts for a presentation on key aspects of donor advising work.

On the job training is increasingly common. In small firms this usually takes the form of coaching, combined with follow-along mentoring to a junior person as part of an advisor team. In large organizations, it may involve hiring someone with philanthropic experience to fulfill a training role and to serve as the "philanthropic advisor of record" for the firm.

In this fast-growing field, practitioners face a number of challenges:

* *confidentiality* - advisors sometimes talk amongst themselves too freely about their clients, despite a high desire for privacy among many donors.

* *unqualified practitioners* - anyone can call themselves a philanthropic advisor, and if they are in the community doing shoddy work that affects the reputation of all.

* *setting boundaries with clients* - even though it may be very tempting to go on the client's yacht for the weekend, such boundaries are crossed at considerable risk, as they are in other kinds of professional relationships.

* *maintaining ability to disagree with clients* - advisors need independence from their clients in order to provide useful service.

* *conflicts of interest* - many advisors giving philanthropic input have some conflict, e.g., they are hoping to keep the donor in a particular investment vehicle or with a particular firm.

* *recommending other advisors* - good advisors will recommend another advisor if there is some reason to do so, but some fear loss of control if they do.

* *donors are getting more sophisticated* - advisors who haven't kept up with the growth of the field are fairly easy to pick out, and are at a competitive disadvantage.

Theme 4 - Providing opportunities for donor learning is an important part of donor advising

Already identified as a key activity, providing learning opportunities emerged as of special importance because donors grow most quickly through direct learning experiences. This may range from site visits, to opportunities for pilot testing, to provision of data for feedback purposes.

In particular, *peers* are of great importance for donor learning of all sorts. Donor learning groups, for instance, provide a context in which donor decisions and response to donor advising can be organized.

Advisors need to know about these groups. They can then refer their clients to them whenever that is indicated.

Some learning groups are free-standing organizations. Some are affiliated with financial institutions or other advisor organizations, which helps them with quality control on behalf of clients.

Theme 5 - Donor advisors can help in promoting effective donor collaborations

Donor advisors regularly reported having done "matchmaking" to bring together two donors, or a donor with a philanthropic institution like a foundation. Intermediary organizations also can play a powerful role in facilitating donor collaborations.

Sometimes a donor advisor may operate a learning group or collaborative giving program themselves. Donors come to them as clients partly because they perceive there is a good alignment between their goals and philanthropic process with those of the group to which they will then belong.

Plans for dissemination and further study

This report will be disseminated to the participants in the study, who are in prominent roles in the donor advisor and philanthropic worlds. It will be placed on the Human Interaction Research Institute's website, and on websites of organizations that serve advisors.

The study also will be shared through presentations at national conferences such as those of Grantmakers for Effective Organizations and the Council on Foundations. The 2008 Family Firm Institute conference and the 2009 Advisors in Philanthropy conference are among the other presentations planned, along with guest lectures at several universities.

To promote learning in the larger realm of philanthropy, a book based on this study is planned. It can influence good practice and healthy growth of this field, for donors as well as advisors. Concise "learning briefs" will be developed to share results with donors and advisors, through networking and support organizations that target these audiences.

Topics for further research identified by this study include:

* how *younger advisors* deal with donor advising work

* how *experienced donors* deal with philanthropic strategy, and how advisors help or hinder them

* how advisors can serve as a *bridge* between individual and institutional philanthropy

* *dual-passport advisors* and how their background influences their work

* impact of *personal characteristics* like religion and gender on the donor-advisor relationship

* increasing role of *technology* in donor advisor work

* *media coverage* of donor advisor activities

* relationship of this study to *other ongoing research*

* characteristics of *donors who collaborate*, and how advisors can facilitate collaborations

* characteristics of advisors who are *pro-active,* and impact of a more engaged approach

* how donor advisors can serve as *agents of change* while also serving their clients

* how advisors can help their clients shape *evaluation strategies* for philanthropic activities.

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Supported by a grant from the William & Flora Hewlett Foundation. To learn more and to obtain a downloadable copy of the full study report, contact info@humaninteract.org

"The problem of our age is the proper administration of wealth."
- Andrew Carnegie, *The Gospel of Wealth* (1889)

In this time of exploding personal wealth throughout the world, people of means obtain many kinds of professional advice about how to preserve, grow and transfer their wealth to their heirs. Increasingly, advisors of all types also offer help with their wealthy clients' philanthropy, so that they can make better decisions and have more impact on the public good. These are hardly new challenges, as the opening line of Andrew Carnegie's 19th century treatise on the subject makes clear.

Private bankers, trust and estate attorneys, accountants, wealth managers, philanthropic advisors, family office managers and institutional development directors can play critical roles in the philanthropic lives of wealthy people and their families. These seven types of "trusted advisors" (and others not studied here) often provide information, education, counsel and professional support about various aspects of philanthropic strategy – from making a simple decision about writing a check to a particular charity, to setting up and operating a strategic, values-based philanthropic operation. Today such an operation might be multi-faceted, including a donor-advised fund at a community foundation, a family foundation, participation in a giving circle, and other options.

But how commonly do donors seek and receive consultation on philanthropy from these various types of advisors, and how helpful is the advice that is provided? What is the emerging profile of donor advisors, set into the larger philanthropic landscape in the United States? This exploratory study conducted interviews with advisors in each of the seven categories just mentioned (plus some thought leaders in philanthropy) to learn:

(1) whether and how advisors help clients make decisions, and to develop an overall philanthropic strategy (values, goals, environmental scans, choice of philanthropic vehicles, involving family members, etc.);

(2) whether and how advisors connect clients to learning resources they may find useful, such as local peer networking groups or national organizations that offer training programs and publications;

(3) whether and how advisors help clients develop partnerships with other donors or foundations;

(4) what training or experiences help advisors provide excellent service to their clients;

(5) whether and how advisors build skills or get information about philanthropy they need to serve clients (such as through informal peer networking groups or more formal professional associations); and

(6) what additional training, technical assistance or information advisors would find useful.

These questions have been little studied. In particular, there has been little comparative analysis that can (a) identify similarities or differences among the seven types of advisors, (b) help donors learn how to get more useful guidance from advisors about philanthropic strategy, (c) help advisors improve their knowledge and practice in this area, and (d) help integrate donor advisors in the larger philanthropic landscape in the U.S.

Donors also may receive advice from staff of their family foundations, or staff of community foundations where they have a donor-advised fund. However, these relate to an institutional role that is not emphasized in the current study. Similarly, donors often receive advice on philanthropic matters from family members, clergy or friends, but this important resource also is not the major focus of this research.

Interviews were used to gather most of the study data, since relatively little of these activities are documented anywhere. A simple interview form containing questions about the above six topics guided the interviews, most of which were conducted by telephone.

Interviewees for the study were selected initially from donor advisors and philanthropic experts who participated in previous research (Backer, Bleeg & Miller, 2006) by the Human Interaction Research Institute (HIRI), and then by "snowballing" – asking interviewees to nominate others they thought could contribute usefully to the study. A representative sample was not intended, but rather a set of interviewees who have long experience working with wealthy clients, and/or long-time experience observing the philanthropic scene.

Such "greybeards," to use one interviewee's term, can more easily conceptualize principles of practice, comment on how advising fits into the larger philanthropic context, and identify benchmarks or good practices for further study. The advisors in this study (and the thought leaders as well) tended to be well-known to each other and well-known in their communities. They typically obtained much of their business by referral, and often were referred to (by each other and by clients or community leaders) as "role models."

Some literature also was reviewed, particularly to provide a richer historical and environmental context about donor advising and its place in the overall environment for American philanthropy (Ellsworth & Remmer, 2005; Gary, 2007; Hughes, 2004; Ottinger, 2007; Remmer, 2000; Stone & McElwee, 2004; Williams & Preisser, 2007). This literature included pioneering works on donor advisors, plus other books and articles that touch on the subject. It also included study reports from previous HIRI research on such topics as donor learning groups and donor practices in grantmaking (Backer, 2004, 2006). Wherever possible, writings of the interviewees were reviewed to supplement what was learned from the interview process.

The Psychological Point of View

This study was guided throughout by a *psychological perspective* on philanthropy and on the donor advising process. Such a perspective is critical because much of the work donor advisors do is inherently psychological – clarifying deeply-held personal values, identifying causes that may have personal meaning for clients, and dealing with the complex human realities of families engaged in philanthropic activity.

For instance, many donors are shy about discussing money in general or their philanthropic activities in particular, and must have assistance in overcoming that hesitance. As part of the process they need to feel a certain level of comfort with the advisor (related partly to the perception of competence, but also partly to the perceived personal character of the advisor).

Of course, there are many elements of donor advising, especially those regarding wealth preservation, growth and transfer, that are not psychological in nature. Some aspects of philanthropic strategy are not primarily of a psychological character, such as setting up a foundation or a donor advised fund. But even here values and complex human nature weigh in. For instance, choosing a family foundation over a donor advised fund may have legal or tax implications, but may also reflect the donor's grasp of important psychological elements (e.g., how much the philanthropic activity will allow reaching important personal goals and provide emotional fulfillment to the donor).

Only one advisor interviewed for this study had formal training in psychology. A number of others regularly refer clients to psychologists, especially those with family systems training, who are able to more effectively handle the complex family dynamics that surround family wealth and family philanthropy.

Family systems psychologists have expert knowledge about how families function as a social group, and about how life stages of individuals impact the family. They work with families on personal issues, with family businesses, and with families or their philanthropic institutions (like a family foundation) on philanthropic issues.

Many other advisors, while not trained in psychology, nonetheless have considerable sophistication about psychological concepts and apply them to work with clients. These dynamics often center on family issues which reach expression in discussions (or conflicts) about philanthropy, but which reach far beyond charitable decision-making. They may focus on *expectations* family members have about inheritance, sharing of power, partnership with other family members, and many other issues.

The family dynamics of wealth management constitute a whole separate field of practice, including but extending far beyond philanthropy. Hughes (2004) sees philanthropy as the family's social capital, helping family members, isolated by their wealth, to connect with the larger issues of the world and find a place in it.

Philanthropy includes not just giving of money, but of time, reputation and intellect as well. And "family" may mean not just children but siblings and other relatives, life partners or even friends and employees of the wealthy individual.

The "viewing lens" of psychology was an instrumental part of this exploratory research. The study's authors are both licensed psychologists, and so brought this point of view to both how study questions were defined and how the results have been interpreted. Though both were trained as clinical psychologists, the psychological perspective referred to here is not about psychopathology, but rather about complex dynamics of individuals and groups as they affect the donor advising process and the shaping of a philanthropic strategy.

Advising on philanthropy is an intimate activity, because it requires sharing of personal information about values and hopes. Often philanthropy begins with the honoring of someone who has recently died, which sets up other possibilities for psychological complications. Of course there are wide differences, as we will see, in how donor advisors do or do not deal with these potentially uncomfortable subjects.

One of the authors also has specialty training in family systems, and this area of psychology has particular relevance for the donor advising field, because so many philanthropic activities involve family members and their interactions. This also represents a point of view brought to the study: that understanding and skills in working with family dynamics is critical to success in donor advising, and that these skills are learnable.

Again, this does not always mean formal training, as the backgrounds of many interviewees indicates, but it does mean the commitment to paying attention to family issues as part of the advising work. And as will be discussed later, as this field grows, development of more formal training on psychological aspects of advising in general and dealing with complex family dynamics in particular, will be critical to improving practice.

The other author has conducted research on various aspects of philanthropy, particularly those involving foundations. In these realms, philanthropy also has important psychological dimensions (Backer, 2004). Since their financial resources are small compared with government's, foundations stimulate change through the *leverage* that comes because they can use resources with few constraints, and, through the ability to *convene* the community for planning or action-taking.

Perception and persuasion are bound up in both the leverage and convening processes, so philanthropic strategy is inherently psychological, from the era of Rockefeller and Carnegie to today. Moreover, philanthropy is psychological because both foundations and individual donors can set any "bottom line" they desire.

History of Donor Advising

There have been donor advisors as long as there have been donors. Many advisors in history were not so designated, and did their philanthropic advising in the context of another role, for instance as advisors to royalty or religious leaders.

Probably the first well-documented example of a philanthropic advisor is Frederick Gates, who was engaged by John D. Rockefeller Senior to help him manage his philanthropic activities in 1891. He continued this expansive role until 1923. Gates was a Baptist minister, and got acquainted with Rockefeller when he helped reorganize the University of Chicago, under funding Rockefeller provided.

Gates worked with "Senior" and a handful of other people to manage one of the world's great fortunes, and also helped Rockefeller shape an enduring philanthropic legacy. That included both assistance with individual philanthropic decisions and setting up infrastructures like the Rockefeller Foundation. Gates stayed on to help Rockefeller with philanthropic decision-making after he left his job as business advisor. Part of his philanthropic influence stemmed from his business acumen; he was, according to Mr. Rockefeller, "the greatest businessman ever" (Baick, 2004).

While advising to wealthy donors has continued since the time of this early example, most of it has been quite low-key. Each of the categories of donor advisors studied here has a long history, and some of our interviewees have themselves been doing this work for more than 30 years. However, many of the advisors and advisory firms focused on philanthropy in particular are more recent in origin, at least for the sample studied here.

A new wave of activity in donor advising is happening just in the last several years. This has meant tremendous growth in the number of both individual consultants and firms. The number of high-net-worth and ultra-high-net-worth donors has grown, and so has interest in philanthropy by living donors (stimulated in particular by the recent $30 billion gift made by Warren Buffett to the Gates Foundation).

This will only increase, as the projected $12 trillion transfer of wealth in the U.S. occurs over the next 15 years, including $2 trillion earmarked for charitable contributions (Social Welfare Research Institute, 1999). A transfer of as much as $41 trillion has been anticipated by some observers.

On the larger front, there has been a more general growth of infrastructure for philanthropy since the 1980s. As the number of foundations in the U.S. has increased greatly, many associations and resource organizations have sprung up to support their needs. So too have organizations supporting the networking and learning needs of individual philanthropists.

Two studies of American donors' philanthropic behaviors shed some preliminary light on the topics of interest for this research. First is a study of donors in California (Stone & McElwee, 2004), which interviewed 32 donors about what they would like to enhance their philanthropic activities. These donors were willing to pay for legal and financial advice, but were reluctant to pay for philanthropic advising because they did not believe that the "feel good" activity of philanthropy required this sort of professional input – and that money spent on donor advisors would then be unavailable for direct charitable donations. Moreover, because there is so little training or certification for philanthropic advisors at present, the donors interviewed in this study said they had difficulty determining which advisors had competence to assist them. In some cases, this increased their reluctance to use advisors.

The second study, funded by the Bank of America and conducted by the Center on Philanthropy at Indiana University (2006), involved a much larger national sample of 30,000 high net-worth households in the U.S. They found that a number of donors do consult advisors:

* 41.2% - fundraisers and nonprofit staff
* 35.9% - peers or peer networks
* 26.6% - accountants
* 16.6% - financial/wealth advisors
* 16.4% - attorneys
* 15.2% - foundation staff
* 12.3% - others
* 8.7% - bank or trust company staff
* 7.1% - brokers
* 3.7% - executive coaches

These results provide the best platform against which to evaluate the results presented here. They say that a significant minority of donors in the U.S. (especially high net-worth donors with more than $200,000 in annual income or assets of more than $1 million, about 3.1% of the total population) do frequently consult with others on philanthropic issues.

All of the categories studied here except family office managers and specialized philanthropic advisors are represented in this sample. It also should be noted that the Bank of America study casts a fairly wide net, rather than restricting their sample to the ultra-high-net worth donors who are the typical clients of many of the interviewees in this study (they most often are clients with $50 million or more in investable assets).

Interestingly enough, the only research identified that specifically focused on donor advisors was conducted in Australia (Madden & Newton, 2006). Based on responses of 115 professional advisors, the study shows a marked increase in interest to provide philanthropic advice over advisors queried in 2002. An increase in the number of advisors actually consulting on philanthropic issues also increased significantly, as had their willingness to raise this topic with clients. The researchers are about to conduct their third survey of advisors.

Definition of Philanthropic Strategy

Strategy is defined in the business world as operating an enterprise by defining mission and values, setting forth a plan of action, and measuring outcomes to see if the mission is achieved. Bolduc et al (2007), in a study of how foundations use strategy, refer to "a framework for decision making that is (1) focused on the external context in which the foundation works and (2) includes a hypothesized causal connection between use of foundation resources and goal achievement" (p. 2). Their research determined that while some foundations are quite strategic, many foundation leaders do not use strategy consistently in their organization's philanthropic work.

In discussing activities of individual philanthropists, Brest & Harvey (2008) assert that strategic philanthropy is about maximizing the "social return on investment," and that strategy is a design for achieving this goal. Helping donors to understand these concepts and to apply them correctly is an important part of the work of donor advisors, they say.

The interest in this study is in more than "checkbook philanthropy," or setting up a foundation or donor advised fund primarily for tax purposes. Donor advisors can help with these perfectly legitimate tasks, of course, but the focus here is on advising that helps donors with the "art of strategic giving," as it is termed by Frumkin (2006).

Definition of Donor Advisors

The seven types of donor advisors interviewed in this study are defined as follows:

* *private bankers* - private banks are units of banking institutions that provide more personalized and extensive services to wealthy

clients. Most US banks now have a private banking division intended to attract high-net-worth clients. Banks also have philanthropic divisions that manage philanthropic assets of both individual and institutional clients. They often get referrals from other parts of the bank with existing clients, including the private banks.

* *trust and estate attorneys* - these attorneys help clients prepare the legal path for passing their estate along to heirs or to philanthropic causes, or both. They prepare wills, set up trusts and provide other legal services, all of which can have philanthropic implications. Legal practitioners increasingly see these relationships as psychological in nature, as indicated by the existence of an American Bar Association Committee on Emotional and Psychological Aspects of Estate Planning.

* *accountants* - accountants and accounting firms handle the tax reporting and financial management needs of wealthy clients, which may again bring them into contact with philanthropic interests and activities.

* *wealth managers* - both individual advisors and large financial institutions take "assets under management" from wealthy clients, helping them make investment decisions intended to preserve and grow their fortunes. They may also provide philanthropic advice, especially where this may have implications for wealth management.

* *philanthropic advisors* - these individuals and firms specialize in advising wealthy clients on their philanthropic activities, helping them design and implement philanthropic strategies, learn about charitable causes and about the process of philanthropy, and network with other donors and the larger nonprofit community.

* *family office managers* - increasingly, wealthy families have their investment, financial and accounting needs handled as a group by a family office (the model for this is the Rockefeller Family Office which has existed since the 1920s). Family offices also may provide advice about or directly take on the management of the family's philanthropic enterprises.

* *institutional development directors* - both universities and large nonprofit organizations have staff whose job it is to recruit donors to give to the institution. Often these development directors serve as philanthropic advisors to wealthy individuals who are the institution's major donors.

This is an exploratory study, so no pretense that all categories have been included. For instance, the study did not include financial planners, as initial information seemed to suggest that these professionals work less with high-net-worth clients, who are more likely to have financial planning included as part of services in other categories, but this may not always be true. Nor were staff of family or community foundations, whose advice is focused on grantmaking, though of course they may also provide more general guidance on philanthropic strategy (and both would be good subjects for an expanded inquiry)

Also, the study did not include family systems psychologists, family wealth consultants, or family business consultants, all of whom frequently play a role in the shaping of a wealthy donor's philanthropy. One interviewee was included who advises on issues related to public communications about the donor and his or her philanthropic work, but advisors offering other types of specialized expertise were not.

Still, the array of donor advisors interviewed is quite broad, as are the backgrounds and contexts in which they provide philanthropic advice:

1 - Some of those interviewed are individual practitioners, some part of small boutique firms, some part of large professional practices or huge corporations.

2 - Advisors in fields like banking, law, accounting and wealth management (including the wealth

management function of family office managers) are to some extent regulated by law. However, philanthropic advising is not regulated, and there are no restrictions on who may provide advice in this area.

3 - Many if not most wealthy individuals have more than one advisor, each of which may be providing elements of philanthropic advice. This may include more than one private banker or wealth manager, "sharing the wallet" of a wealthy client.

4 - Some advisors have specific ties (or at least information about) particular religious groups, take a progressive or conservative social viewpoint, or are focused on a particular cause, as are the donors they work with. Many are specific to a particular geographic area.

5 - The advisors come from a broad range of personal and professional circumstances. None of those interviewed were originally trained to be donor advisors, all had done (or continue to do) other types of work in addition to the advising work.

6 - They come from a variety of family and religious backgrounds. In some cases, this personal background influenced both their decision to do donor advising work and how they shaped their practice. Some of those interviewed had an academic background (historian, medievalist) that they felt helped to develop the skill set needed to do this kind of work. Others had previously been school principals, business executives, entrepreneurs, or foundation directors.

7 - Advisors often have taken multiple paths to get to their current work. For example, one was a tax attorney, turned investment advisor, turned Chartered Financial Analyst, turned philanthropic advisor with a Certified Advisor in Philanthropy designation.

Definition of the Larger Philanthropic Landscape

Individual donors and families, and the advisors supporting them, are just one part of the overall philanthropic infrastructure in the U.S. This infrastructure also includes private, family, community and corporate foundations. And it includes various instruments individual donors can use in addition to setting up a foundation - various types of trusts, donor advised funds (both at community foundations and private financial institutions), and instruments provided by both some philanthropic advisors and by intermediary organizations.

Increasingly, donors (especially those in the ultra-high-net worth category) may have a portfolio of philanthropic instruments, as already mentioned. Nonprofit organizations, including intermediaries that help to bring together work in a particular field, may also serve in an advisory role with wealthy individuals, helping them to make philanthropic decisions.

Professional and trade associations exist for each type of advisor, including a few oriented specifically to philanthropy, or even to donor advisors. For example, the Seattle Philanthropic Advisors Network (SPAN) brings together donor advisors in the Seattle region, for educational and networking events. A recent meeting of this group featured Bill Gates, Sr. as a luncheon guest speaker.

Peer networking organizations are becoming increasingly common for learning and giving for wealthy individuals – many of which were started by individuals of wealth. They help donors learn about causes, learn about the role of philanthropy in family life, and learn about strategies for giving, including collaborations. Giving circles, although focused on combining philanthropic resources, also can serve an educational function for donors.

Other parts of the philanthropic universe include academic organizations studying philanthropy and independent researchers on the same subject. The Center on Philanthropy at Indiana University has a graduate degree program in philanthropy, though this is more for training of academics than practitioners. In addition, there are a few entities offering training specifically in philanthropic advising, often through limited, one-shot seminars offered by financial institutions such as banks.

New models of philanthropy are emerging all the time. For example, the Pew Trusts, originally a grantmaking foundation, recently converted into a public charity so that it can receive funds from a variety of donors and collaborate with them on projects. Pew now will design a philanthropic program specifically for a donor-client, or will offer opportunities for a donor to invest in programs they already have operating, through pooled charitable investments.

Some geographical environments are richer than others. In the Pacific Northwest, for example, the resources are very extensive. There is a strong community foundation with tremendous outreach; there also is Social Venture Partners (one of the first and the most effective giving circles), the Women's Foundation (which has its own donor education program); and individual consultants such as Frank Minton, a particularly well-known philanthropic advisor. There is a network of CPAs and financial planners, and there also is the Seattle Philanthropic Advisors Network, mentioned above. Other resources in Seattle include the Washington Planned Giving Council, and Philanthropy Northwest, the networking organization for foundations in the areas.

Study Findings

The 75 interviews conducted for this study took place between February 2007 and January 2008. As mentioned, most were done by telephone. Interviewees were promised that they would not be identified by name in any of the results presented, but that they would be acknowledged collectively in a list of interviewees (given at the end of this report).

Analysis was undertaken independently by the two researchers, identifying major themes, recommendations and best practices that then were woven into the study report. All conclusions and themes are very tentative because the study's interview sample was both small and opportunistic rather than representative. The results are just beginning to delve into the complicated practice of donor advising about philanthropy.

To increase the accuracy of the findings and conclusions from them, interviewees were all provided with a draft of the study report for their review and commentary, and their input was incorporated into the final version. Responsibility for all interpretations made, of course, rests only with the study's authors.

A total of five major findings emerged from the study:

Theme 1 - Effective donor advising takes many forms, but has four common elements and eight typical activities

Theme 2 - Donor advising in the U.S. is a fast-growing cottage industry which has not yet fully developed a business model

Theme 3 - More rigorous training and practice guidelines for donor advisors are needed

Theme 4 - Providing opportunities for donor learning is an important part of donor advising

Theme 5 - Donor advisors can help in promoting donor collaborations

Each of these is discussed separately in the remainder of this section of the study report, including quotations from the 75 interviewees. None of these quotes are attributed, since interviewees were promised anonymity.

Theme 1 - Effective donor advising takes many forms, but has four core elements and eight typical activities

There was a remarkable consistency amongst the 75 interviewees about the core elements of effective donor advising. Though these took different forms for different advisors, in both their depth and formality, all figured importantly in the work of the advisors we interviewed. The four core elements are:

* *building trust between advisor and donor*

* *finding a psychologically-based understanding of donor intent and behavior*

* *drawing on knowledge and experience with philanthropy, the nonprofit sector and the community*

* *doing skillful research to provide data for donor decision-making*

The donor advisors interviewed interact with their clients on some or all of the typical activities presented below, each of which is expressed here also as a question the donor asks him or herself, and which the advising process helps to answer:

* *financial assessment* - do I have the financial resources to be philanthropic?

* *values clarification* - what deeply-held values guide my philanthropic desires?

* *family involvement* - how and to what extent should my other family members be involved, and how are they likely to be impacted by philanthropy?

* *structure* - what philanthropic instruments fit my tax, financial and legal circumstances (as well as my values), and how will the instruments I choose be created?

* *actions* - what grants will be made or other actions taken to fulfill my plans?

* *learning & peer networking* - what opportunities are there for me to learn more about philanthropy, either from direct experience or from interaction with peers?

* *collaboration* - what opportunities are there for me to collaborate with other donors or foundations, and what are the advantages/disadvantages of doing so?

* *evaluation* - how do I define and measure the success of my philanthropic activities?

These can be considered the activities most likely to be engaged in by donor advising on philanthropy. Advisors might provide input on only one, on some or on all of these. In some cases, different advisors may provide input on different elements.

Beyond this, there is a great range of practice. For example, some advisors are *pro-active* – they reach out to their clients to discuss philanthropy as an option, as part of financial and estate planning. Others are largely *reactive*. Such advisors respond to a client's expressed desire to develop some sort of philanthropic strategy, but do not bring up the subject unless the client does (philanthropic advisors are engaged only if philanthropy already is expressed as a client's desire, but they too can differ in their degree of pro-activeness with clients).

Many interviewees reported conducting or observing advisory work that focused only on financial, legal or fundraising issues, even when mention was made about "helping clients leave a legacy" or otherwise engage in philanthropic endeavors. Many others reported being deeply and actively engaged in helping to shape clients' philanthropic strategies.

Finally, advisors focus on whatever is the *nature of their practice* – legal, financial, fundraising or philanthropic (the four types of activities that were the concentration of this study). The interviews revealed a great range of styles and specific methods used to carry out that focus.

For the pro-active advisors, or for the reactive advisors whose clients ask about philanthropy, the steps that follow may be small and informal, or large and overtly strategic. In many cases, the whole purpose of the donor advising is to help donors become more strategic in their giving. Said one advisor: "We turn them from accidental donors to intentional philanthropists" and another said "We move them from checkbook to strategic philanthropy."

Each of the four core elements and eight typical activities will now be discussed separately.

Core Element 1 - Trust

The single most common word people used to describe the source of success in donor advising was *trust*. This was true no matter the type of advisor, or the type of advising work being done. Based upon personal relationship, referral from trusted others, and/or community reputation, advisors who can generate a trustful relationship with their donor clients have the psychic raw material to develop an effective advising relationship. Sometimes the trust factor is also a function of social familiarity – people who come from the same social milieu as the donor have an edge in terms of a "looks like us" sort of trust.

Often the trust has developed through some specific activity the advisor completed successfully for the donor. For instance, a trust and estate attorney who's done a good will or trust, a wealth manager whose investments have performed well, a banker who provides financial information or services – these, said numerous interviewees, help to create a climate of trust which can generalize to asking the advisor for philanthropic advice and action.

There were some caveats. People who are trusted are not necessarily competent, said a number of our interviewees. Once trust is established, donors are inclined to take advice even though it may not in fact be coming from well-informed, experienced judgment on the part of the advisor. This may particularly be a problem for advisors who are truly quite expert in legal or financial matters, but don't have a background in philanthropy. They may have entirely honorable intentions, but not know the "edges of their own competence," to use a term of Berkshire-Hathaway's Charles Munger.

Moreover, many donors don't have the background to judge competence so they must rely on whom they trust. Said one interviewee: "What's troubling is that people of wealth have no idea how to set things up – they find their way to an estate planner or attorney they trust, but who doesn't explain all the complexities or regulatory burden and they are often frustrated later."

Another interviewee provided an example: "For a wealthy retired physician, an accountant set up a foundation. But the physician didn't really have enough money to do this, and as a donor was not interested in that kind of more engaged philanthropy." Thus, the foundation was not a success, and the donor's philanthropic ambitions were somewhat thwarted.

Also, there is some suspiciousness of advisors who charge fees for their philanthropic services. Some wealthy individuals, interviewees said, are perfectly comfortable paying for legal or financial advice, but not for philanthropic input, which they subjectively feel should be free.

For those advisors not specializing in philanthropic advising, the provision of some philanthropic input may be done without fee, but this is changing as the demand for this service increases. It also is changing as both advisor and donor begin to understand better how complex effective philanthropic advising can be.

On the other side, there is legitimate self-interest for advisors, who are professionals rightly wanting to be paid for their services, but also a potential for exploitation. Several interviewees said donors should always ask: "whose agenda is it?" when talking with an advisor.

Core Element 2 - Psychologically-based understanding

The foundation of the donor-advisor relationship, and one of the wellsprings of trust within it, is the development of a psychologically-based understanding by the advisor of the donor's needs, aspirations and complex relationship to philanthropy. Interviewees indicated that creating such an understanding requires a number of actions:

1 - The advisor must enter the relationship as a "deep listener," as one interviewee put it. They need to go deeply into helping clients understand their values and passions. Listening sets up all the other aspects of good understanding. The isolation sometimes experienced by the wealthy makes this even more important. For some clients, as one interviewee said, "They don't talk to each other even if they are socializing or playing golf, though they may exchange stories." In addition to listening well, the advisor needs to learn not to be afraid of silences, which can be followed by particularly valuable input when the donor does finally speak up.

2 - There is a need to meet clients "where they are," at whatever level of investment in and understanding of philanthropy they currently have. Pushing clients beyond these limits is not likely to turn out well, some interviewees emphasized, even if the client initially may accept the pushing!

3 - The process of working with donors thus needs to be custom-tailored to each donor and their particular circumstances, at a particular point in time – especially where psychological matters are concerned. As more than one interviewee said, this mitigates against pre-packaged approaches to donor advising, though some basic processes may be routinized across clients.

4 - Change happens within the context of relationships, so advisors need to build that relationship prior to suggesting significant changes.

5 - As with counseling or psychotherapy (or legal and financial advising not focused on philanthropy), there is an obligation not to create dependent relationships. Good advisors, many interviewees insisted, set limits, sometimes including limits on how long they will work with a donor before insisting that the donor function with some independence. However, some advisors reported working successfully with donors for years, even decades, in the context of a highly trustful, evolving relationship.

Trust is needed because money is involved – most wealthy individuals have had some negative experiences in how their money has been handled by various professionals, up to and including outright fraud or thievery. As importantly, money is a sensitive topic for many individuals of wealth, and often they are quite shy about discussing it. A trustful environment makes it easier to have an honest, open discussion about philanthropic matters that also involve money.

Moreover, many wealthy people are apprehensive about asking questions concerning philanthropy. They are accomplished individuals who don't want to look stupid or uninformed. An advisor also can create an atmosphere in which the donor can feel more comfortable in being vulnerable in this way. To use the words of one interviewee: "There is a general emotionally placed sense that donors have. Doing good is who they are as a person so it should be easy. There then is a sense of guilt or shame if they can't figure out how to do this on their own. They can feel like they're not a good person or not competent. This then becomes a failure of character not just a failure of competence."

Psychologically-based understanding by the advisor requires understanding the family as well as the individual donor. This means getting to know the family history and dynamics. It also means measuring the desired level of involvement of family by the donor. There are some specific issues related to how to get children or other relatives involved in the philanthropy.

There often is a simultaneous wish to do philanthropy well and to have an impact, and at the same time make philanthropy a core part of the family identity, their time together and their relationship. These motivations are not mutually exclusive, but they need to be managed carefully.

One of the ways to have impact is to focus the philanthropic activity on certain problems or populations. As several interviewees pointed out, if the donor is honestly trying to be inclusive of family members, this may be difficult.

A family systems background, as defined earlier, can contribute importantly to doing this part of the work Interviewees said that it is important for all types of advising, such as estate planning, not just for philanthropy. Several interviewees had formal training in that area, but until recent years there was no place to get such training, and there is not now in many geographical areas.

In particular, family systems training can help advisors better understand and deal with the complex family process around working together and making joint decisions. A lot of philanthropy gets sidetracked because family members can't work together. The effort to give stalls, doesn't work well or a strategic plan is difficult to set because of these interpersonal and family dynamic problems. The clinical resources to help families with this too often are not brought in to the advising process if the advisor does not already have this skill.

Money is still a taboo topic of conversation in many families. There is a need to create a safe environment in which people can talk about values, money and financial decision-making. This will enable them to better get to the contradictions and the emotional complications. There also needs to be recognition of diversity of values in the family, and acknowledgment of painful experiences the family may have had in the past (as well as times they have supported and sustained each other, creating interaction patterns that can be drawn on in a healthy way).

Sometimes the advisor will have to handle conflict. One advisor was involved in a family where war broke out late in the life of the donor. He created a second foundation, but there was a lawsuit and a court split up the assets. Then a new infrastructure was set up, one with public trustees not family members for the foundation, and a much simpler infrastructure to guide the philanthropic activity.

Also, at times personal issues interfere with philanthropic strategy or even create it. The example was given by one interviewee of a woman donor who created a foundation because she didn't want to leave money to her estranged daughter!

And sometimes advisors have to "clean up a lot of messes" in an existing philanthropy (to use the words of one interviewee). Mistakes may have been made by the donor or by a previous advisor, and remedial actions are needed to get the philanthropic activity on a firmer footing. This also has to be done sensitively, so as not to "trash" the previous advisor (in many cases these are attorneys, accountants or others who continue to work with the donor, even if not in a philanthropic capacity), or the donor themselves.

In at least some cases, donors (and some advisors also) come to philanthropic work with a certain level of mis-trust and disdain for the nonprofit sector. They see nonprofit organizations as inefficient and their impact as much less than what they desire. As a result they tend to focus on due diligence instead of strategy, because they are convinced that nonprofits are "inefficient, incompetent and unethical," to use the words of one interviewee.

There are also differences in these psychological elements between generations (the so-called "G1, G2 and G3," with G1 being the wealth creators and then the successive generations thereafter, who are the wealth builders and maintainers). Some advisors developed their practice working with Depression era clients or Greatest Generation clients. Their perspective on giving money away is very different than that of younger clients (e.g., a focused desire to "give back" to the country that provided them with opportunities), and advisors need to make that adjustment if their work includes a broad range of age groups.

Today, many interviewees emphasized, getting people to give money while they are living is no longer as much of an issue. As one interviewee said: "We don't need to talk them into anything, but we do need to help them figure out how to do it." In many cases clients have become quite sophisticated; they know what the issues are and what kinds of investments they're interested in making. The nature of the consultation they seek from advisors changes as a result of this increased sophistication.

Part of psychological understanding is recognizing that donors' motives may shift, sometimes repeatedly. A good advisor has to understand that donor motivations are not stable, and sometimes are deeply conflicted. One interviewee reported working with a donor for eight years. Because the donor's motivations and actions shifted so often, at the end of that time the advisor felt less sure of the donor's underlying motives than did other advisors who came in and had one conversation with the donor.

On the more positive side, many donors have a real learning curve over their philanthropic lifetimes. This has been discussed in biographies of wealthy people, and also in philanthropic writings. For example, Andrew Carnegie changed his views about philanthropy over a 20 year period, as have many others. The good advisor has to establish where the donor is on that trajectory of learning and try to guide progress to the next steps. This may lead from an initial definition in the donor's mind, to something that can be expressed and even put into writing.

There is a psychological side for the advisor too. For example, donor advisors must be able to work with powerful people who don't necessarily know much about the subject on which they're seeking advice, and they must be comfortable with the realities of great wealth and power. Some interviewees said that this is not work that suits everyone, and that psychological comfort with the world of the wealthy and the lifestyle that goes with it is essential to success.

Finally, donor recognition is a psychological issue advisors sometimes may need to confront. Some donors desperately want to be recognized in a public, and symbolic way, for the gift they have given. Others are just as strongly motivated to remain anonymous, or at least to be recognized very simply. Advisors need to address this issue very sensitively, and respect the donor's desires.

Core Element 3 - Knowledge and experience

Advisors of course need expertise in their primary domain of advising. The concentration in this study is on *philanthropic* knowledge and experience. The main areas of expertise needed are in (a) forms of philanthropic vehicles, (b) the nonprofit community, including appropriate charities for investments and how philanthropic choices relate to legal and financial choices (and to donation decisions in the case of fundraising-based advisors), (c) the process of planning, and (d) the social and family contexts of wealthy donors.

Many interviewees were concerned that advisors often lack one or more of these areas of knowledge and experience. One observed: "I don't see people getting the whole continuum of information they need to make decisions, especially about philanthropic vehicles."

This may mean that a donor will get different opinions from different advisors. A community foundation will give one message regarding donor advised funds; attorneys another about foundations; wealth managers about investment products that they have a stake in selling them; and so forth. What people need, said another interviewee, is "a full range of value-neutral options."

This has practical consequences that can affect philanthropic performance. Said one interviewee: "A lot of people say they are in a giving vehicle that doesn't suit them," an interviewee commented, but "they don't know how to make the switch, say from a donor advised fund that doesn't give them much chance for input to another vehicle that does." On the other hand, donors need to know the complications of each available vehicle. For instance, they probably should not start up a foundation unless they have a long-term view and want to be quite involved.

In short, because of the limits of input they receive from their advisors or other sources, "donors often have to make the most important decisions with the least amount of information," in the words of one interviewee. The effective advisor has "a lot of tools in the toolkit and can fit the tools to the donor's needs to help them make the right decisions philanthropically." Also, effective advisors know when to bring in other advisors whose expertise is needed.

Core Element 4 - Skillful research

Information both about structuring their philanthropy and about the nonprofits or issues in which they make investments is fundamental to a donor's success. Good advisors are good thinkers who can synthesize information about the interests of their donor advisees – about the charities they want to invest in, about issues they care about, about the philanthropic vehicles that are open to them, about how these relate to the larger environment of their community or the world.

Sometimes this information comes from some type of systematic information-gathering the advisor undertakes on behalf of the donor. One interviewee reported undertaking a months-long study of the particular institution in which the donor was considering an investment, looking at its larger community context, what other funders were supporting it, and how to leverage an investment the donor might make to enhance long-term sustainability. Another talked about hiring experts to conduct an environmental scan in the donor's chosen topic area of interest, to determine where the most strategic investment could be made.

Whether this research requires an informal inquiry or a formal study commissioned out to a third-party expert, skillful research is fundamental to the effectiveness of most donor advisors. Advisors also need to be able to communicate what they learn so that their research can be used by donors for good decision-making. Success may include understanding the way in which the donor absorbs information most effectively (written report, Power Point, verbal presentation, etc.).

Research skills advisors originally developed in their previous lives in an academic institution can be very helpful here. Several interviewees originally were trained as historians, and have made good use of that training in their donor advising work. For them, research means more than just the search for information through reading, interviewing or site visiting. It means having a permanent curiosity about the way the world works, and the willingness to investigate how the donor's philanthropic objectives fit into a larger environment. The donor will make the ultimate decisions, but having adequate information available can help to shape good decision-making.

The range of donor advising activities

Interviewees tend to connect and work with their clients in many different venues and styles. Referrals from other professionals are common, as well as connections through business or social relationships. As one interviewee said, "serendipity has as much to do with it as anything."

Frequently, donors will have done some philanthropic work on their own before coming to an advisor. Sometimes their self-initiated efforts are successful and they approach an advisor because they want to build on that success. More often, interviewees said, donors come to an advisor because their efforts (or those of a previous advisor) didn't work out so well, and they are frustrated.

Often the advisory relationship begins without a specific focus on philanthropy, and that develops later (though in a number of interviews here advisors were clear that they often don't deal with their clients philanthropy at all). The philanthropic focus when it happens can range from recommending a specific charity the client might find of interest, to suggesting an issue or community that could be the aim of the client's philanthropy, to developing some sort of ongoing program. Strategy can be involved in even the simplest activities, e.g., keeping a roster of all the checks a donor has written.

Donor advising thus covers a great deal of territory, and "there is no generic version of a philanthropic consultant," as one interviewee observed. While some advisors look on "philanthropy as either a tax exercise or a threat to maintaining the asset base" others see it as an important aspect of the client's life and goals, with according attention to it by the advisor. The relationship is with the individual donor or family, even though a foundation or other organizational structure may be involved.

Some of the donor advisors interviewed had very little to do with philanthropy, and said so. Legal and financial advisors may simply not deal with clients' philanthropic activities, and sometimes this is because clients are not much interested in them. In other cases, there is philanthropic activity such as setting up a foundation for the tax benefit it will provide, but little in the way of strategy other than being sure the foundation meets its payout requirement and otherwise is compliant with the law.

At the other end of the spectrum are not only advisors specializing in philanthropic strategy, but also some who work in full-service philanthropic firms that also provide tax and legal advice, investment management as well as guidance on philanthropic strategy. Many donors have more than one advisor. They might have an accountant, a trust and estate attorney, a wealth manager, a banker, and a philanthropic advisor.

Also, within a single organization there may be more than one person serving a high-net-worth client. One of the financial advisors interviewed asserted that in any community the banks and wealth management firms are all chasing the same high net worth and ultra high net worth clients. And these clients may diversify their financial portfolio, putting parts of their resources under different firms so that the firms "share clients' wallets," as one interviewee put it.

Examples of practice

To provide a larger frame for the discussion of specific donor advisor activities that follows, here are several examples of practice from the 75 interviews conducted:

* One donor advisor reports she helps clients "do what they want to do" philanthropically across a broad range of intent and activities. This may mean helping her client develop grant guidelines and structures for a new activity. Or it may mean refining the directions and specifics of a long-standing charity.

She works to ensure the programs they want to establish are actualized and accomplish what the donors want. She does due diligence work, determining through a research process whether the charities her client is considering are good ones to invest in. She helped one client establish a foundation through which charitable work focused on the international arena can be done. The advisor also smooths the way with relevant U.S. regulatory bodies to be sure that the money is transferred appropriately to charities in other countries.

* Another advisor reports having developed a "philosophy of philanthropy" for clients that resonates with a investment banking philosophy:

- funding longterm
- building relationships in a community
- educating donors about the field in which they're giving
- helping donors become visible, "public ambassadors" to that field
- creating a narrow focus for the work, e.g., "early intervention for mothers at-risk"
- setting mission, vision, guidelines for that focus
- bringing on smart legal and investment advice to build a team for the donor

* An advisor sees philanthropic input coming in the same form as help clients receive with their investment portfolio, tax matters, and general estate planning. It is driven by a customized approach to what the client needs. To learn about those needs, the advisor has detailed conversations with the client, to determine both explicit and implicit goals. Says the advisor, "we have thoughts but want to hear what the client wants; we don't do a pre-packaged approach, like donor advised funds, for every client."

* Another advisor sees her work as beginning with dialogues that identify the donor's particular passions and specific areas of interest. Then she hires a researcher to benchmark each field of interest – topics like mentoring of disadvantaged youth, preventing diabetes, etc. Next, she brings together experts to meet with the donors, including both content experts and other funders. Finally, at the end of this process she helps the donor identify where are the gaps and where the donor might make the greatest difference. This leads to the development of a strategy that can be implemented with specific philanthropic activities, and to the creation of one or more philanthropic vehicles (foundation, donor advised fund, trust, etc.).

* "All families are unique," an advisor says in speaking of his work with clients. A portion of his client base does nothing in philanthropy, so he simply mentions philanthropy as an option for estate and tax planning. Some clients say "I've just made $5 million and I'm still churning very hard so philanthropy isn't a goal right now." Then there are clients in the middle, who "want a donor advised fund but pretty plain vanilla," which they appreciate largely for the tax impact. And then are the other end of the spectrum are clients who spend the majority of their time doing philanthropic work.

* Another advisor's new client focused a high level of importance on having a family meeting, to determine how the donor and his spouse could best engage their children in philanthropic activities. After the meeting, the advisor worked with the donor to put together a mission statement for this purpose. Added to that was a philanthropic strategy the advisor created, one that respects the individual goals and preferences of each family member.

Examples of how strategy is addressed

Interviewees frequently mentioned that they try to educate their clients about the advantages of having a strategy to focus their philanthropy. Said one: "Our donors are on the cusp - we turn them from accidental donors to intentional philanthropists."

Out of the basic strategy may come not only specific charities, issues or communities to focus on, but also the desire to do research (or have the advisor do it), make site visits, and otherwise build the knowledge base on which good philanthropic decisions can be made. Everybody comes in at a different point of maturation and experience, but in most cases some sort of values clarification across generations can help identify core giving areas of interest.

These are then put into the larger context of charitable giving (both in life and in death) and giving to heirs. As one interviewee put it: "We try to focus and bring out people's philanthropic intent, which they usually have but don't know they have."

Several interviewees emphasized that the amount of giving has to be of a certain size for it to make sense to create a detailed strategy. But given some significant level of resources, a written strategy can dovetail neatly with financial and estate planning, e.g., about leaving a legacy. Some self-examination is usually part of this, so that the strategy is informed by the person's values.

Said one interviewee: "there is a general lack of recognition – not just among donors but among many types of advisors – about the value of strategy. There is a general sense that philanthropy consists of choosing a list of grantees." Some advisors specifically ask their clients if they are interested in knowing what their impact is, because if they say yes then strategy can be discussed.

Often even very sophisticated donors don't know about strategy and would "faint if they heard about a theory of change and logic model," as one interviewee expressed it. Advisors have to meet people where they are and define strategy in terms the donor and family members can understand. Sometimes the advisor also needs to work with the donor to temper unrealistic expectations about what they can accomplish or how they can measure success. The strategy can then be adjusted to align with these more realistic expectations.

Typical Activity 1 - Financial assessment

Timing often weighs heavily in the development of philanthropy. Frequently, people come to advisors because of a liquidity event in business, a serious health diagnosis of the donor, or the death of a family member and inheritance issues. Tax matters often underlie the urgency of seeking professional advice, with estate planning not far behind.

Whatever brings the client in the door, one of the first steps is to determine "how much is enough" in protecting their assets and assuring that the client's current lifestyle can be maintained (or if a reduction in lifestyle is needed in order to make available the resources for meeting philanthropic goals, determining that such a step is acceptable). The whole financial picture is needed to make this judgment.

Often the risk is much less than the donor thinks, and they can give more than they thought they could. Development of a financial model representing the client's present and anticipated future situation often is helpful in making these decisions. This exploration culminates in what one interviewee calls "financial discernment" – a self-reflective clarification to determine how financially secure the clients is.

Advisors take the client through the numbers, and measure what's needed to maintain a certain desired lifestyle. Conservative projection of expenses then allows a determination of what income is available for philanthropy, and what impact that will have on taxes.

As another interviewee said, "I have never met a donor who didn't have a good idea what they want to do. The real opportunities come when the financial threshold goes beyond what they can do with the money they have to spend for legal reasons, so they need help in giving more away. This is when they get strategic."

Typical Activity 2 - Values clarification

The next step is to identify the values about giving that are important to the client. This can involve delineating specific philanthropic goals: for instance, to differentiate between ameliorative solutions and root solutions (which gets into policy and advocacy).

Values clarification sometimes involves constructing a kind of "moral biography" so the donor can see the "big picture" of their personal values, partly by looking at how they've implemented them already in their lives (e.g., in different types of charitable activity - giving money, volunteering, etc.). This can be done through a biographical interview the advisor conducts, teasing out enduring principles from amongst a lot of activities the donor has engaged in.

There are other ways to clarify values, according to those interviewed. For instance, an advisor can ask clients "who they admire and why." Or they can ask clients to tell them a story from the client's childhood that relates to some type of charitable activity in the family of origin. Or they can ask the client: "If you think about what you heard on the news the last week what got you going?"

Some advisors create exercises for their clients about values, such as writing out a list of personal values that can then be compared between husband, wife and children (see next section). Sometimes a visual exercise like "draw a family crest" can be part of the process. And the advisor may ask the client to look at the milestones in their lives. What do they remember as very deep experiences for themselves?

A critical part of the donor advisor's work is to reflect back to the client what they are saying. This serves both to refine donor intent and to identify new areas for possible philanthropic activity. The resulting "moral compass" identified relates not just to philanthropic activity but to family values, business values and larger societal attitudes. Sometimes this is done by the individual or couple separately, and sometimes it involves the entire family (See next section).

Said one interviewee: "we go through a scoping or an initial conversation over one to two days, to get people to sort out their priorities." This involves taking clients through an exercise of "thinking into the future" – what would they like to see and work backwards from that point. Twenty years from now, what would be the most important changes to see (improvements in education, poverty alleviation, and so forth)? From that they can focus on one or more strategies they can explore in more depth.

Advisors reported they encourage people to be deliberate – to explore a field and find out what they respond to most (hands-on work in the community with individual people, advocacy work at a larger policy level, etc.) without making too many commitments up front. This will help to develop the ability to engage. Said one interviewee: "Donors often have a pretty clear idea of what they're interested in but may have only superficial knowledge of the topic." The advisor can find community settings in which the donor can learn both about their interests and about themselves."

Ultimately, the biggest impact on donors in clarifying their underlying philanthropic values happens when they get out into the field and see the reality of the people and environments they want to affect. Thus many advisors try to arrange site visits, sometimes with the donors remaining anonymous, and perhaps just participating as observers at the beginning.

Typical Activity 3 - Family involvement

The next step is to determine whether and how the family will be involved with the donor's philanthropic activity. One interviewee suggests that the process always "start with the fundamental values of the family. These can be more successfully stimulated by an outsider; they are more apparent from the outside looking in."

Another interviewee emphasizes that "when you're dealing with several family members there is usually a dominant speaker, so I have to encourage the others to speak. Sometimes I will meet with people individually because, for example, the grandkids might have too much respect for the grandparents to speak up."

In addition to looking for specific areas of philanthropic activity, this family discussion can focus on the overall family legacy. Is this related to the source of the wealth to be distributed? Is it related to family background, culture, religious values, etc.?

Sometimes, interviewees reported, getting families or individuals to make decisions can be a problem. There are so many choices about how and where to give, and how to structure philanthropy, and so few constraints. And especially since first generation wealthy individuals are often highly driven perfectionist types, they may delay making a decision for an unreasonable time because they want to be sure to get it right. Then the advisor may need to provide some gentle pressure to move ahead, even without complete information.

Typical Activity 4 - Structure

Next, the advisor needs to sort through with the donor (and the family) what the many options are for structuring the philanthropic activity. As mentioned previously, that means that advisors need to be well-informed themselves about these options – foundations of different sorts, supporting organizations, donor advised funds, trusts of various types, funder collaboratives (giving circles, formal collaboratives, etc.), checkbook philanthropy, and so forth.

Interviewees had concerns in this arena. Some said that too many advisors are still trying to use old templates because this is what they know. The donor may not be satisfied with the results, and goes to another advisor, but doesn't give feedback. This leaves the original donor advisor in a state of "happy incompetence" – no opportunity for learning how to do better.

For instance, one advisor reported that his clients "become more philanthropic after they have been shown how to give as much as they have been giving over time but with different assets in ways that save them lots in taxes." Charitable giving using appreciated stocks or real estate, setting up lead trusts or other instruments that affect tax consequences, and numerous other options can be presented by a knowledgeable advisor for the client's consideration, also taking into account the client's personal and family values.

The unstructured state of the field of donor advising of course has an impact on this. Since there are so few external standards and not much formal communication about state-of-the-art practice, there aren't many ways for advisors to learn how to do better in this technical realm.

Typical Activity 5 - Actions

Once the underlying philanthropic structure has been set up, more specific actions can be taken. The advisor's role here is to provide counsel around technical issues – first, setting up all the procedures by which potential grant recipients will be evaluated (called "due diligence"), and second, setting up the structures by which action will be taken – how grants will be made, for instance. This may include a number of action alternatives, such as multi-year grants, capacity building grants, operating support grants, grant initiatives, Requests for Proposals, etc.

As one advisor said, this is a developmental process: "We try to measure what is reasonable in terms of scope, and not bite off more than the donor can chew especially at the beginning. We don't want people to be overwhelmed with too much information or too many grant proposals." This advisor introduces clients to a small cadre of organizations that might match their interests, and informs them about the due diligence concept and how it can be applied to each of these potential recipients. Later the base can be expanded as the donor's experience and sophistication increases.

One interviewee said of her firm: "Our hallmark is an understanding that this business is 10% inspiration and 90% process – having a wonderful idea and terrific intentions but not implementing them very well can be as forbidding to real change as not having a wonderful idea." This is where strategy comes in, to focus the actions and how they are carried out.

Some philanthropic advisors will structure and also may operate a system for philanthropic action on behalf of their clients. This may include serving as initial or even permanent executive director of a family foundation, or other active roles. Sometimes it also includes proprietary software for managing the "back office" of the client's philanthropy.

Finally, the advisor sometimes may serve as a "voice" for the client, representing them in their communities of interest, and with other philanthropic entities. This can be particularly important for clients desiring to maintain a high degree of privacy in their philanthropy.

Typical Activity 6 - Learning & peer networking

As the philanthropic strategy is set in place, many donors are interested in learning more about philanthropy, and about the environment in which it operates. Interviewees suggested that this learning process often has already begun in the family and social context of the donor. Donors often report to advisors that they learned about philanthropy by watching a parent, a friend, someone in their church or synagogue, or a business associate.

Learning experiences may range from providing specific information on prospective grantees or communities, to more conceptual matters, e.g., helping the client understand the different types of outcome evaluation they may want to consider, depending on how much need they have for outcome data and how they intend to use them. Often this education is experiential in nature, provided by bringing clients together with other philanthropists or philanthropic institutions to observe best practices, by going out into the field on site visits, or connecting clients with peer networking experiences as described below.

Collectively, these learning and peer networking experiences provided by an advisor constitute an important source of capacity building for the donor's philanthropy, regardless of the philanthropic instrument(s) in place. However, not all interviewees get involved in providing this service to their clients, even if they are offering input to them directly about how to structure their philanthropy. Some don't have the contacts or background to do so, while others don't see it as part of their responsibility. Several interviewees reported they see such activities as potentially intrusive, and that their clients prefer to search out their own learning experiences.

But a number of the advisors interviewed look on the client learning component as a critical element of the service they provide. Advisors develop these learning experiences through their connections with the community, and sometimes through the work they've done with other donors.

Frequently the most powerful learning experiences are those that arise out of peer networking. More than a few of the advisors interviewed see making "learning connections" between their donor clients and his or her peers as fundamental to the service they provide. Because these activities are the focus of one of the five main study themes, they will be summarized in more detail below.

Typical Activity 7 - Collaboration

To extend the impact of their philanthropic dollars, many advisors will help their clients find opportunities for collaboration of some types. This may be with another individual donor, with a group of donors (e.g., through a giving circle or other instrument for joint giving), or with a foundation, government agency or corporation in the community. The point is to leverage the donor's dollars. This is often done not just through conjoint giving but through using the donor's resources strategically to get others to give more (challenge or matching grants, etc.). Again, because these activities are the focus of one of the five main study themes, they will be summarized in more detail below.

Typical Activity 8 - Evaluation

Some donor advisors help their clients determine how effective their charitable activities have been, and how they might be improved in the future. This may include an annual review by the advisor of all philanthropic dollars spent, or it may involve an annual report on impact achieved from grantees.

In some cases the advisor may help the client set up an entire system for evaluation. As one interviewee described it: "We write software for each client tailored to their philanthropic strategy so they can get statistics on how well they're doing," such as how many children were taught to read through a program the philanthropist funds.

The interviewees included a few who were contrarians on the subject of evaluation. One advisor does not encourage the push toward accountability characteristic of many other advisors. Rather, she encourages a long-term view of giving and returns, in which even an annual review may not show the desired impact.

For example, one of this advisor's clients originally asked for quarterly reports from a grantee. They did not receive good reports. Then they tried to fund an organization, hoping other donors or foundations would join them, and lead to measurable results. This did not happen. They are now in the seventh year of their philanthropy, and now realize that measurable results are not easy to ascertain. It may take years more to fulfill their goal.

This advisor tries to help clients be clear as to their expectations: what is achievable, and have realistic time horizons. The philosophy is that the donor can be an equity investor and over time can have an impact. Frequently, it isn't realistic to ask for results on a yearly basis.

Particularly for complex problems, the advisor helps donors put their giving into a larger context in order to understand the impact of their philanthropy. The donor must understand the time horizon, where the intervention is occurring, and aware what can be measured, and how they can be held accountable. "Great dreams have no fear of time" was how one interviewee expressed it.

Personal background of donor advisors

As already stated, advisors come from a variety of backgrounds. Not one went to school to study to become a donor advisor, and not one planned on working with donors as a major professional activity (though some may have long-planned to work in the legal or financial field - it is the philanthropy part of their career which appears to have been unanticipated in every case).

Some donor advisors got involved in philanthropic advising because their clients (initially focused on other subjects like estate planning) asked them for assistance. Amongst the sample of advisors focused on philanthropic work, most had some prior contact with philanthropy through foundations they worked for, or their own personal philanthropy.

The latter constitutes a particularly important element that has emerged in this research. The study included interviews with a number of *dual passport* donor advisors. These are persons of wealth who also provide professional service as philanthropic advisors. They have made a decision about focusing their professional energies on helping other wealthy individuals, their peers, develop and implement philanthropic strategies.

These dual passport advisors are in a unique position to generate trust, and to use their own personal experience to guide the work they do with donors. They can speak with an unforced, natural authority out of that personal experience, and it also provides them with a fund of contacts, examples and information.

However, as several interviewees stressed, a "dual passport" does not guarantee that the person will do good donor advising work. For example, a person of wealth who's had no personal or family experience with philanthropy, or any professional training in advisory work, may be quite limited in their philanthropic expertise (though they may still have a perspective on other issues of wealth that give them something in common with clients). Nor does it mean those who do not come from such backgrounds can't be effective. But this is a special category and needs more study, as will be recommended later.

There may also be strong connections between the advisor's personal and family philanthropic history and their donor advising work – this too needs more study. For example, several of the advisors interviewed indicated that their pro-active work with donors was the result, at least to some extent, of early observations of philanthropy in the family household. Moreover, that background had influenced them initially in deciding to go into donor advisor work as a major professional activity.

Some donor advisors are not even clearly identified as such, but work informally behind the scenes, on a compensated or uncompensated basis, with wealthy individuals, sometimes for many years. One interviewee gave the example of a foundation executive who also has served for decades as advisor to one of America's great families of wealth in designing and carrying out its philanthropic plans. Such informal but significant advising can have great impact, and also needs further study.

Theme 2 - Donor advising in the U.S. is a fast-growing cottage industry which has not yet fully developed a business model

Increased donor advising focused on philanthropy

Donor advising focused on philanthropy is a cottage industry because the infrastructure internally and externally is still limited. Some practices or firms are set up formally and are well-linked to the larger philanthropic world. Others are not.

Practice in this area is certainly fast-growing (this is true of donor advising on legal, financial and university/nonprofit giving matters as well, but these were not the main subject of attention in this study), because of several developments that already were mentioned in brief:

(1) the recent sea changes in the public visibility of philanthropy, particularly through the activities of Bill and Melinda Gates and Warren Buffett;

(2) the increase in the number of wealthy people able to give philanthropically (including the baby boomers who will be initiating trillions of dollars in wealth transfer in the coming years); and

(3) the increased demand for services as these people realize their philanthropy can be more effective if it is professionally supported, just as investment management is.

Nonetheless, the overall state of development is still fairly modest at present, despite this forces for rapid growth. As one interviewee put it: "As a sector it is where doctors and lawyers were 150 years ago." The majority of people doing this work are financial and legal advisors who have no training in philanthropy. If they have access to someone with a philanthropic background, said an interviewee, some may ask "Teach me the basics so I won't look stupid." In other cases, advisors are reluctant either to admit what they don't know or to reach out for expert consultation, so if a client asks them for philanthropic input, they'll do their best on their own to provide it.

Several interviewees asserted that most people in the financial industry are investment/asset types and at present have no great interest in giving advice on philanthropy. However, now that their clients are beginning to demand such advice, these topics become more central to the successful client relationship. However, advisors are working hard to keep up with the non-philanthropic aspects of their work, so their responses to inquiries about philanthropy may be tailored to the importance of the client to their practice or firm.

As assistance with building philanthropic strategy is increasingly seen as adding value, donor advising is further being increased through marketing efforts. For example, in the programs of the Los Angeles Music Center throughout 2007, Wells Fargo Private Bank took a full-page ad which invites clients to the private bank so they can help "realize your philanthropic ambitions." In other regions, Citibank, Chase and Bankers Trust have taken similar ads. This increases the visibility of donor advising, and it also increases the amount of actual activity.

As already stated, this is mostly a business based on referrals. Sometimes another advisor is the referral source, sometimes it is a community foundation or other philanthropic institution. And in fact, referral is an element of professional practice for all advisors, one on which skill development and resulting expertise also is important. Growing practices and firms depend on healthy referral bases.

Also affecting the growth of the field are turf issues within larger institutions – who within the firm does philanthropic advising, and how this work contributes to increasing revenues (assets under management, fees). Other turf issues arise when a donor has more than one advisor, as is quite common today among high-net-worth individuals. Financial, legal and philanthropic advisors may have somewhat different, perhaps even conflicting interests regarding the work they do with clients, and these also have to be resolved or at least aligned if effective service is to be provided.

There is room for much more growth. According to one interviewee, perhaps 85% of affluent individuals have no vehicle in place for philanthropy. Several interviewees commented that even for those who have a vehicle, it is often the wrong one (for example, charitable remainder trusts produce taxable income but many donors don't need that; 80% of family foundations are less than $3 million in assets, which in most circumstances is simply too small to absorb the administrative costs and still leave a good amount of funds for disbursement as grants – though this is changing with the advent of administrative services like FoundationSource which provide the back office services cost-effectively).

The number of philanthropic advisory services is growing, but probably less than 5% of the potential market is being served at present A main barrier to getting engaged is lack of familiarity with philanthropic advisory services – it just isn't as familiar a process as other types of advisory services for wealthy individuals.

Other sources of philanthropic advice

Philanthropy has always been a do-it-yourself business, with many donors shaping their own philanthropic strategy without outside assistance. As the findings of this study make clear, that profile is shifting with professional advising becoming much more common. However, not all of the outside advice comes from professional advisors. Peer networking and peer-to-peer consultation through giving circles, donor learning groups and other donor-driven entities are becoming more and more common. In some cases, these activities may lead later to a donor seeking a professional advisor.

Intermediaries (nonprofit organizations that bring together nonprofits and funders in a particular cause area) often provide a platform of access to giving grants to nonprofits, especially in hard-to-reach countries and communities. Acumen, Synergos and Global Green Grants are examples. Finally, there are internet-based services both for grantmaking and learning about philanthropy. For instance, SmartLink offers a variety of online information resources and learning tools to help philanthropists make good decisions. Developed through a partnership between the Neighborhood Funders Group and the Aspen Institute, this internet resource is a kind of "virtual donor advisor."

Emerging business models

Business models for donor advising and how to take these activities to scale are not yet well-worked out, especially for individuals and institutions not focused only on philanthropy. What does philanthropic advice contribute to retaining clients, getting assets under management - and what are appropriate fees if any to charge for it? In essence, what does philanthropic advising bring to the bottom line? These are particularly important questions for the law firms, accounting firms, banks and wealth management firms that house a certain amount of philanthropic activity.

Also, with financial entities in particular rushing to offer philanthropic advising as a free service to high-net-worth clients, there is a danger of advising becoming commoditized. It may be less appealing in the future because it doesn't offer a marketing advantage, but also doesn't contribute to the bottom line. And if it is offered as a commodity but at a relatively low level, it may risk acquiring the same reputation donor education services did a few years go, according to several interviewees. Donor education, these interviewees said, was regarded as relatively superficial, and not adding much value as either donors or advisors saw it.

On the other hand, increasingly there are small consulting firm operations that often involve just one practitioner, perhaps with support staff. These small operations have to charge high fees because they have only a few clients. Getting to any economy of scale is difficult.

In several cases, interviewees said they have dealt with the economy of scale issue by using a successful model they developed for one client with a number of other clients having similar needs. This has been true both for philanthropic advisory firms and for family offices. In fact, the multiple family office is a business model that has enjoyed a fair amount of success. It provides a platform for philanthropic advising, in part because the economy of scale allows for offering some services that can be amortized across a set of clients.

And some specialized philanthropic consulting firms have been created in the last 20 years. Examples are The Philanthropic Initiative and Rockefeller Philanthropy Advisors. These offer a package of services focused on philanthropy, and both examples given happen to be nonprofits as well. Thus they have an inherently different business model.

As one interviewee put it: "No one has yet figured out how to create a philanthropic service for clients that makes money except JP Morgan. Otherwise it is relationship building and goodwill only – and the first thing to go when there is a financial hiccup." A few firms take a longer view, believing it is possible to add value and grow the business at the same time.

Selection of one or more philanthropic instruments is an important part of wealth management. The family foundation is the most lucrative option for advisors in wealth management firms. Several interviewees commented these advisors might sometimes be motivated to encourage such a structure even if it is not the best choice for the client. These advisors may also make arrangements with community foundations, to place a client there in a donor advised fund, with the fund coming back to that firm for asset management.

One business model interviewees put forth is based on the concept of the "boutique" service firm. This involves having a structured group of services but a limited number of clients. One such firm started as a single family office. They took time to "build out the platform" for their services before taking on additional clients. Then they invited a small number of additional families to join.

Some philanthropic advisors also have connections with financial institutions. They not only take referrals, but also may do training programs for staff of these institutions that in turn may refer them more business, as well as providing service internally. Also, one large bank is putting together a list of donor advisors they can then recommend to clients.

Gatekeeper roles

Financial advisors, according to those interviewed, are particularly likely to serve in a "gatekeeper" role. Thus, if a client asks about philanthropy, they may refer the client to a philanthropic advisor.

This is true in part because accountants, bankers and wealth managers see their clients more regularly than do trust and estate attorneys, whose work is much more episodic (often involving the initial set-up of trust and estate plans, then revisiting them only occasionally ... often only when there is a death or significant liquidity event). This gatekeeper role is an important one in the realm of donor advising and needs further study.

Mix of services

In a large firm if there is a "philanthropy representative" that person can do something and it won't cost much, which keeps the charges in line with what many clients are willing to pay. One large financial institution has staff to provide services related to philanthropic issues for higher-end accounts, and sometimes this involves putting on group education events also for donors/customers.

Some large wealth managers and banks are hiring people with philanthropic and nonprofit expertise in order to offer philanthropic service to their clients who ask for it. This includes people from university development, foundations and other backgrounds.

Another innovative example involves a private bank that has hired two part-time psychologists to work with their high net worth clients (the service is complimentary to the clients). The psychologists help clients deal with the complex family issues of wealth management, estate planning and philanthropy. These in-house psychologists may meet several times with the family, offering advice, some intervention, and referring them out to ongoing psychological services if these are needed.

The future

One interviewee has a theory that over the next 20 years the influence of individual donors will grow, while that of larger philanthropic organizations will weaken. She bases this on her observation of growing dissatisfaction with large, cumbersome administrative operations. Donors increasingly feel that such administration and the staff required are not justifiable, so she predicts greater use of technology and more direct involvement of donors in administering their philanthropy. Clients are looking for the most cost-effective methods and will affiliate with the advisors who provide them.

Another interviewee says that the donor advisor business model may be affected significantly by changes in technology. One example is SmartLink, already discussed. Another is Kiva.org. This service allows private individuals to donate to an entrepreneur in a developing country and get the loan repaid.

Such internet-based services will connect donors and their causes across distances and cultures in ways we can't imagine today. As these models emerge, advisors may need to change their practices and underlying business models significantly, to remain competitive in a world where "do it yourself" has become feasible in new ways, thanks to technology and increasing donor sophistication.

Theme 3 - More rigorous training and practice guidelines for donor advisors are needed

Most interviewees report they learned how to do donor advising simply by doing it, and by observing or receiving input from colleagues. Coaching and mentoring from more senior colleagues is fairly common, especially in the philanthropic advisory firms whose principals we interviewed.

So is "follow-along" training in which a newer advisor joins one or more senior, experienced people on a consultation assignment with a donor. Sometimes in large financial firms the coaching is done by a person with philanthropic experience who has been hired partly for that purpose.

One interviewee also reported learning about philanthropic issues by "tagging along with clients who are members of Social Venture Partners," a major giving circle operation in the U.S. and internationally. The advisor reports valuable learning as a result. A number of interviewees reported that they'd learned about donor advising strategies partly from their own philanthropic activities, and from participating in learning events in the community whenever these presented themselves, such as a public lecture by a major philanthropist.

Several interviewees said they had never discussed philanthropic practices with their office partners before the interview for this study. One interviewee reported she asks about philanthropy with clients during the initial evaluation for estate planning purposes, and was surprised to find that others in her office do not. She believes that her inquiries result in a greater degree of philanthropic involvement by her clients.

Donor advising on philanthropic strategy appears in few job descriptions, and is not typically the subject of direct supervision, according to our interviewees. As described below, interviewees suggested readings and coursework on specific subjects, such as family systems training.

Training for philanthropic advising

Developing resources for training as a philanthropic advisor begins by recognizing that this is a professional practice field and there is a body of knowledge and skill that goes with it ... even though it is not documented and not well-organized. This is true whether the training is motivated by the individual advisor seeking to improve his or her practice, or by an institution looking to develop a training program. The results of this study provide one rough sketch of the dimensions of that body of knowledge and practice.

No formal training programs for donor advisors exist in academic institutions. However, several academic programs touch on issues of concern to advisors, for example the fundraising and philanthropic training programs at the Center on Philanthropy at Indiana University, and the American Institute for Philanthropic Studies at California State University Long Beach, which trains planned giving professionals.

Several professional organizations have started certificate programs which offer some relevant training and development opportunities. These include The American College "Chartered Advisor in Philanthropy" (which concentrates mostly on tax, legal and financial aspects of philanthropy) and Family Firm Institute "Wealth Advisory" programs.

The Family Firm Institute is primarily concerned with professional development for family business and family wealth advisors. FFI is now an international professional association with more than 1400 individuals and organizations; six percent of members are family wealth advisors. In addition to holding conferences and training events, FFI publishes both print and online journals.

Advisors in Philanthropy is for financial advisors who focus within their practice on philanthropy. AiP's membership includes accountants, insurance agents, lawyers, investment advisors, representatives of charities, and philanthropic advisors.

The Family Office Exchange and the National Committee on Planned Giving are other examples of groups offering training and information that may have value for advisors. A relatively new organization, the National Network of Consultants to Grantmakers, is developing standards of practice and professional development activities for consultants who work with foundations, most of which could be applied to work with individual philanthropists as well.

These professional development, continuing education and certificate programs are just now beginning to have some visibility in the world of donor advising. For example, one large financial institution requires all its employees in the charitable services division to have the CAP designation.

In some cases, financial or legal advisors may not meet their professionals ethical practice standards if they don't talk with clients about philanthropy, because of the tax advantages offered. This may increase the motivation to obtain what training is available for people doing advisory work. Professional societies in the legal and financial fields are increasingly starting to offer some type of continuing education focused on philanthropic advising, though these efforts are so far limited.

Also, some professional practice bodies are springing up that are relevant to donor advising. For instance, the American Bar Association's Section of Real Property, Probate and Trust Law operates an "Emotional and Psychological Issues in Estate Planning Committee," which holds monthly telephone conferences for its more than 100 members. Its mission is to help members understand and respond to the interpersonal and emotional issues often encountered in the estate planning process.

The committee's areas of focus include dealing with the stressful aspects of estate planning; helping clients include family values as well as tax matters in their thinking; understanding how clients feel about money; and addressimg problems in estate planning such as sudden wealth, issues with children, or dealing with terminally ill clients. All of these may include some focus on the client's philanthropic matters as well.

Both AiP and FFI provide information relevant to advisors on their websites, as do the National Center for Family Philanthropy and The Philanthropic Initiative, among other organizations. Such information resources may be helpful to those considering or beginning to undertake philanthropic advisory work.

Some financial institutions and some philanthropic advisory firms now are developing training programs for their staff on philanthropic advising. To date, these programs typically involve a single lecture, often by a senior advisor (including a number of people interviewed for this study, and both of its co-authors). For example, one interviewee mentioned that his financial institution invited in a senior staffer from a philanthropic advisory firm to talk about philanthropy, including practice and ethical issues.

One of the philanthropic advisory firms reports having done a benchmark project on professional development within the last year, to guide better its own training efforts. Four other similar groups were studied to see what they did to train new hires, and the study came to the conclusion that the best options are to expand the current combination of external and internal training. This means attending high-quality professional conferences (to learn and network), belonging to an affinity group around an issue area, being an active member in a community (being a nonprofit board member), and internal stretch assignments or shadowing assignments.

Several donor advisors interviewed for this study have worked with private banks that asked them to develop elementary programs around supporting clients with their philanthropic activities. This has never involved more than a day-long curriculum, and in one case it was offered by affiliation with an academic institution. Such training programs may become more extensive and more common in the future.

A few interviewees emphasized that the best training available actually can come from a self-designed learning program for a person desiring to do philanthropic advisory. Such a program may include activities like the following:

* serving on the board of nonprofit organizations;

* acquiring experience as a volunteer with a nonprofit organization about which the advisor feels passionate;

* learning everything one can about nonprofit capacity building and other subjects which may be part of a philanthropic endeavor;

* attending meetings and conferences in the nonprofit field, and in philanthropy (many foundation and nonprofit groups have workshops and conferences, such as those of the Council on Foundations or the various Regional Associations of Grantmakers);

* interviewing people who work in the philanthropic sector, asking: What are their perceptions regarding the challenges in their job? What they would like to learn more about? What do they perceive as gaps in the field?; and

* cultivating relationships with financial advisors and estate planning attorneys – and staying current on changing laws, regulations and investment strategies in these realms.

Practice guidelines for philanthropic advising

In addition to the core elements defined earlier in this report, our interviewees identified other components of a skill set needed for doing philanthropic advising effectively. For instance, some *organization development* background is useful, because of the complex interactions with institutions that are part of so much advising work (with a donor's foundation and its staff, with other advisors often in large institutional settings, with nonprofits and community organizations, etc.).

Having training as a *facilitator* also is useful, as are relationship management skills. Facilitation skills include acquiring an understanding of how to manage interactions with families or groups of donors, and to develop consensus and a decision making process.

And as already mentioned *knowledge and experience background in philanthropy* is quite helpful for doing this work. So too are skills as a *researcher*. Many clients want well-organized information about their areas of philanthropic interest they can use to make better decisions. Research skills can be acquired by experience, and also by taking courses in research methods at a university in almost any subject of interest to the learner (these skills are highly transferrable).

Skills as a *teacher* are important, since so much of the work advisors do with donors really is at its core an educational process. Understanding about different adult learning styles can be an important component of success for this type of work.

Skills in *field-building* may be useful for donor advisors who have a larger systems frame for the work they do. For example, one interviewee said of his work: "I have three goals – creating educated donors, skillful advisors and getting charities educated about both." This may involve work at the level of community systems change, as well as building a field of research or practice in the areas of the donor's interest.

Skill and knowledge about the *art of grantmaking* is essential for most donor advising work in philanthropy: the advisor must have the ability to translate a set of goals and money into an actual grantmaking program. So is some basic familiarity with the process of being a consultant - to help someone develop their own vision and not impose your own.

Other recommendations for skill development made by interviewees include:

* learn how to develop a *strategic planning* process; and acquire an understanding of what type of strategies work best in philanthropy;

* learn how to be *self-reflective*; one is often challenged in the philanthropy world, as there are so few rules. Ethics and integrity come into play often;

* learn the basics of how to promote *transparency and accountability* in all philanthropic activities;

* study *public policy* and how it fits into work with donors;

* learn about fundraising, nonprofit administration, and other specific issues within the *nonprofit world* on which these organizations concentrate, to promote more effectiveness; and

* understand the way in which nonprofits are *assessed* for their overall organizational health, as a part of the due diligence process.

Challenges

In this fast-growing field there are a number of challenges for practitioners:

* *confidentiality* - some advisors tend to talk too freely amongst themselves about their clients, and often name them, said several of our interviewees; while this exploratory study can't speculate about how widespread the problem is, it certainly bears some focus of attention in future research.

* *unqualified practitioners* - anyone can call themselves a philanthropic advisor, and if they are in the community doing shoddy work that affects the reputation of all. As one interviewee put it, it is perfectly possible to hear: "Last week I was an entertainment attorney, today I'm a philanthropic consultant." While there are legal requirements for some non-philanthropic aspects of donor advising (legal, financial), there are no regulations whatsoever for philanthropic advising.

* *setting boundaries with clients* - even though it may be very tempting to go on the client's yacht for the weekend, such boundaries are crossed at considerable risk, as they are in other kinds of professional relationships. Common sense can help to minimize boundary problems, as one interviewee said: "Accept the glass of fine wine, turn down the weekend stay at the country home."

However, some interviewees noted that such boundaries may be defined very differently depending on the advisor and the firm or professional environment in which they operate.

* *maintaining ability to disagree with clients* - part of why setting boundaries is so important is that such boundaries help to keep a level of independence so it is possible to examine issues both technical and ethnical with some objectivity, and offer an alternative point of view to the client.

* *conflicts of interest* - interviewees pointed out that some advisors giving philanthropic input also have potential conflicts, e.g., they are hoping to keep the donor in a particular investment vehicle or with a particular firm. They also may have a vested interest in keeping a donor involved with a particular cause or charity.

* *recommending other advisors* - good advisors will unhesitatingly recommend another advisor if there is some reason to do so. But others fear of loss of control if they do so. And, as one interviewee pointed out, this is not invented. There are some "inherently unstable characteristics of donors" that may cause them to behave erratically, especially given some new input.

* *donors are getting more sophisticated* - philanthropic advisors now are in competition with peers, the press, the internet, and educational events from various sources in providing reliable knowledge about various aspects of philanthropy.

Advisors who haven't kept up with the advancements in their field of practice are fairly easy to pick out. As one interviewee put it:"It isn't that difficult for a client to sniff out that the advisor in front of them has a limited perspective." This increased sophistication not only makes donors more shrewd in selecting advisors but also more likely to work actively with them.

Theme 4 - Providing opportunities for donor learning is an important part of donor advising

Already identified as a key activity, encouraging donor learning was characterized as of special importance to the success of philanthropic advising because, several interviewees said, donors tend to grow in their philanthropic effectiveness most quickly by direct learning experiences. The platform for these experiences may range from peer interactions (e.g., through giving circles or donor learning groups), to site visits, to pilot tests of philanthropic strategies, to examining evaluative data.

In the world of philanthropy, donor education has become a topic of considerable interest. Studies such as Siegel & Yancy's research on donor education strategies (2004) have outlined a range of donor education activities, such as lectures, conferences and online education programs. Some philanthropic advisory firms have added to the literature on this subject with publications like *What's a Donor to Do?* (Remmer, 2000).

The consensus of opinion is that institutionalized donor education efforts on the whole have not been particularly successful. Peer networking and a few high-end donor education programs have had the best track record so far. A second generation of donor education activities, such as the peer learning and high-net-worth donor workshops summarized below, is now being investigated by the Aspen Institute's Donor Education Planning Group, an informal networking group of people with an interest in donor learning.

In addition, some donor advisors are reluctant to use term "donor education" as a way of describing the experiences they feel are valuable for their clients. They say most clients report they already feel they are well educated, but they are interested in positive learning opportunities outside of some expert-provided education. This, our interviewees said on several occasions, is part of the disconnect between organized philanthropy and donors – they think donors need "education."

The educational activities of groups like the National Center for Family Philanthropy, and for donors with foundations, the Association for Small Foundations, were reported by interviewees as having been effective in providing donors with useful learning experiences. These organizations have both on-line and in-person components through which learning takes place.

Peer networking

Peer networking and interaction are regarded as important aspects of donor learning by some, but not all advisors and their clients. As one interviewee put it: "My clients gravitate to peer learning more than anything. I encourage them to affiliate with something that feels comfortable." Another interviewee said: "Informal mentoring can help. I try to introduce donors to others who can help them because they have something in common." But not all clients want or feel they need such peer networking, and advisors must be sensitive to these differences.

There are a number of peer-to-peer networks that provide learning opportunities, sometimes combined with giving circles (Rutnik & Bearman, 2005) or other types of collaborative philanthropy. Some of these include the Threshold Foundation (which is now in its second generation of activity, with the children of the group's founders now leading the work), Democracy Alliance, Third Wave, Money Making Change and Play Big.

These groups provide a platform within which donors can discuss philanthropic strategy, work with advisors and other topics in a private environment with other people who "look like them"– wealthy donors wanting to do good philanthropic work. Advisors need to know about these groups and be ready to refer their clients to them whenever that is indicated.

Many donor learning groups are springing up, some of them affiliated with either individual foundations or with philanthropic networking organizations. For example, the Family Foundations Information Exchange, which has several chapters in Los Angeles, is affiliated with the local foundations networking organization, Southern California Grantmakers. This group was studied by Backer (2006), as was a similar group in the San Francisco Bay Area, which has been affiliated with the East Bay Community Foundation.

Social Venture Partners and other giving circles have proliferated greatly in the last few years, and hundreds of these groups have been studied in recent research (cite). They provide good education for donors as well as opportunities for leveraged giving on certain topics.

Some donor learning groups also are affiliated with donor advisors themselves. Some of our interviewees have started groups intended to bring together their donor-clients for learning experiences. In several cases, these groups also provide platforms for actual philanthropic activities. Peer networking also may take place between friends and neighbors through churches, social clubs and sometimes within the family of origin for a donor.

High net worth donor training programs

Generally well-regarded by our interviewees, a small number of programs provide more intensive learning experiences for high net worth donors in a peer-to-peer environment, supplemented with experts who speak and consult with the participants. The original program of this sort is the Rockefeller Philanthropy Workshop, which has been offered for years at the Rockefeller family retreat, Pocantico, in New York State. This has been replicated more recently by the The Philanthropy Workshop West, which is offered to high-end donors (primarily those located on the west coast) by the William & Flora Hewlett Foundation, in partnership with the TOSA Foundation.

The Aspen Philanthropy Seminar also brings together wealthy donors who are significant givers. It is aimed to help them think more deeply about philanthropy (the first one was held in summer 2007). As with the other programs just mentioned, the focus is on values, why people give, the value of philanthropy in a good life, and specific strategies for philanthropic activity ("How do I work my values through my giving?" And "What are the tradeoffs from any giving decision?").

Technology-based resources for donors

Resources for philanthropists are increasingly available on the web, many of them aimed at providing information about specific charities, and some of those also make it possible to make a donation online. Other resources are aimed more at general education and development. Two of these, SmartLink and Kiva.org, have already been discussed.

Theme 5 - Donor advisors can help in promoting donor collaborations

The range of activity regarding donor collaborations – partnerships with other donors or foundations – was quite broad even in our relatively small interview sample. Some advisors do nothing in this arena, others are pro-active. Part of the "market niche" of some advisors is offering of a pre-existing stable of collaborative prospects, as discussed below.

Donors often feel limited about what they can afford to give, so a pro-active advisor may try to locate partners to leverage the donor's resources. In addition to promoting participation in Social Venture Partners or other giving circle operations, donor advisors regularly reported having done match making to bring together two donors, or a donor with a philanthropic institution like a foundation.

Sometimes the donor advisor has a learning group or collaborative giving program themselves, and as already mentioned, donors come to them for consultation partly because they perceive a match between the goals and process of the group to which they will then belong. One advisor interviewed operates five funding collaboratives and also has relationship with others. One of these collaboratives has 30 funders in it, and recently has taken on a life of its own by becoming incorporated and getting its own executive director.

Donors and foundations make good partners, said several interviewees. Each has something to bring to the table, mirroring public-private partnerships. In partnership with an individual donor, a foundation becomes more like the public funder (with the advantages of accountability, and the bureaucratic restrictions on operations). The donor is more like the private money - flexible and easy to adapt, all other things being equal. Another interviewee said: "Without donor advisors, donors and foundations might never meet; we operate in separate worlds." Most donors aren't connected to the institutional philanthropy world – and they think very differently about philanthropy. Advisors can help to make the translation.

One interviewee reported an example of foundation-donor collaboration, in this case initiated by an intermediary organization rather than an advisor, but with implications for donor partnerships in general. The donor was interested in infrastructure development in developing countries, specifically in creating clean water sources. A large foundation had a similar interest, and so the third party brought the two together. They agreed to jointly fund drilling a well for clean water for a particular community in the country of their common interest. It was such a success they did it a second time for another community.

Having the trusted intermediary bring them together, first for an informal discussion in which no commitments were needed, helped to start the healthy conversation process. Intermediary organizations are particularly powerful in this role.

Groups such as Synergos, started by the Rockefeller family to bring together wealthy individuals for collaborative giving, have had great impact in collaborations of all sorts, between donors or between donors and foundations. So have community foundations, and philanthropic advisory groups like Rockefeller Philanthropy Advisors, which recruit clients partly because they are interested in the funding collaboratives for international philanthropy RPA has created.

But some interviewees reported that they do not encourage donor collaborations. As one advisor said: "Collaboration is important but very delicate - even the word can be off-putting." Another talked about the down-side of working together: "Collaboration often implies a level of walking in lockstep that independent donors rail against."

Advisors cite as one reason for their reluctance to collaborate is that their donors may have had bad experiences with collaborations in the past. One interviewee described a donor's experience with a national collaborative in the medical field, which was not good. There were troublemakers on the collaborative's board so the philanthropic business could not get done effectively, and the donor dropped out after seeing that this was the case.

In the parlance of fundraising, "G1" (donors who created the wealth themselves, and who in today's environment are typically people of middle age or more, though not exclusively) are less likely to be interested in collaborations than their children or grandchildren (the so-called "G2" and "G3" donors). These generational differences need to be taken into account by donor advisors in trying to set up such relationships. Younger donors, said several interviewees, are more open about who's in charge (same as with young family members on boards), and say that the critical element is to be open about the power and control dynamics.

Dissemination and Further Study

This was an exploratory study, and like most research of this nature, has raised more questions than it has settled. But especially given the recent growth in activity and interest surrounding donor advising and philanthropic strategy, there are some next steps that can be taken to build on the work done here.

Plans for dissemination

The first steps involve disseminating the results of this study to key target audiences that may be able to use what has been learned in practical ways, as well as increasing dialogue about the issues and questions raised here. Dissemination of this report in Spring 2008 will include circulation to study participants, who are in prominent places in the donor advisor and philanthropic worlds. It will also include placement on the Human Interaction Research Institute's website, with links to websites of other organizations concerned with this issue (e.g., Advisors in Philanthropy, National Center for Family Philanthropy, Council on Foundations, etc). A dissemination plan will guide these actions, and others.

For example, several speaking engagements will help to share findings from this research with appropriate professional audiences. These include a session on donor advisors at the 2008 Council on Foundations summit session, and a session on applying venture principles to philanthropy at Grantmakers for Effective Organizations 2008 conference.

Other possible presentations include speeches to the 2008 Family Firm Institute meetings and the 2009 Advisors in Philanthropy conference. Universities with philanthropy programs (such as Duke and Georgetown Universities) have invited guest lectures on the research.

To promote wider implementation of the study's findings, a book based on this study report is planned. It will be designed to influence good practice and healthy growth of the field. The book will be oriented both to how donor advisors can improve their learning and practice, and to how donors can best select and work with advisors to achieve their philanthropic goals. The book will place what's presented in this report into a more accessible format, and will add specific, identified examples. It may also include results from some of the follow-on studies suggested below.

Finally, one or more concise "learning briefs" will be developed to share results with both donors and advisors. These briefs may be disseminated through networking and support organizations that target these audiences, such as the several mentioned above.

Topics for further study

Among the numerous topics identified in this study as worthy of future research are the following, in no particular order of priority:

* *young donor advisors* - the current study interviewed only experienced advisors who have been working with wealthy people on philanthropy or other issues for a long time. However, given the growth of the field, many new advisors are moving into it, and interviews with them can help to understand developmental and training needs in a much different, more focused way. The sample could include young staff of some of the organizations whose senior people were interviewed for this study.

One pilot interview was conducted to determine whether such an approach would be fruitful. Results indicated there is much to be learned from interactions with young advisors.

* *experienced donors* - an exploration of how experienced philanthropists work with advisors (or reasons they don't do so) will help to fill out the other side of this complex relationship. Many of the tentative themes and conclusions reached in this research need to be validated from the donor side, e.g., identifying the practices advisors use that experienced donors see as most valuable.

Again, one pilot interview with a sophisticated donor was done to test this notion. Results make it clear that such interviews would be provide useful insights..

* *advisors as a bridge between individual and institutional philanthropy* - while this role was discussed by several interviewees, more study is needed to determine how foundations and donors contact each other and build collaborations, and how donor advisors could help.

* *dual passport advisors* - interviews with advisors who come from wealth, and who are deeply involved in their own individual or family philanthropy in addition to their advising work,

could focus on how this dual passport status is used, what its advantages and disadvantages are, and how the work of these individuals can shed light on donor advising more generally.

* *personal characteristics of donors and advisors* - informally, several interviewees in this study made a point of how age (and related generational differences), immigrant status, religious background and gender (theirs and their donor clients') could influence the process of philanthropic advising. Some interviews focused on this subject could increase our understanding of these possible influences.

* *role of technology in donor advisor work* - the emergence of donor software systems, blogs about philanthropy, internet services for identifying and connecting with charities, and support services like FoundationSource that offer cost-effective administration of philanthropic instruments all need further study to determine how these technological developments will affect advising practice.

* *media and donor advisors* - in the last several years, both the *New York Times* and *Wall Street Journal* have assigned reporters to a "philanthropy beat." This increases the likelihood of major media providing a way to educate donors, advisors and the general public about philanthropic advising and its role in effective philanthropy. Both looking at how this is happening and making inquiries about future possible media coverage would be helpful as a way of extending the results of the present study.

* *relationship to other research* - both the Entertainment Industries Foundation and New Ventures in Philanthropy are embarking on studies of donor advisors; these studies can be coordinated with the present research, and especially with the follow-up inquiries proposed here.

* *donor collaborations* - the characteristics of donors who are willing to collaborate, and how advisors can support them, can also be the subject of further study.

* *pro-active advisors* - the characteristics of donor advisors who take a pro-active stance with their clients, and how effective such a stance is in producing good philanthropic strategy, is also a useful topic for further study.

* *donor advisors as agents of change* - the ability of advisors to play a larger role in the development of philanthropy as an instrument for community change also can be studied. Some of the interviewees in the present research are actively involved in organizing donor collaboratives and otherwise going beyond an advising role to leading change.

* *evaluation strategies* - more study is needed of how advisors can help clients develop evaluation strategies, and how they can best be implemented.

In this vital environment, there are many simultaneous developments that will be transforming the arena of donor advising and philanthropic strategy over the next few years. Building on what was learned from this small study can help to create opportunities for advisors, donors and others on the philanthropic scene to increase the quality of donor advising and its impact on reaching philanthropic goals.

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List of Interviewees

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Michael Anders, Fidelity Charitable Services
Bill Barrett, Fiduciary Trust International of California
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Melissa Berman, Rockefeller Philanthropy Advisors
Leah M. Bishop, Loeb and Loeb LLP
Cynthia Brittain, Ambrecht, Arnold, Tokuyama & Brittain
Charles Collier, Harvard University
Tom David, Tides Center
Barbara Dingfield, The Giving Practice
Debra Doran, Harris myCFO
Duane Duim, Laird Norton Tyee
Susan Dunn, Dunn Communications
Joel Epstein, Roll Corporation
John Ford, formerly of Stanford University
Shirley Welk Fredricks, Lawrence Welk Foundation
Joel Fleishman, Duke University
Doug Freeman, IFF Advisors
Ellen Friedman, Tides Center
Tracy Gary, Inspired Legacies
Dennis Gilkerson, Comerica Bank
Peter Haight, retired wealth manager
Donna Hall, Women's Donor Network
Lee Hausner, IFF Advisors
Steve Hilton, Conrad Hilton Foundation
James Hodge, Mayo Clinic
Leon Janks, Green, Hasson & Janks
Peter Johnson, Rockefeller Family & Associates
Steve Johnson, The Philanthropic Initiative
Peter Karoff, The Philanthropic Initiative
Leslie Kautz, Angeles Advisors and Kautz Family Foundation
Tom Kenney, Fiduciary Trust International of California
Jan Kern, Southern California Grantmakers
Eric Kessler, Arabella Advisors
Kaycee Krysty, Laird Norton Tyee
Baruch Littman, Jewish Community Foundation
Joe Lumarda, Capital Group
Phil Magram, Valensi Rose
Jan McElwee, McElwee Group
Terry Meersman, Talaris Research Institute
Maryann Meggelin, Mellon Bank
Douglas Mellinger, FoundationSource
Janis Minton, Janis Minton Consulting
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Elizabeth Myrick, Aspen Institute
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Carol Schauer, Gordon & Reese
Jilliene Schenkel, Taper Family Office
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Paul Shoemaker, Social Venture Partners
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Christine Sisley, Solid Foundations
James Allen Smith, Georgetown University
Bente Strong, Capital Group
Kerry Sullivan, Bank of America
Matt Talbot, Bristlecone Advisors
Jean Tardy-Vaillernaud, Gainsborough Capital (formerly in private banking)
Gene Tempel, The Center on Philanthropy at Indiana University
Vicki Unger, Smith Barney
Ann Van Dormalen, Philanthropic Administration
Eric Wasserman, Wasserman & Walkup
Eileen Wilhem, Bank of America
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Drake Zimmerman, Advisors in Philanthropy