



Setting the Record Straight on Donor Advisers

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The world of wealth managers and donor-advisers is often an enigma to smaller non-profits. We know they are out there and think they can help us secure new donors, but their missions are completely different from this perceived notion.

To help clear these muddy waters, we decided to ask David Wattenbarger, President at [DRW Financial](#) and a Tennessee Registered Investment Adviser, to describe the wealth adviser's role in a client's philanthropy and what he sees are the current trends in giving.

As fundraisers, we often hear "if only we could get to the wealth management people," but in reality, wealth managers don't suggest organizations for their clients to support, or do they? Can you describe the wealth manager's role in a client's charitable giving?

My firm may be an outlier in the sense that charitable giving is core to our planning and investment management process, but even more traditional financial planners and investment advisers will seek to identify a client's goals and objectives. The non-profit community stands to benefit by raising awareness of the value of integrative planning: when donors clearly articulate their charitable intent, and when non-profit development offices and wealth professionals see each other as partners in realizing the donor's goals, the potential impact of that gift improves. Wealth managers ought not direct their clients to give to a specific charity, but ought to promote carefully planned and intentional giving; financial professionals acting in a fiduciary capacity have an obligation to consider their client's whole financial being, including their charitable desire.

So then how does a non-profit engage with a wealth professional?

Too often, non-profits seem to fear that financial professionals are going to interfere with a gift or disintermediate the development office, but from the perspective of my firm, productive engagement from the non-profit community might look like joint efforts to educate the public on the value of planning and working with a professional team: adviser, attorney, accountant, etc. Further, hosting events allowing an adviser in my role to interact with existing donors can lead to a deeper understanding of the non-profits wants and needs, as well as an appropriate opportunity for the adviser to identify prospective clients -- this can lead to a virtuous cycle benefiting the non-profit, the donor base, and the philanthropically sensitive adviser.

When a donor approaches you about supporting a non-profit, what information are they looking for and what do they ask you to find for them (if they do)?

The typical scenario involves a client with a history of giving, often characterized by a haphazard approach and some measure of uncertainty as to whether their giving is appropriate. In the role of adviser, I remain agnostic as to the cause or charitable beneficiary, and work to help the client clarify their actual goal in giving. We collectively consider their financial condition to ensure the client can afford to give. Any subsequent planning or portfolio design will reflect and support those goals within the client's capacity.

Do you see a trend in how donors are choosing the non-profits they support?

Many clients collect charitable causes like stamps on a passport -- they are marks showing evidence of their life's journey so far. Clients will relate a history of giving various amounts to a public radio station they listen to, medical research for a disease that affected a loved one, an alumni foundation from their *alma mater*. A few clients have experienced a catalyzing event that brought their charitable intent into sharp focus; these people are likely already taking action (participation on a board, volunteering at a project, organizing fundraisers, etc.) in addition to sharing their wealth. If there is an interesting trend developing, it is in the "crowdfunding" approach popularized by Kickstarter in the for-profit space.

If you wish to learn more, please visit David's website, www.DRWFinancial.com

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