



HOLT
CONSULTING

Turning Wealth Into What Matters

AMPLIFY YOUR HIGH NET WORTH PRACTICE WITH CHARITABLE PLANNING

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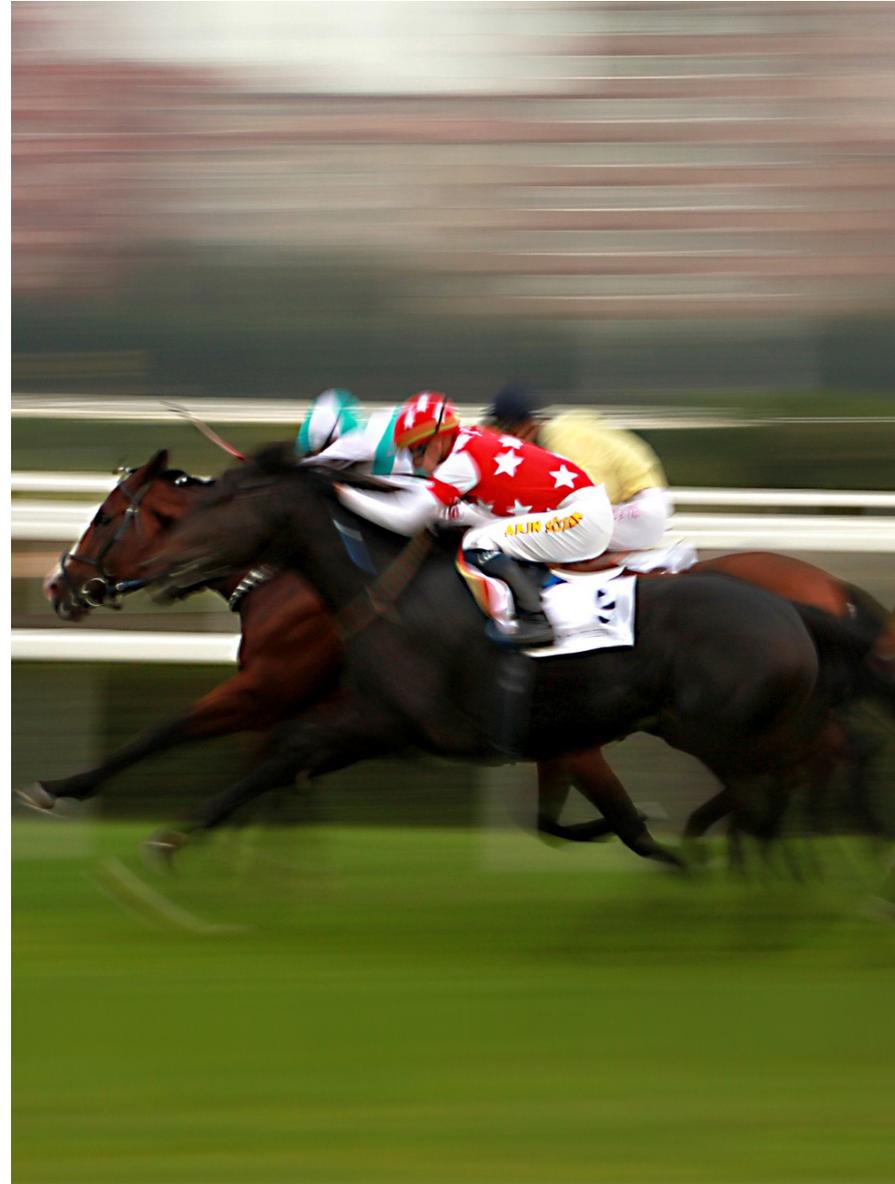


ROADMAP

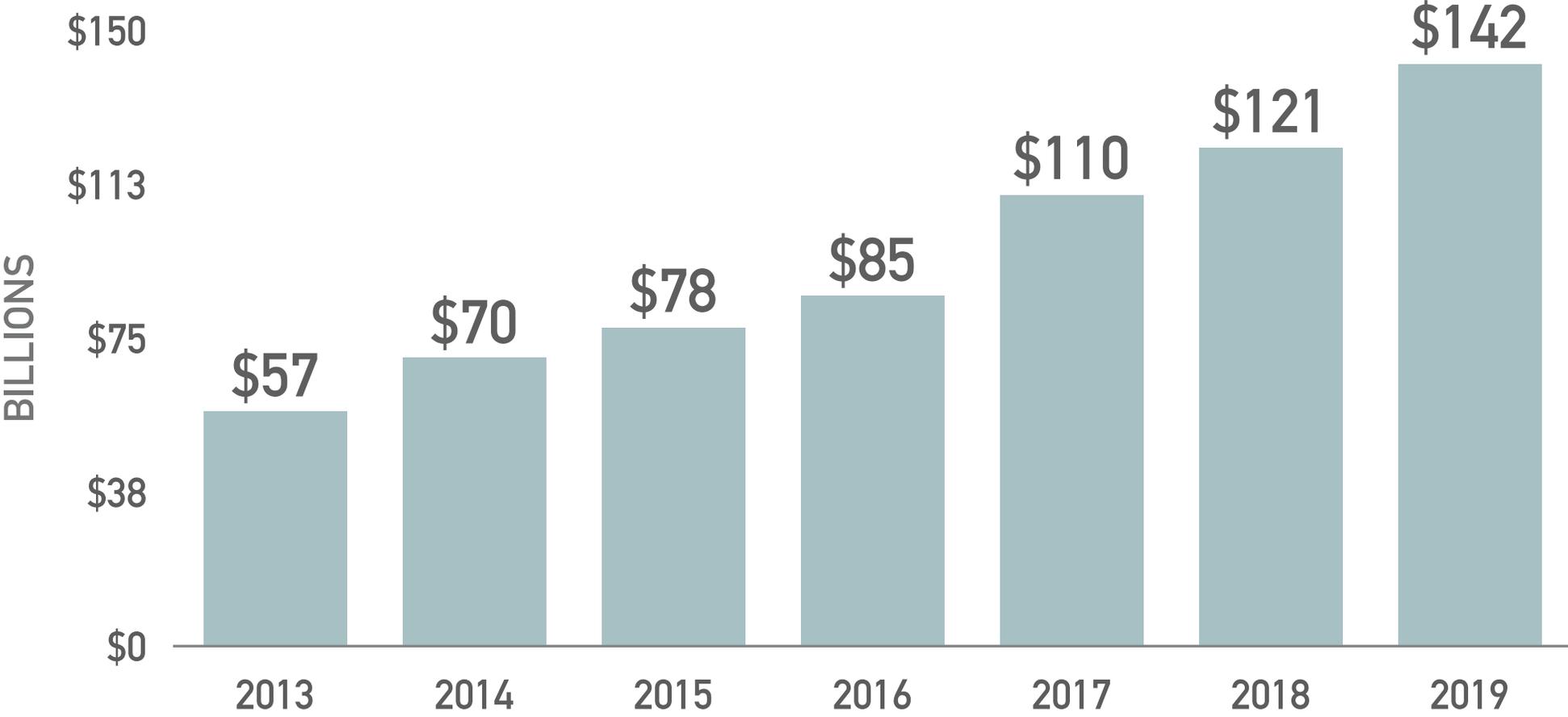
- DAF landscape
- WHAT HNW clients want
- HOW to use giving techniques
- HOW to integrate to practice

FASTEST- GROWING CHARITABLE TOOL!

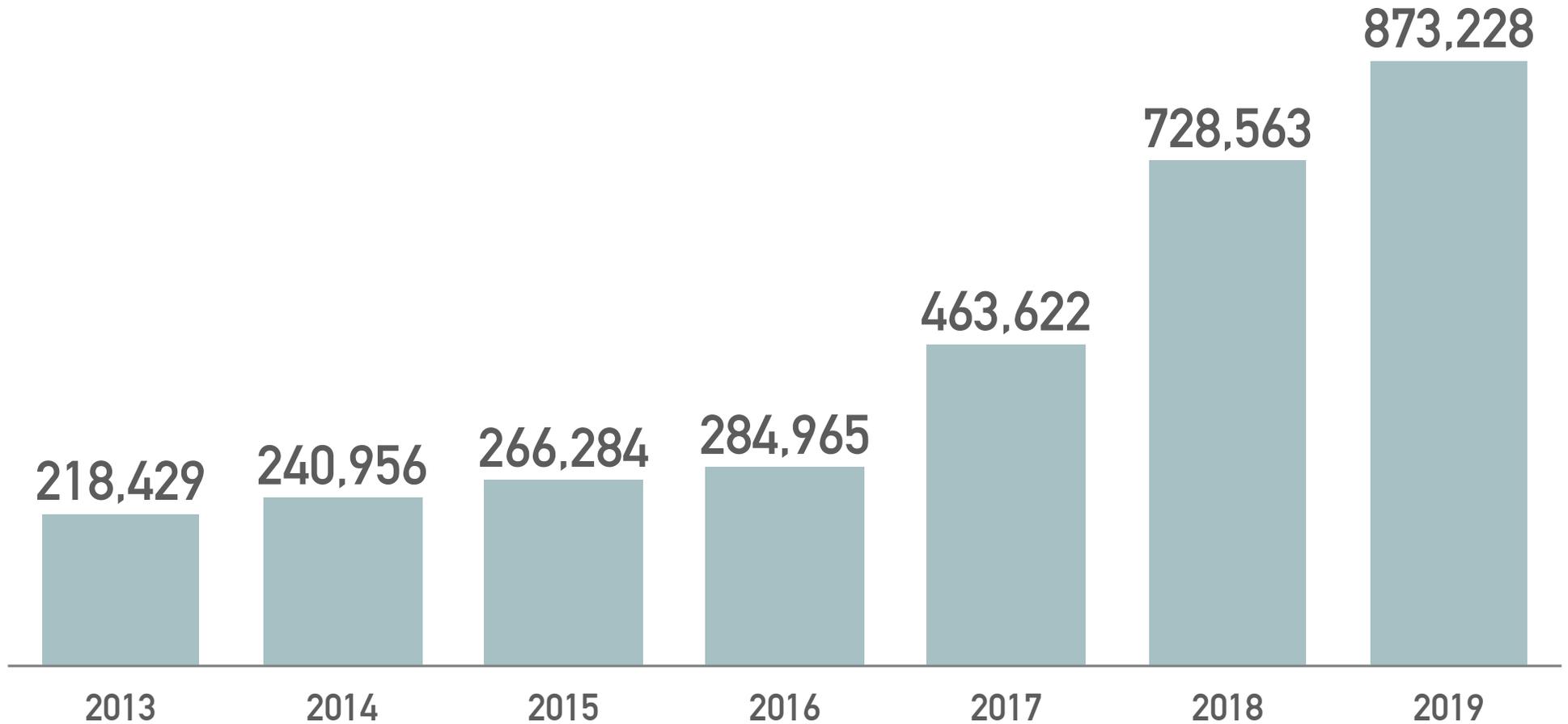
WHY the rapid growth?



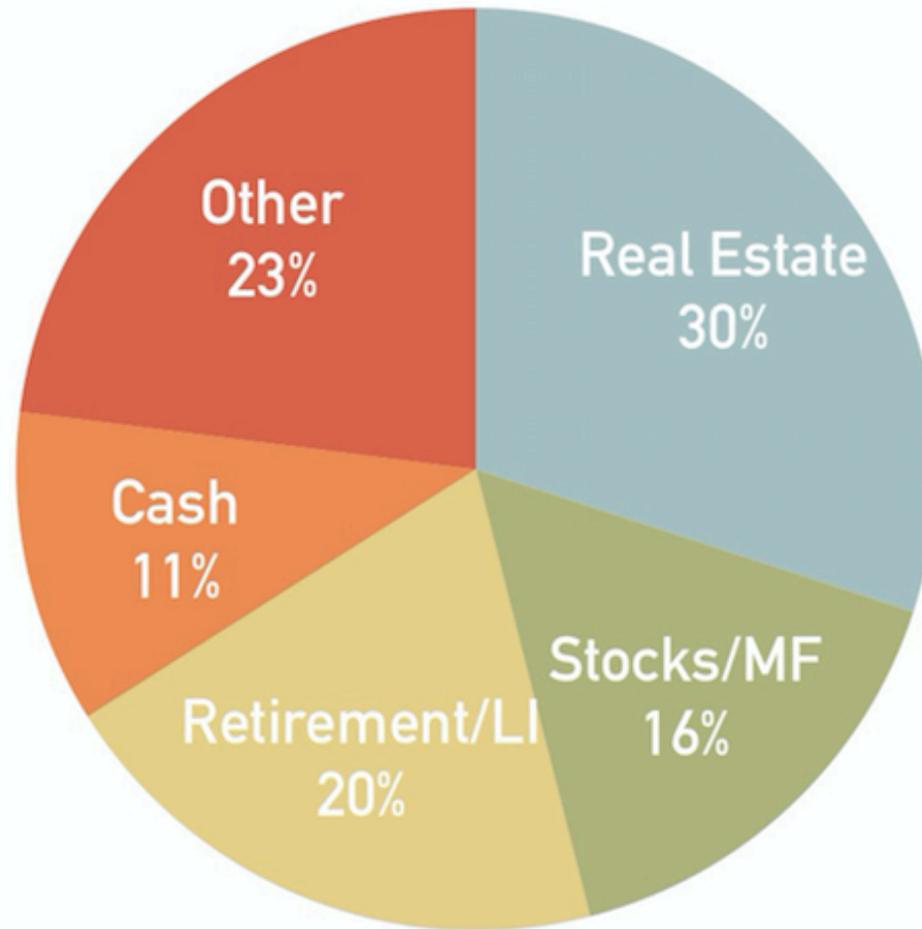
GROWTH RATE – NATIONAL PHILANTHROPIC TRUST DAF STUDY 2020



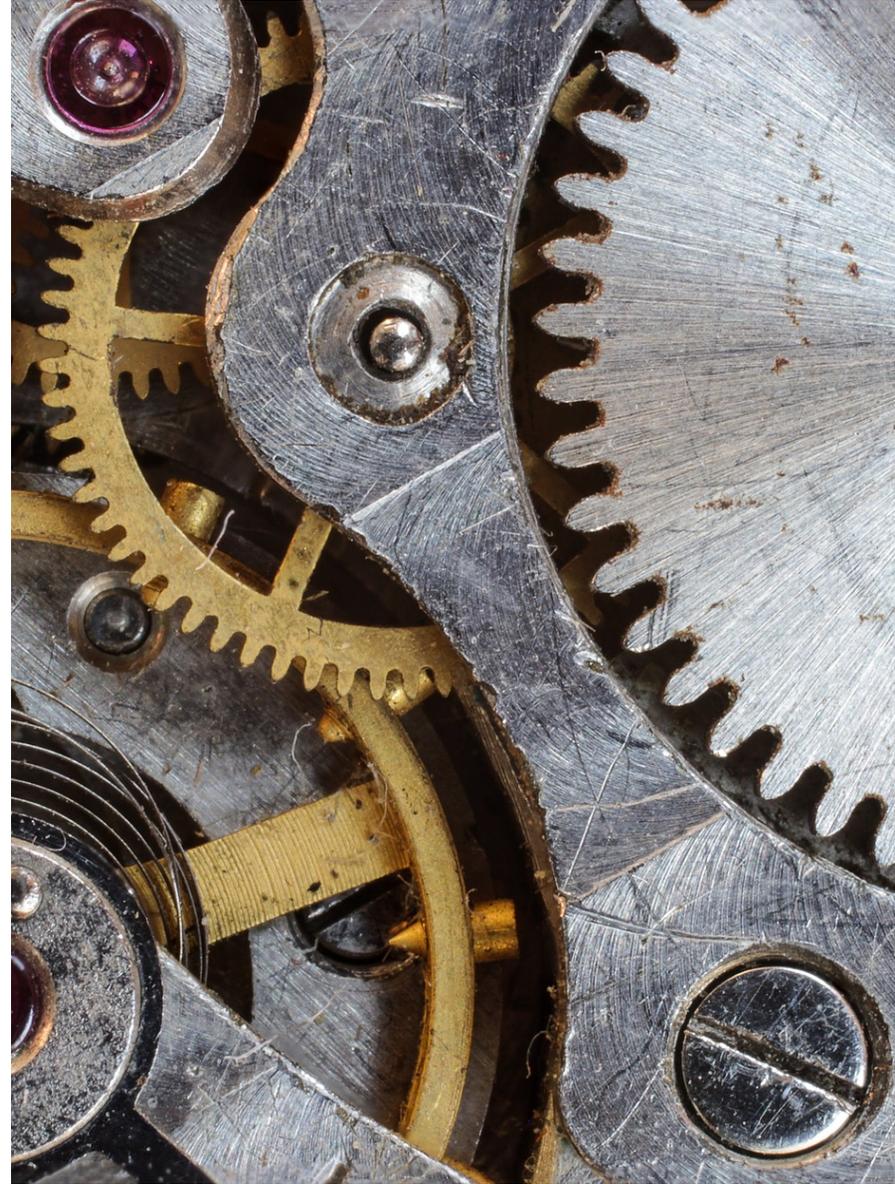
NUMBER OF DAFS – NATIONAL PHILANTHROPIC TRUST DAF STUDY 2020



ASSETS IN AMERICA: FEDERAL RESERVE DATA 2008



HOW DO THEY WORK?



DONOR-ADVISED FUNDS



FEATURES

- Multi-generational
- Anonymity
- Fees
- Pass-through
- Perpetual
- Investments
- Minimums



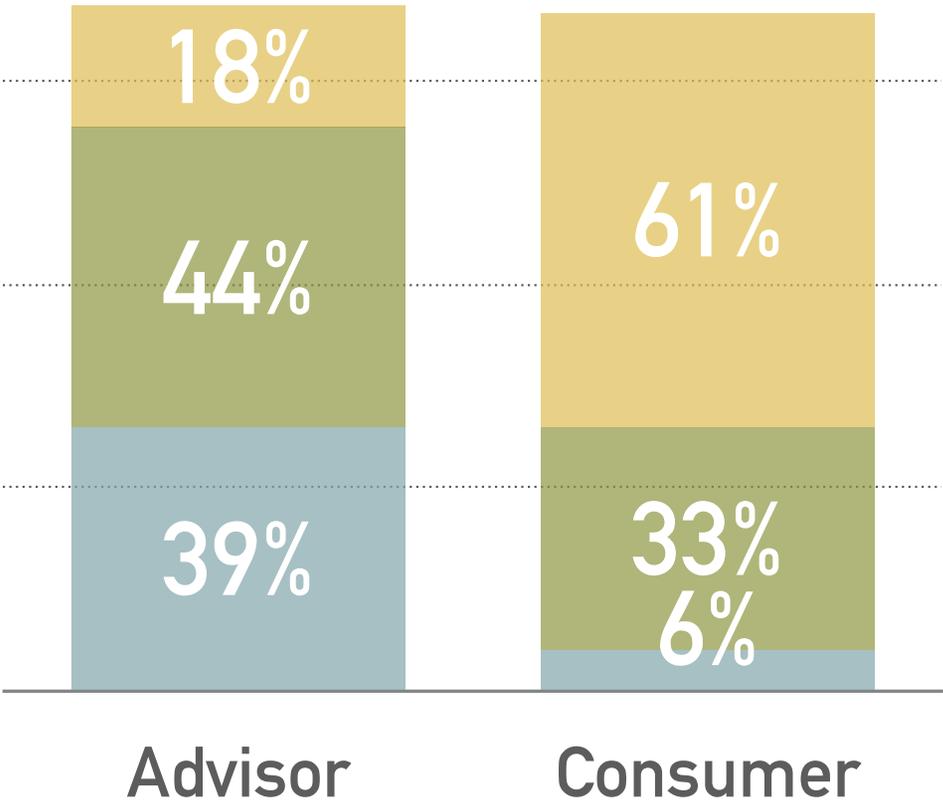
THE CHARITABLE CONVERSATION



US TRUST STUDY OF HIGH NET WORTH PHILANTHROPY 2018

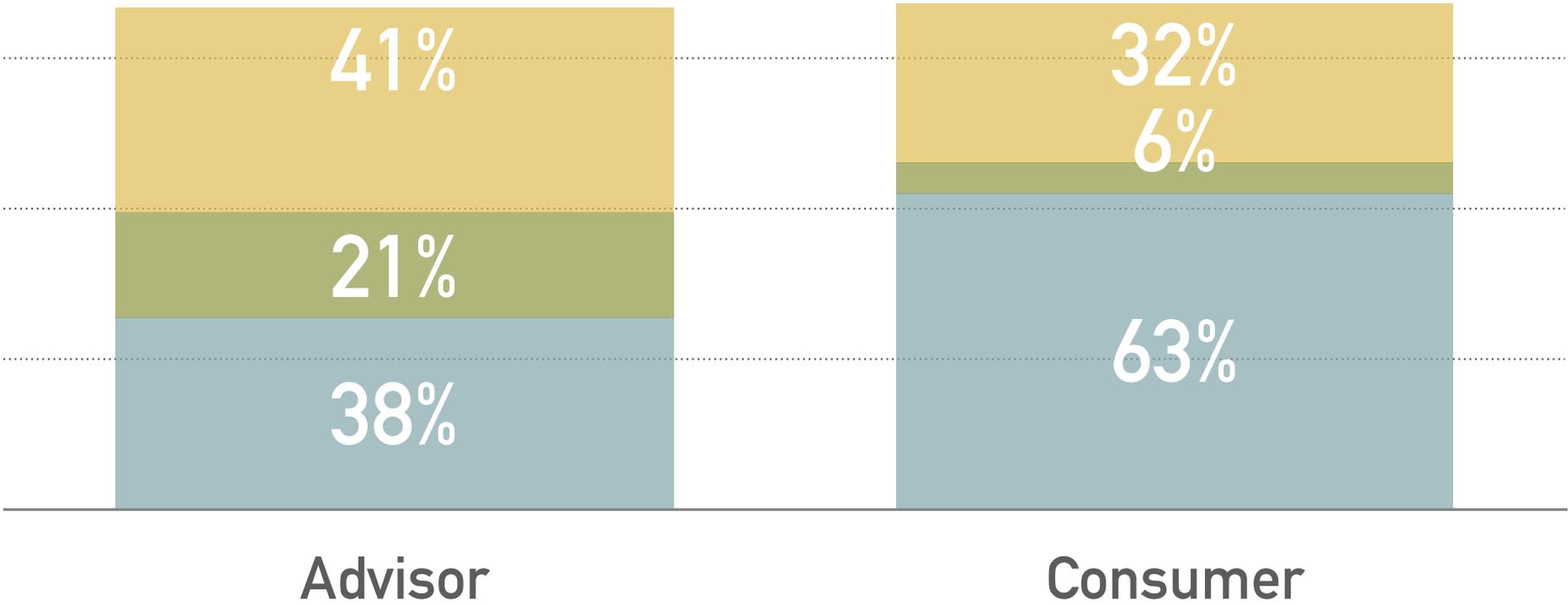
WHO RAISES THE TOPIC OF GIVING?

- Always/Usually Consumer
- Equal
- Always/Usually Advisor



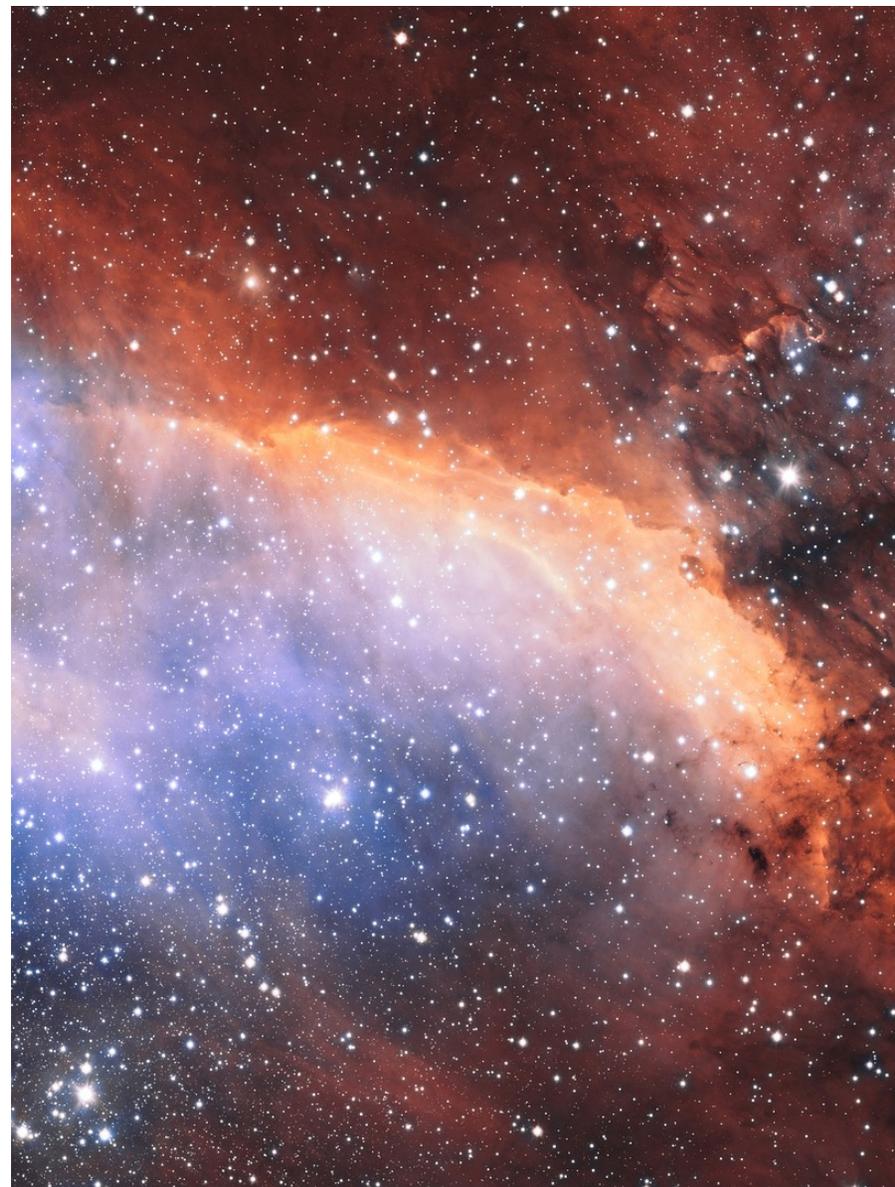
U.S. TRUST 2018 STUDY - CONVERSATION PERSONAL VS. TECHNICAL?

■ Technical ■ Equal ■ Personal

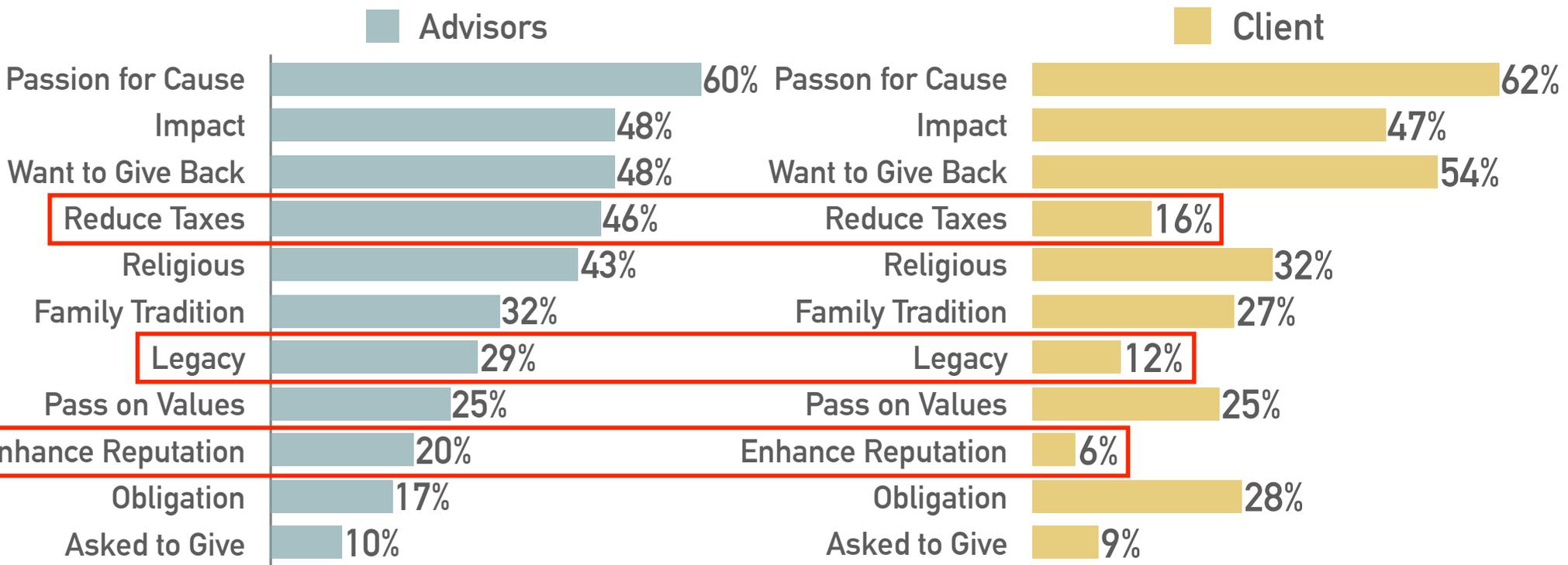


HIGH NET WORTH DONOR MOTIVATIONS

U.S. Trust 2016 Study



US TRUST 2016 STUDY - "VERY IMPORTANT" REASON FOR GIVING



PRIMARY REASONS THEY GIVE

- ▶ Believe in mission
- ▶ Make a difference
- ▶ Joy and Fulfillment





ESSENTIAL DESIRES

- ▶ Give Meaning to Wealth
- ▶ Be Remembered for Greatness
- ▶ Pass on Values, Not Just Valuables

INTEGRATE INTO PRACTICE



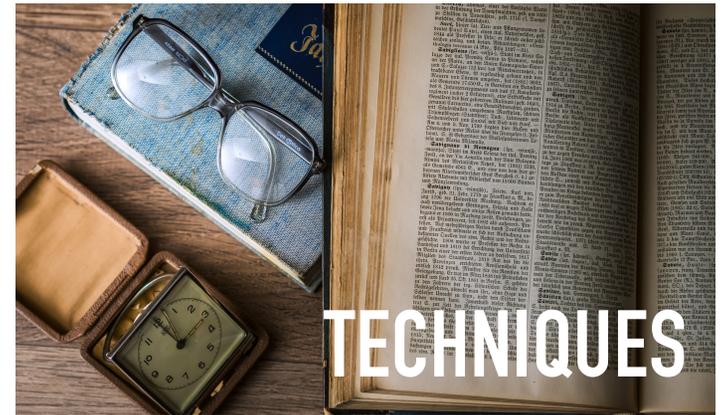
GOALS



TOOLS



TECHNIQUES



THREE ESSENTIAL STEPS TO EVERY PLAN



THE THREE SISTERS



SISTERS' GOALS

- Divest of family farm.
- Retire from teaching.
- Support:
 - church
 - teacher scholarships

SISTERS' TOOLS

- ▶ Family farm
 - ▶ currently rented
- ▶ 403(b)
- ▶ Savings bonds
- ▶ Life Insurance





TECHNIQUE

- Farm -> 3 FCRTs
- Income for retirement
- Remainder to:
 - church
 - teacher scholarships
- What about tenant farmer?

PROCEDURES IN ORDER

- Environmental Questionnaire
- Site/Donor Visit
- Title check
- Draft Trust Agreements
- Transfer farm to trusts
- Notify tenant
- Offer to sell
- Closing



A photograph of a young Black woman and a young Black man embracing outdoors. The woman is leaning over the man's shoulder, and both are smiling warmly. They are wearing light blue clothing. The background is a bright, sunlit outdoor setting with green foliage and a tree trunk visible. The overall mood is happy and intimate.

MARIANNE & KEVIN

IPO



MARIANNE & KEVIN: **GOALS**

- Company "went public"
- Diversify investments
- Minimize taxes
- Support charity now



MARIANNE & KEVIN: **TOOL & TECHNIQUE**

- Company Stock (public)
- Stock gifts to charity
- Stock gift to DAF
- Reduce taxable income
 - off-sets sale of stock



RICHARDSON FAMILY

“charitable stock bailout”



RICHARDSONS: GOALS

- Transfer business to next gen
- Minimize transfer tax
- Minimize capital gains tax
- Retirement for Jake & Flo
- Legacy giving

RICHARDSONS: **TOOLS**

- ▶ **Grandpa Jake + Grandma Flo**
 - ▶ 75% Owners
- ▶ **Dad Chuck**
 - ▶ 20% Owner
- ▶ **Son Jacob**
 - ▶ 5% Owner



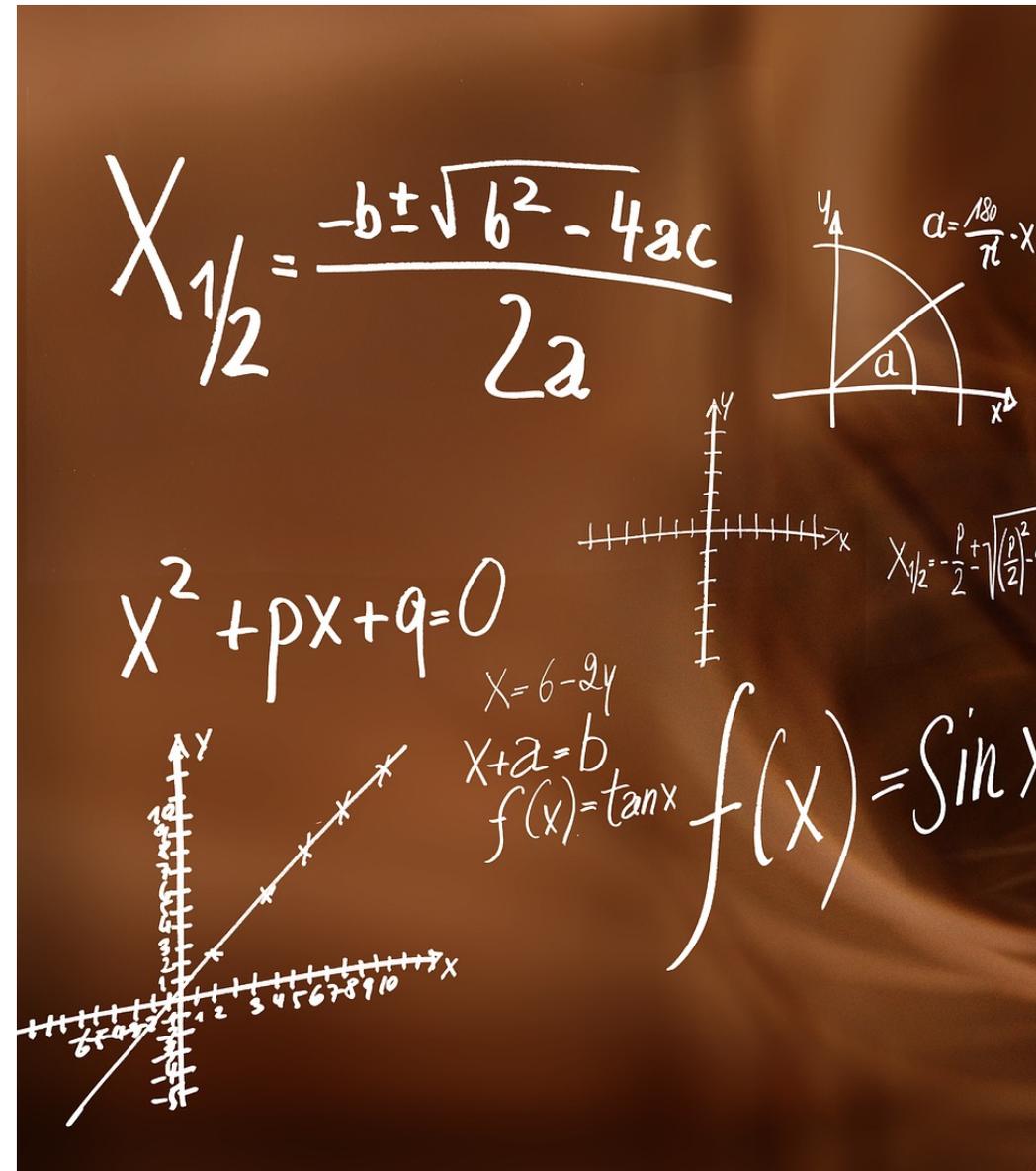


RICHARDSONS: **TECHNIQUE PART 1**

- Grandma + Grandpa *GIVE*
 - 1/2 shares -> DAF
 - DAF sells shares to C Corp
 - shares "retired"

RICHARDSONS: TECHNIQUE PART 2

- ▶ Grandma & Grandpa *SELL*
 - ▶ 1/2 shares to C Corp
 - ▶ shares "retired"
 - ▶ deduction minimizes tax
- ▶ Son
 - ▶ 20% owner -> 80% owner
- ▶ Grandson
 - ▶ 5% owner -> 20% owner





RICHARDSONS: RESULTS

- **Grandma + Grandpa divested**
 - retirement
 - legacy gift to charities
 - minimized capital gains tax
 - no gift/estate tax
- **Son & Grandson**
 - increased ownership
 - no out of pocket cost



RICHARDSONS: **FINER POINTS**

- Deduction = FMV
 - appraisal required
 - marketability discount
 - 8283/8282
- No "sweetheart" deals
- No pre-arranged sale
- What if sale is underway?



WRAPPING UP



GET TO KNOW THE OPTIONS

- ▶ Local Community Foundation
- ▶ National Providers
- ▶ Single-Issue Charities

- ▶ Relationship OR Transaction?



RESOURCES

- ▶ National Philanthropic Trust DAF Report
- ▶ US Trust 2018 Study on Philanthropic Conversation
- ▶ US Trust 2016 Study on Philanthropic Motivations

CONVERSATION SPARKLERS

- *What is your earliest memory of giving?*
 - *Is there someone you admire who shaped who you are?*
 - *Who is the most generous person you know and why?*
 - *How did/do your parents/grandparents practice generosity? Does that influence your giving?*
- 
- A photograph of two hands holding lit sparklers. The sparklers are lit, creating bright orange and yellow sparks that are scattered across the frame. The background is dark with some bokeh lights, suggesting an outdoor night setting. The overall mood is celebratory and warm.



THANK YOU!

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