

# A HEART-TO-HEART CLIENT CONVERSATION

Advisers who don't recognise clients' desire to give are not providing a full service, says Laura O'Rourke.

Research by Queensland University of Technology (QUT) shows that clients want to talk to their advisers about philanthropy, but only 40 per cent of advisers are informed about their clients' interest in the topic. This disconnect is reflective of a broader cultural trend in Australia, which has seen a reluctance among many to talk about their charitable giving. However, things are starting to change, and with an increasing number of high-profile Australians publicly sharing their stories, it seems philanthropy is becoming more socially acceptable to discuss.

For advisers, this means it is vital to start including this topic in client conversations. Clients are moving away from the idea that their adviser will only provide advice on how to manage and grow their investments and are increasingly seeking guidance on how to use their wealth to support their communities.

## RAISE AWARENESS

Raising awareness of philanthropy among clients is the first place to start and means they will be more likely to bring up the topic or be receptive to discussions about it. Including a regular article about philanthropy in client newsletters and providing information such as Philanthropy Australia's *A Guide to Giving* – which provides a good introduction to this area – are simple ways to put philanthropy on the agenda.

## WHEN TO RAISE THE TOPIC

Significant giving opportunities often arise when clients are making major business, personal and financial decisions. Raise the topic during the initial client meeting, as part of the annual review process or at year-end tax planning time. Estate planning, business or real estate sale discussions are also timely opportunities. If a client is expecting a financial windfall, such as an inheritance, this can be a good time to discuss whether they have considered philanthropy too.

## STARTING THE CONVERSATION

Philanthropy is a very personal decision, so the approach to raising this topic with clients may vary depending on their circumstances. The QUT research shows that philanthropic people tend to gravitate towards people with similar interests, so for those advisers who are



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already passionate about a cause, sharing this with a client can help them to connect on an emotional or values level. It can also be an easy way to get clients to open up about their own involvement in the community.

Using open-ended questions can encourage clients to reveal more about aspirations for their family; and there is a growing trend of wealthy families using philanthropy as a vehicle to connect across different generations.

Asking a client if they are currently involved or plan to be involved in the community through volunteering is also a good place to start.

Look for trigger points. Discussing a client's cash-flow requirements and whether they need to set aside funds for donations to specific charities may lead to a broader discussion about long-term plans for giving and more effective giving options.



## INDUSTRY COLLABORATION

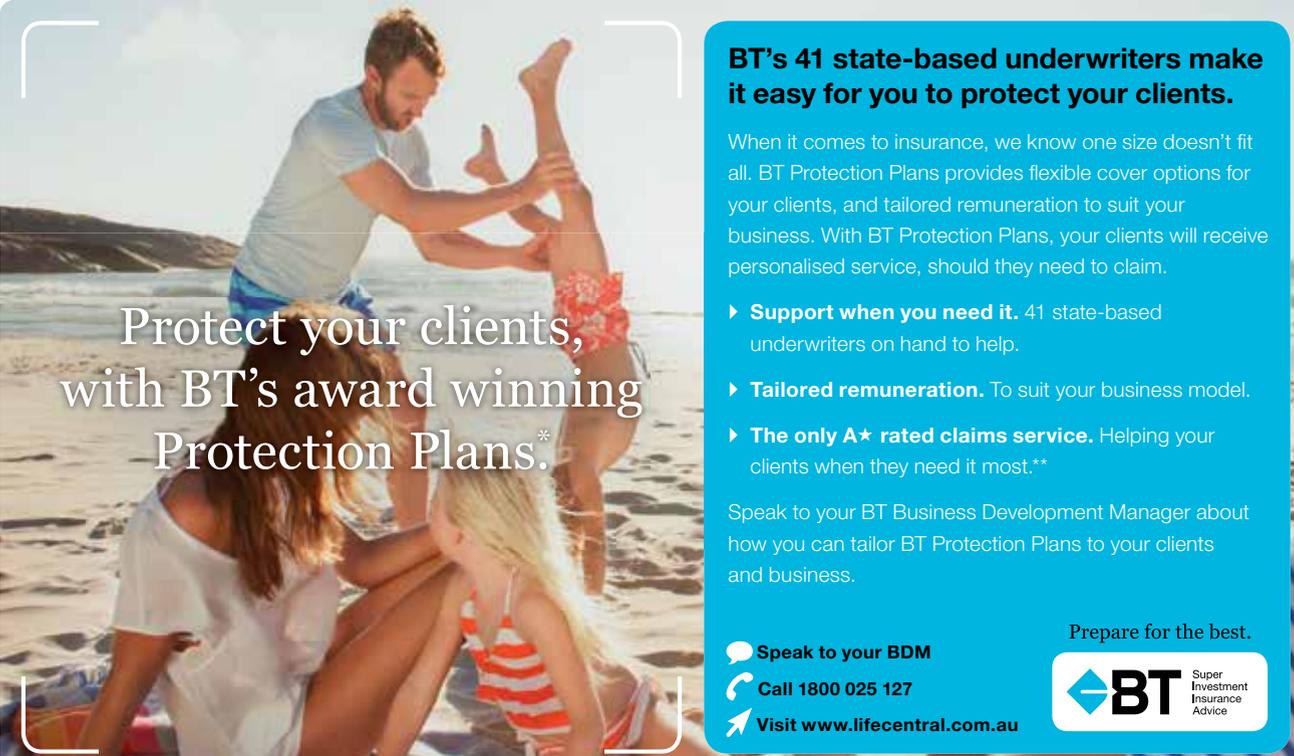
Given that the philanthropy advice market is still in its infancy, it is particularly important to consider the potential benefits of collaboration with peers across the industry. Those advisers who have been most successful in this area have been willing to share information about how to initiate conversations with clients. They are happy to share these insights because they recognise the need to develop and promote this part of the advice market.

## ADDING VALUE

Talking about philanthropy adds another dimension to client relationships by providing an opportunity to really understand the client's values and connect on another level. By incorporating philanthropy into their service offering and initiating conversations, advisers can stimulate greater demand and play a pivotal role in helping clients become more philanthropic.

There may be an increase in the overall level of philanthropic giving if advisers become more active in discussing this topic with their clients. This would not only help advisers add value for their clients, but would have the benefit of adding value to the broader community too. ■

Laura O'Rourke is an associate director of Macquarie Adviser Services.



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