**Community Foundation Spark Session** 

### **Business Models for Family Philanthropy Services (Round 4)**

Thursday, Aug. 20 | 2:00-3:15pm ET

### **Featuring:**

Robert Fockler, President, Community Foundation of Greater Memphis

Caroline Kuebler, Director of Development, Community Foundation of Greater Memphis

**Debbie Wilkerson**, President and CEO, Greater Kansas City Community Foundation

Whitney Hosty, Senior Philanthropic Advisor, Greater Kansas City Community Foundation

Tony Macklin, CAP®, Senior Program Consultant, NCFP







### NCFP is the only national nonprofit dedicated exclusively to families who give and those who work with them.

We provide the resources, expertise and support families need to transform their values into effective giving that makes a lasting impact on the communities they serve.

Together, we make great things happen.



### **NCFP Webinar Facilitators**



**Tony Macklin, CAP®** Senior Program Consultant



**Jen Crino** Program Coordinator



### **How the Zoom Webinar Works**

- If you have sound problems listening through your computer, try switching to a landline telephone or cell phone
- To ask a question, type it into the Q&A box on your control panel at the bottom of your screen or email jen@ncfp.org
- If you experience technical problems, please use the question box or email jen@ncfp.org. Should there be a broader technical issue, we will send an email, as well as message on screen
- This webinar is recorded and a replay will be made available only to NCFP's community foundation subscribers
- You may chat with us on Twitter during or after the webinar using the hashtag #ncfpweb
- Keep an eye out for our post-webinar survey. We rely on your feedback!



# Thank you!

We particularly appreciate members of NCFP's:

- Leadership Circle
- Friends of the Family network
- Community
   Foundations Family
   Philanthropy Network
- Partner Subscriber networks





### The NCFP Community Foundation Network

























































### The NCFP Community Foundation Network























































# **Business Model Assumptions to Test**



- 1. Who are our target customers?
- 2. What desires drive their philanthropic journeys? What challenges prevent them from moving forward?
- 3. What value proposition will we offer to fulfill those desires & overcome those challenges?
- 4. What internal capacity, culture, and resources do we need to succeed?



# **Business Model Assumptions to Test**



- 5. How will we reach our customers and maintain relationships with them?
- 6. What partners will we need to reach and maintain customers?
- 7. How will we measure progress and success?
- 8. What's the financial model?



### Poll 1

Beyond fund fees and operating budget, which revenues do you have for philanthropic services? (check all that apply)

- Business sponsorships
- Select set of donors (our 'founders/investors')
- Event/program registration fees
- Hourly fees for customized services
- Flat fees for customized services
- Other



### Poll 2

Do you plan to change your pricing model (any types of fees/revenues) for philanthropic services in 2021-22?

- Yes
- Maybe
- No







**Debbie Wilkerson** President and CEO



Whitney Hosty, CAP® Senior Philanthropic Advisor







**Bob Fockler** President



**Caroline Kuebler** Director of Development

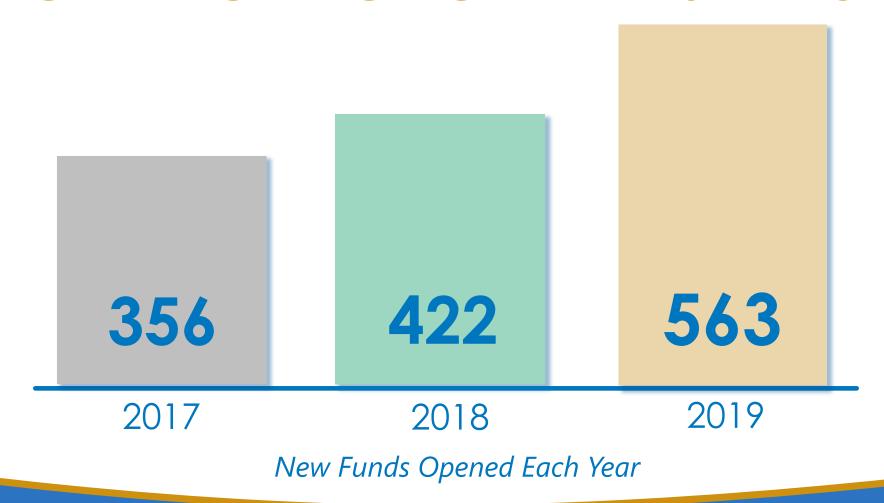


# NCFP Spark Session: Business Models for Family Philanthropy

August 20, 2020

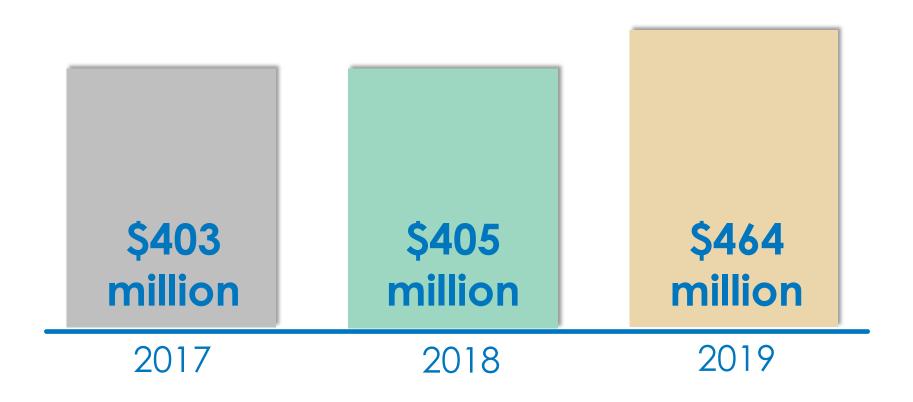


### GROWTH OF DONOR-ADVISED FUNDS



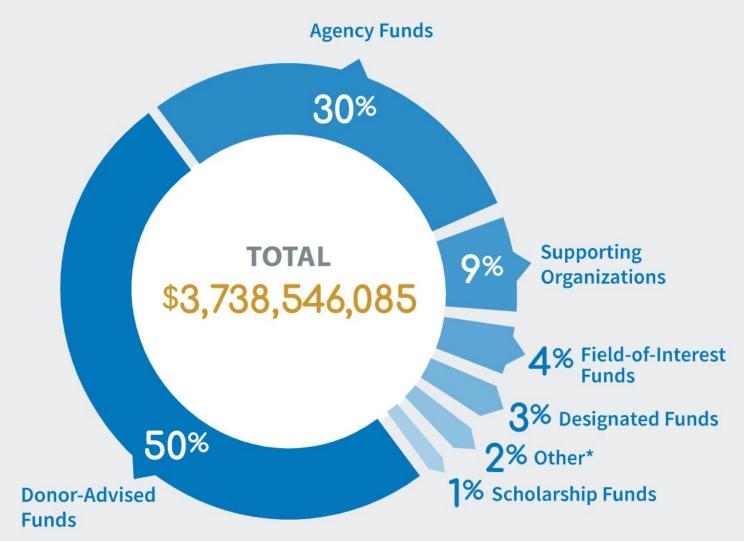


# GROWTH IN GRANTS

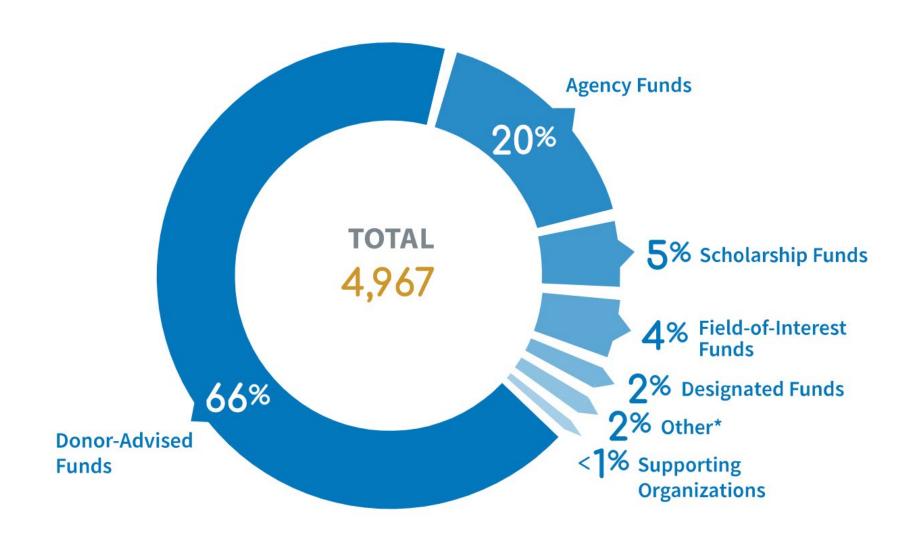




# **ASSETS**



### **FUNDS**



### SERVICES FOR ALL DONORS

- Donor Education Sessions
  - Donor-to-Donor
  - Behind-the-Scenes
  - Multi-Gen Volunteer
     Opportunities
- Blogs and Podcasts
- Basic Research on Nonprofits

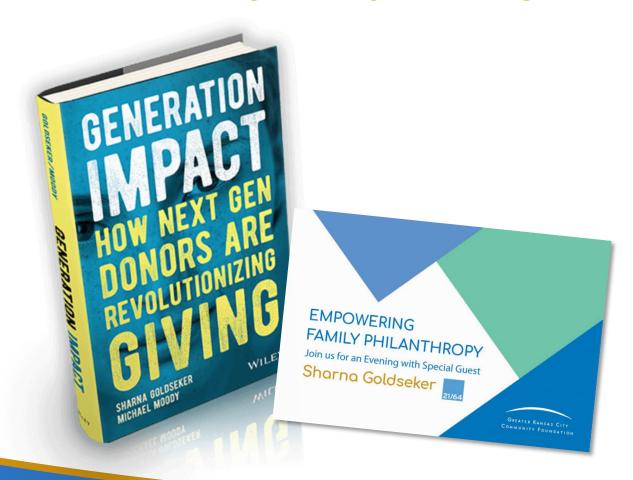
- Family Meeting Facilitation to Identify Values and Priorities
- Access to Philanthropic Advisor
- Family Volunteer Session Planning
- Online Giving Portal for Next-Gen Involvement







### EVENT SERIES FEATURING SHARNA GOLDSEKER







### GRANTMAKING SERVICES

for Private Foundations, Supporting Organizations and DAFs

- Vision and Strategy Development
- Grant Review Process
- Grantee Reporting and Accountability
- Regular meeting support and facilitation





### RESOURCES FOR PROFESSIONAL ADVISORS

- Available online tools and resources for advisors to discuss giving strategies directly with clients
- Meeting facilitation with advisors and clients to identify values and opportunities for family giving next gen involvement
- Support for identifying and documenting charitable legacy
- Professional advisor education programs





### HOW TO TALK GIVING

### With Your Charitable Clients

You can engage your clients on a deeper level by asking them about their charitable plans. While you might be reluctant to ask your clients about this highly personal subject, studies show clients want their advisors to ask them about their giving. Here are 10 things to keep in mind as you get started.

Do you know if your clients are charitably inclined? Starting with some simple questions can lead to larger discussions
about how you can help clients maximize and simplify their giving.

### Conversation Starters

- Mhat charities do you currently support and how do you support them?
- What general causes do you care about?
- What was your most important or most satisfying charitable donation or volunteer experience?
- Do you want your family to have more involvement in your giving?
- Are your clients holding appreciated assets, including publicly traded securities, and facing capital gains tax? Your clients can avoid capital gains and receive a tax deduction by donating these securities to donor-advised funds and other types of charitable giving accounts.
- Do you have clients who want to sell a business, or do your clients have illiquid assets they want to put to charitable use? We can accept donations of complex assets, including business interests, life insurance policies and real estate, allowing your clients to receive the maximum tax deduction for their donations.
- Are your clients hesttant to let someone else manage their assets? We allow donors to choose how assets in their charitable giving accounts are invested. They can work with their own trusted financial advisors, or they can choose to invest in one or more of our investment pools.



GREATER KANSAS CITY COMMUNITY FOUNDATION
816.842.0944 | www.growyourgiving.org



### Let Us Help You CREATE YOUR CHARITABLE LEGACY

You can structure your donor-advised fund for giving beyond your lifetime.

The Greater Kansas City Community Foundation's philanthropic advisors are experts in grantmaking and legacy building, and they can help you think through your priorities and goals to develop custom solutions that will sustain your charitable legacy.

### We typically start with questions like these:



Who will carry out your charitable legacy? The successor advisors to your donor-advised fund will make grants from the fund after your lifetime. Think about who you want to name as your successor advisors. Your children? Other family members? Friends? Your attorney? Or do you want to leave the grantmaking to our philanthropic advisors?



How long would you like your philanthropy to continue? Do you want to establish a spending policy to ensure giving can continue indefinitely? Do you want to outline when to make final grants from the fund?



Do you want successor advisors to have complete flexibility when making grants? Or do you want to set guidelines for future grants? For example, you may restrict grants to a certain geographic area or specific charitable causes.

### There are many possibilities to consider for your charitable legacy. Here are some popular options among our donors.

- Gather and unify. Keep your donor-advised fund intact, and use it is a catalyst to gather your children or other
  successor advisors together. In this scenario, you determine whether successor advisors will make grant decisions
  independently by majority or unanimously. You may also pick one representative who all liwork directly with us.
- Divide and multiply. Split your donor-advised fund into multiple donor-advised funds, so each successor advisor has their own fund. You might consider splitting the fund during your lifetime, so you can enjoy sharing your legacy.
- Leave the work to us. Our philanthropic advisors can manage the grantmaking from your donor-advised fund. We
  will work with you to document your charitable intentions to ensure we stay true to your goals after you are no
  longer able to do so.
- Hybrid. Customize the elements you want to include as part of your charitable legacy. We can make grants to your
  favorite charities immediately after you pass, and then let your successor advisors grant out the remaining donor-advised
  fund assets over time.

To learn more, contact us at info@growyourgiving.org or 816.842.0944.

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### DOCUMENT YOUR CHARITABLE LEGACY

You can structure your donor-advised fund for giving beyond your lifetime to create a charitable legacy. Answer all or some of the questions below to articulate your charitable goals and priorities. The Greater Kanass City Community Foundation's pinling advisors are available to quide you through this process. To reach your philamthropic advisor, contact servicesgrowyourniving.org.

Please complete any applicable sections and return to service@growyourgiving.org.

Once approved by the Community Foundation, we will return a fully signed copy to you.

Name of Fund		Fund ID
re there specific interest areas you wan	t to support beyond your lifetime? Se	lect all that apply.
Arts & Culture	Education	International Affairs & National Security
Animal-Related	Employment	Philanthropy & Volunteerism
Civil Rights & Advocacy	Environment	Recreation & Sports
Community Improvement	Food, Agriculture & Nutrition	Religion-Related
Crime & Legal-Related	Health	Science & Technology
Diseases, Disorders & Medicine	Housing & Shelter	Youth Development
Disaster Preparedness & Relief	Human Services	Other:
Would you like your giving concentrated	то эресинс деодгаринс ангазт и эо, ра	case list mein neie.
Do you feel strongly about supporting sp Example: We are interested in providing gr		

GREATER KANSAS CITY
COMMUNITY FOUNDATION





**Founded** 1969

\$739.4 million (FY 4/30/20) **Assets** 

\$163 million (FY 4/30/20) **Grants** 

**Funds** 1,200

Staff



### **Customer Segmentation**



Same services, same pricing to all donors, however, recognize the following, distinct segments:

- Average donor (people of wealth who are charitably inclined and dedicated to improving Memphis and the Mid-South; median fund size \$31,500, median grants \$14,200)
- Funds that maintain large balances (>\$500,000, >\$100,000)
- High pass-through funds (relatively low balances but high levels of grant activity)
- Second and third generation advisors
- New next gen donors (generally, under 45)
- Donors of color



# **Value Proposition**



### Service, service

- Efficient transaction execution
- Competitive investment returns
- Flexible and creative gift acceptance
- Active educational programming on community needs
- Deep knowledge of Memphis and the Mid-South (LIVEGIVEmidsouth.org)
- Demonstrated experience in working with professional advisors



### **Desired Customer Experience**



Traditionally, we were trying only to be an efficient transaction processor.

Increasingly, we are seeking to be our donors' valued philanthropic advisor

- Demonstrated knowledge of community needs and the local nonprofit landscape
- Growing experience in multi-generational philanthropy and legacy planning



### **Channels and Partners**



- Dedication to maintaining and extending relationships and reputation among professional advisors
- Ad buys directed to high net worth families
- Build community reputation and visibility
- Community education (LIVEGIVEmidsouth.org and educational forums)
- Direct outreach, usually through prospects' peers



# Capacity



- Current FTE of five in Donor Services and Development; that probably needs to nearly double
- Specific skills in professional advisor relations and services, multi-generational philanthropy,
- Active participation of senior staff, program staff, and finance staff in all aspects of Donor Services and Development
- Dedication to adding required skills and professional development of existing staff



### Cost-Revenue Model



- We have the required revenue base to support significant expansion. We do not anticipate any changes to our core revenue model, which is based on administrative fees
- Active budget reporting and monitoring
- Board is fully supportive of expanding these services and in management's ability to manage costs



### **Progress & Success Measures**



**Families** Donor perception surveys

Foundation Growth in number of funds, particularly

funds of median size and larger; asset

growth; balanced budget

Community Grants; community perception sampling



### **Tips and Lessons**



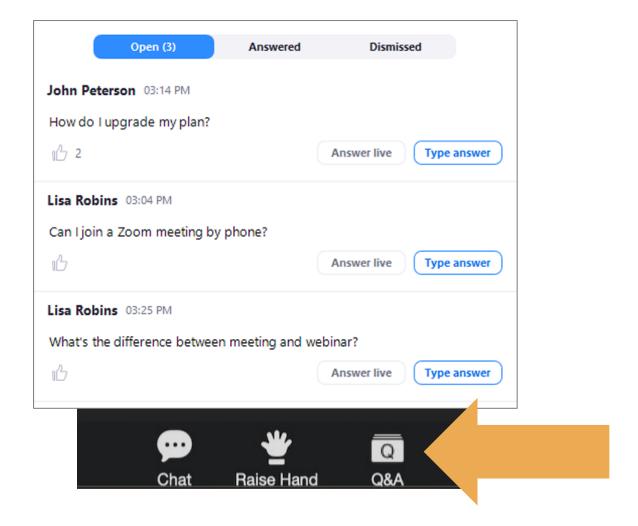
We have drawn heavily on the work of our peers

At the same time, we are intent on testing what works in our community with our donors. We don't just assume that what worked in Houston will work in Memphis



# **Submit Your Questions**

Submit your questions into the Q&A box on your control panel at the bottom of the screen or email jen@ncfp.org





### https://www.ncfp.org/academy/community-foundations-playbook/



Join the Family

or Sign in

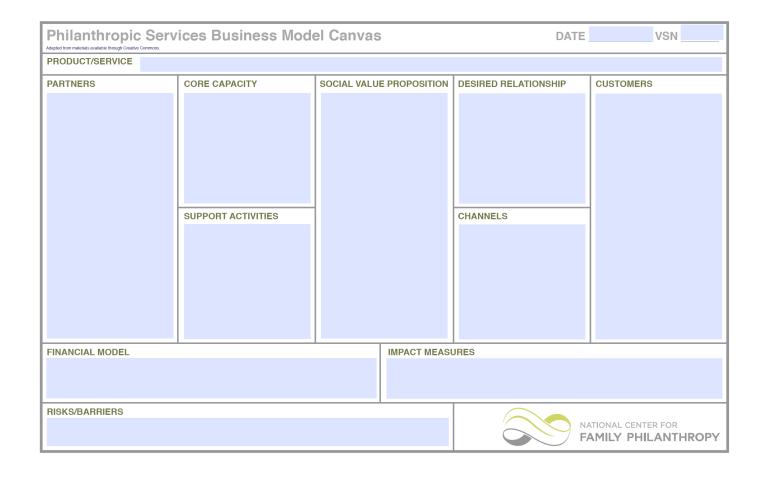
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### What You'll Find

- ✓ Example materials from peers (the old Dropbox)
- ✓ Webinar & topical call recordings
- ✓ Tools and templates for program planning
- ✓ Case studies for internal discussion/training
- ✓ Resources from national experts





### **Upcoming NCFP Community Foundation Programs**

Oct 7-8

# **2020 Community Foundations Family Philanthropy Network Workshop**



How Client Engagement is Being Disrupted – Julie Littlechild, Founder and CEO, Absolute Engagement

Peer learning topics (so far)

- Involving donors and advisors in racial equity
- Programs for young adults
- Services for LGBTQ+ donors and families
- Family philanthropy practitioner skills & mindset



### **Connect with NCFP**



ncfp@ncfp.org



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linkedin.com/company/national -center-for-familyphilanthropy



facebook.com/familygiving





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**Business Models for Family Philanthropy (Round 4)** 

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### Thank you for joining us!

Please login to ncfp.org to view the recording and related resources for the webinar.

### Your feedback is critical to our work!

Please complete the webinar evaluation survey that will appear after the end of this webinar. You may also send your comments and testimonials to community@ncfp.org.

