

Understand Your Client's Philanthropic Decision-Making Behavior

Philanthropy is a major talking point between many financial advisors and their clients, particularly in the United States where there is a very strong culture of giving back to the community. With the substantial increase in affluence many more people are asking about how they can incorporate planned giving into their financial plan. Even for the not so affluent, giving is often still an important topic.

Whilst many people want to give, deciding what to do is often very challenging. For many, the whole subject takes them and their family back to their core. Who am I? How can I give in alignment to my values? What are my values? What are my interests? What do I want to be involved with? How do I want to be remembered? Families often ask these questions as a unit and in many cases, there are a lot of differences in perspectives.

There is no doubt it is important to discover what the client's values are. Discovering the values will go a long way to defining their purpose and guidelines for giving. Coupled with the client's interests, the values will also tell you a lot about the causes to which they will give. For many, areas of personal interest are significant in where they want to give as often experiences and education become drivers. However, many advisors have observed that although the values and interests are understood there is still something missing that is causing a blockage to decisions getting made.

Further, notwithstanding many people want to give, they often do not know how to go about it, some even distrust the process - where will the money go? Advisors often do not really know how to communicate with their clients about giving.

Therefore, what is the right discovery process to adopt to truly liberate your client to want to give? The solution really goes back to the core of who the person is. What we have found missing for many in the discovery of a person's philanthropic motivations is a true understanding of the client's naturally motivated behavior (otherwise known as the "hard-wiring"). This is the starting point of the Financial DNA® Discovery Process. The natural behavior is programmed into a person by the time they reach the age of three. This is important because the natural behavior shapes a lot of how a person is motivated to make decisions and their communication preferences. To some degree it will influence their values as well.

What is important to recognize is that whilst two people (for instance, a couple or siblings) may have similar values and interests, they are likely to have very different if not opposite natural behaviors. Therefore, their natural motivations toward making philanthropic decisions could be very different. For instance, some people are more naturally motivated to establishing their own foundations, others are orientated to impact giving that may cause significant societal change, others support a range of local charities or wish to ease suffering, others are motivated to justice and fairness, others will focus on the detail and levels of accountability.

Understanding these drivers by having your clients complete their Financial DNA® profiles will at least provide the right starting point for facilitating clients through making their philanthropic choices (and their overall financial planning). You may just find this will truly unlock your client.

About the Author:

Hugh Massie is the President of Financial DNA Resources. In his work as a Wealth Mentor, Hugh specializes in human behavioral discovery using the proprietary Financial DNA® Discovery Process to liberate and empower people, families and organizations internationally to implement committed wealth creation decisions aligned to the core of who they are. Hugh is the author of a book "Financial DNA® – Discover Your Unique Financial Personality for a Quality Life".