



## Partnership *in Practice*

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We've heard that it takes a village to raise a child. In our shaky global economy, it takes a lot more than a village to sustain most adults in their careers. Philanthropic planners are embedded in a network of professions and priorities that is very powerful when all the lines of communication are open. Wherever a donor enters that network, he should be able to exit with a charitable plan that maximizes his impact on the causes he supports. But what if the fundraisers he speaks with don't understand his investment concerns, or his retirement and long-term care plans? What if his financial planner doesn't know that his life was changed by one important college professor? What if his estate planner doesn't feel comfortable helping him pass more than money on to his children?

We don't expect that any professional with a role in philanthropic planning can be a one-stop-shop for the client or donor. We do expect that any philanthropic planner—nonprofit or for-profit—who needs advice or counsel will get a warm and knowledgeable response from people who hold the missing pieces. An important part of our mission, as the Partnership for Philanthropic Planning, is to make sure all the lines of communication in the philanthropic network are open.

Phil Cubeta sits at one node of the inter-professional network. As Sallie B. and William B. Wallace Chair in Philanthropy at The American College and head of the Chartered Advisor in Philanthropy program, he manages a program that raises the philanthropic consciousness of financial service professionals. Phil is also a long-time member of PPP, and a former president of the North Texas Planned Giving Council. I talked with Phil about partnership, and about the rewards of bringing together the two sides of the gift planning community, *and* the two sides of his own life.

THJ: What is your own professional background?

PC: My father taught Shakespeare at Middlebury College. I expected to be college professor, and have degrees in philosophy, psychology and literature. But my career started with life insurance. Philanthropy has been a cross-over between the two areas. I started working in philanthropy in the early '90s in establishing a Charitable Giving Network among New York Life Insurance Company's agents. Later, I served for 14 years in Dallas as chief of staff of The Nautilus Group, an initiative of New York Life serving 220 of the company's top agents with tax, financial and philanthropic strategies for clients with high net worth. I used to call myself "the charitable cheerleader" for those agents. I came to The American College in January of this year, to "do" philanthropy full-time. It's tremendously important that for-profits and nonprofits work well together, so that donors and clients get the help they need as they plan their life, money and giving.

THJ: How has philanthropic planning changed in the years you've been in the field?

PC: NCPG's strategic directions study really got it right. The days of presenting tools and techniques as news to the client are over. The client already knows about as much as the rest of us do. So we've gone beyond the tools and techniques level to two new levels—the second is holistic financial and estate planning, incorporating philanthropic tools and techniques. That is the level at which top tax, legal and financial advisors operate today, when they are "on their game."

Then comes level three, which is all of that and more—at the third level, the issue is not tools, not planning per se, but aiming all that at what the client or donor most wants to accomplish for self, family and society. That is the level that Dr. Paul Schervish calls, “discernment,” or “practical wisdom.” And at that point we’re back to philosophy, psychology and literature, to the muses and the graces! When it comes to wisdom, and to living a good life, in community with others, to whom does the donor naturally turn? More than likely, it’s the nonprofits whose very reason for existence is the cultivation of community, the arts, excellence and the spiritual. Advisors are masters of tools and techniques and planning—the how of it all—but nonprofits are wellsprings of wisdom. It is to the nonprofits that the donor goes for the “why” of it all.

Many advisors are uncomfortable with what I call “the liberal art” of philanthropic planning. They may dismiss it as “touchy-feely,” “soft,” or otherwise unbecoming an advisor. If you go to people who are good at the more open-ended philosophical and social side of philanthropy, the more idealistic side, they may describe the money folks as the “dark side.” It’s like a marriage where two people aren’t talking to each other, but talking about each other, saying unproductive things. We as a field, and the donors and clients we serve, need both the yin and yang—we need people who can balance the two sides, or bridge them in practice.

THJ: What has caused the disconnect? The sense of mistrust?

PC: There’s a dispersion at a fairly young age about what track you’re on. The tax code attracts a certain kind of intellect that is grounded in facts and figures, but doesn’t necessarily get the liberal arts. Nonprofits attract the liberal arts majors and the free spirits. So part of it has to do with how we make our own career choices. There are also differences in training as people enter one profession or the other, and differences of compensation that incentivize certain behaviors and attitudes.

When I think of bringing the two sides together, the analogy that occurs to me is of my boys boarding school visiting the girls school with a SWAT team of chaperones. We all know both the benefits and the risks involved. If you partner with the wrong person, it can be disastrous—think of people who have been hurt by bad advice from Bernie Madoff. The chaperones help to keep us out of dangerous territory. On the other hand, if we do not partner, the species becomes extinct.

THJ: The Partnership is best positioned to play the role of the chaperone—watching out for potential trouble spots and providing the standards and advocacy to help people get over them.

PC: Yes, or maybe we could say, “steward.” On a national level, PPP can steward the field, helping people come together productively, and giving people the reputation they deserve. That is key—each side needs to give the other side proper credit. Having a body of knowledge in common is important too, so you know enough to recognize quality when you see it.

It’s interesting to be at The College, which is a nonprofit, so I’m privy to some of the fundraising conversations. We all know that prescription before diagnosis is malpractice, so we train financial services people to (1) get good goals from the client and (2) get the facts about their situation (their income statement, balance sheet, etc.). Fundraisers almost never have access to clients’ facts. If you’re not at the planning table where those facts are in play, your chances of getting a good position in the plan are low. We need to reach a point where the nonprofit advisors are welcome at the table, and if they’re not at the table, we need to know who is going to represent them, so that the voice of the philanthropic advocate is heard.

THJ: When I first came to NCPG in 1991, we talked a lot about the importance of building

relationships with donors, with the goal of getting trust and access to information. Now, there's been so much emphasis on current gifts and transactional giving that there are fewer fundraisers who actually have the time and support for building long-term relationships. Those have often been ceded to the advisors.

PC: Candidly, most entry level people in financial services are also in transaction mode—it's predictable and manageable and appropriate for people in a relatively low net worth market who don't need a high level of service. At the top of the net worth pyramid, though, people are used to being treated like kings or queens—they're spoiled in a sense by their financial advisors, so it's very hard for a transactional process to succeed.

THJ: When you're asking people to make a major investment, even if it's well planned, if it doesn't pay off for the investor in terms of accomplishing charitable mission it won't be well received.

PC: That's right, so even if fundraisers aren't present at the planning table, they need to cultivate advisors who are open to philanthropy. Advisors need nonprofit people too. Advisors repeatedly find that people set up foundations to take care of estate tax and everyone is happy for a little while. Two or three years later, we get a call from the client asking, "Why do I have this? It's more trouble than a pet." They never were given a sense of the purpose—having an effect on society.

In financial services, we're poorly positioned to help people understand making grants with a purpose. If the donor warms up about making grants and making a difference, advisors aren't the best people to help. The pendulum needs to swing in the direction of nonprofits. We can't duplicate that expertise in the for-profit sector. We do need each other. How we work out the dance steps and who chaperones, or stewards, this "mixer" is what we're trying to figure out now. In the end, we need to work together to help the donor answer the question, "When the money flows out of the charitable tools, how is it going to make the world a better place?"

Where is the most natural place for that meaning and purpose conversation to happen—a high rise office building, or the place where you worship, or a school where you learned your perspective on life? Where is the most natural place for the tools and techniques conversation? Where is the place for the operational conversation—how to bring the meaning and tools together? How, through what professional networks, and civic friendships, can those three conversations add up to a plan with impact?

THJ: That was why NCPG was created, but it's been difficult to accomplish. NCPG began as a 501(c)(3) to foster charitable planning, primarily by building strong communications networks between the nonprofit and financial advisor communities, and by providing tools and services that supported that communication. But it came to be operated as a professional organization for planned gift fundraisers—filling a necessary void but being much less successful at being the place where those cross-discipline conversations were productively taking place.

PC: When NCPG was formed, we were at a crossroads where the field needed a catalyst, but it also needed a professional organization. NCPG seems to have gone down the association road, but the catalyst is still needed—perhaps more than ever. This is a good time to bring the organization back to its original mission for the benefit of the professions, certainly, for also for the benefit of our donors and clients, the nonprofits and our communities.

If PPP didn't exist, there would still need to be a place where all the people with a stake in the conversation can come together. Of all the organizations in the field, PPP is best positioned to be the

host for the conversation. It's the best place to form a nucleus of people who are really planning well and who know how or can learn how to dance well together.

The conversation continues: As the Partnership explores ways to achieve its goal of ensuring that philanthropic planners are "well trained and competent," we stay in touch with The American College and other educators in the community. Our goal is to make sure that research, best practices and technical developments are shared freely in the educational network, to help define the common body of knowledge that nonprofit and for-profit planners share. Our Syllabus for Gift Planners, which was published in 1992 and last revised in 1997, was a first step in defining that common knowledge. We'll be updating the Syllabus to reflect the current state of the art in charitable planning, and as always, we'll involve planners from every professional specialty in that endeavor.

Source: *The Journal of Gift Planning*, vol. 13, no. 1, 1<sup>st</sup> quarter 2009.