



## IN THIS ISSUE

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## WHAT'S HAPPENING

### Contributions, Grants Up

CCF donors contributed \$142.6 million from July 1, 2008 through March 31, 2009, up 10.6% compared with the same period in 2007-08. During the same periods, CCF awarded \$120.8 million in grants in 2008-09 through its foundation directed and donor advised funds, 38% more than the previous year.

### Long-term IRA Rollover Act introduced in Congress

If enacted, a bill introduced in the House of Representatives would make current charitable IRA rollover provisions permanent. The bill would allow people age 70 1/2 and older to avoid taxes on retirement account withdrawals if they use them to make charitable gifts. The current IRA rollover will expire on Dec. 31, 2009.

### Business Owners Most Generous

Entrepreneurs who made their money from a family or startup business gave nearly 2.5 to 7 times as much as other high net worth counterparts, according to a study by Bank of America and the Center on Philanthropy at Indiana University.

# TOP ADVISOR GLOWACKI:

## How to Find Your Client's Passion

*Michael Glowacki of The Glowacki Group, LLC, sees himself as a coach and advisor to his high net worth clients. Because life and wealth-related decision making is so complex, he talks about how important it is to discover your client's passion.*



### CCF: How do you connect your clients to their philanthropic passions?

MG: "Our approach to working with clients combines coaching and advising. We call it The Capital Confidant Approach. We developed this approach after witnessing too many clients working with advisors and attorneys on the wrong problems, issues and strategies that were not in sync with what they told us that they wanted in their lives. Our senior

advisors are trained coaches as well as financial and tax professionals. As coaches we listen to our clients' life stories, how they were raised, their values, religion, level of spiritual intensity, their chosen careers, education, how they spend their time, what they read and their hobbies. The seed of their passions and fulfillment are buried in their stories and experiences. It is less about identifying their passions and more about what is needed to nourish them so that they feel morally complete. *[continued on page 2]*

### CCF: How do you define passion?

MG: "I would define passion as being fully engaged, as doing something that provides fulfillment. In business, I experience passion by using my unique strengths to help others make the most of their resources. In play, I find passion using my musical creativity as a drummer to create something new in the moment and connect with other musicians without using words."

## MICHAEL GLOWACKI

*is a big fan of donor advised funds (DAFs). Here's why:*

*"Donor advised funds offer one of the best ways for clients to time tax deductions without giving up control over their money. So, if a client has a windfall year of taxable income pushing them into the maximum tax brackets, they can increase their tax deductions to absorb much of the income (up to 50 percent) saving taxes."*

*"As a Certified Public Accountant, I appreciate a DAF because it simplifies the client's record keeping. A client can make one contribution to their DAF and that's all that they ever have to account for on their tax return. With the increased record keeping required by the IRS, if 100 gifts are made from the DAF, the client does not have to get 100 pieces of substantiation, the DAF administrator handles all that."*

*"They can take a tax deduction in the current year but defer what charities to direct the money to future years when they may have a clearer idea of what charities they care about."*

### What sets CCF apart from other entities that offer DAFs?

*"The ability to research charitable opportunities in the Los Angeles community. The depth of the CCF staff to guide a client's charitable intentions to the charities that best support the causes they believe in."*



*[Glowacki continued from page 1]*

“Clients all have different reasons for giving and many times they are not fully aware of the reasons themselves because they assume that everyone has had the same life experiences, so they don’t understand their own uniqueness ... Some clients want to make a difference, some want to leave a legacy, receive recognition, express gratitude for someone, or some group, who helped them earlier in their life, or help those who have experienced a similar pain or disability as they may have.”

**CCF: Give us an example of how you helped a client define their goals.**

MG: “A prospective client came in four months ago. She wanted us to manage her investment portfolio. I asked her, ‘Why do you want to invest this money?’ She said, ‘I want to retire. I really would like to go to East Asia and do volunteer work.’ She and her husband are dentists. I asked, ‘What if you could do that now?’ There was this major silence. The point is, nobody had asked her that question. I told her that in looking at her portfolio, I thought she could probably do that, it really just depends on how much she spends. I asked her, ‘Have you looked into that?’ She said no. It’s just amazing. That client walked in here to do one thing and it’s possible she’s going to do something completely different. I’m passionate about helping my clients find clarity. I like the look in their eyes when they connect with what they are searching for. When that happens they relax and make important decisions with a level of confidence and conviction that didn’t exist when they walked in. I feel like that’s part of my purpose.”

Contact Michael Glowacki at  
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## GIVING TRENDS

### **Foundations Gave More as Economy Plummeted**

U.S. foundations gave 2.8 percent more in 2008 for an estimated total of \$45.6 billion. Community foundations surpassed corporate foundations for the first time, giving 6.7 percent more than 2007 for a total of \$4.6 billion.

Source: Foundation Center

### **Foundations in the Western United States Gave Most**

Foundations in the western region awarded \$7 billion, the largest portion of grant dollars in 2007, with a focus on health. Foundations in other regions focused most on education. Source: Foundation Center

### **Volunteers Gave More**

People who volunteered two hours a week donated an average of \$124,267 — more than three times what non-volunteers donated on average in 2007, according to a recent study by Bank of America and the Center on Philanthropy at Indiana University.

## ASK ED

### **Remembering CCF in an Estate Plan**

By Ed Mullen

Perhaps your clients are feeling pinched these days, but they still want to make a difference by giving in the future to a cause that is important to them.

The simplest way to do that is to include CCF in an estate plan, leaving an outright bequest to the foundation upon death through a will or revocable trust. This outright bequest can consist of any form of property (i.e., cash, securities, real estate and collectibles). An outright bequest can be a specific amount of money, a designated item of property, a certain percentage of the estate or the residue, or part of the residue, of the estate.

When your clients name CCF as a beneficiary in their estate plans, they become members of CCF’s Legacy Society, a premier group of donors whose philanthropic work will help make Los Angeles County a better place to live. Legacy Society members are recognized in our annual report and other publications, as well as at special events held in their honor.

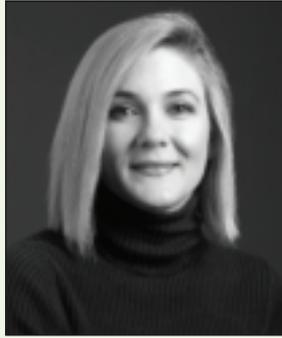
I am always available to discuss estate planning opportunities and concerns with you and your clients. Contact me today at (213) 413-4130.

*Ed Mullen is the foundation's estate and gift planning officer. Have a question or topic that he can address in subsequent newsletters? E-mail him at [emullen@ccf-la.org](mailto:emullen@ccf-la.org).*



# BACK TO BASICS:

## Working Together in Tough Times



From left: Antonia Hernández, California Community Foundation; Elise Buik, United Way of Greater Los Angeles (Photo courtesy of United Way); Fred Ali, Weingart Foundation (Photo courtesy of Weingart Foundation).

Partnerships and collaboration are the best way to respond to the acute demand for social services, funders agreed in a meeting to discuss how they could work together to respond to the economic and housing crisis in Los Angeles County.

The meeting of 14 funders in January was sponsored by the California Community Foundation, the Weingart Foundation and United Way of Greater Los Angeles.

“The vast majority of funding comes from government,” said Antonia Hernández,

president and CEO of the California Community Foundation. “Philanthropy is the entrepreneurial arm. How can we use our limited dollars to help? Through partnerships and collaboration. That’s how we can make an impact.”

Recommendations from the meeting:

- **Collectively advocate at the state and national levels that all these problems are connected and have a ripple effect.**
- **Use the crisis as an opportunity and question basic assumptions about how things are done in human services.**  
Example: programs for homelessness deal with the symptoms rather than “the glue,” such as case management.
- **Fund areas of innovation and research and come up with alternatives.**

## Stock, Property Gifts Up

CCF donors contributed \$35.6 million in stock or property from July 1, 2008 through March 31, 2009, up 44.5% compared with the same period in 2007-08.

## Support Basic Needs Today

Thanks to the generosity of our donors, CCF has raised more than \$233,000 from two funds that support basic needs in our community. Including CCF’s match, we raised a total of \$85,525 for the Share the Joy Fund, which benefits the Los Angeles Regional Food Bank.

An article about the Pass it Along (Acts of Kindness) Fund last month in the *Los Angeles Times Magazine* generated donations of \$147,726 from new and existing donors. The fund supports individuals in need of emergency financial help. To donate, go to [www.calfund.org](http://www.calfund.org).



The Union Rescue Mission, like many other basic service providers, faces record demand while funding plummets. It serves nearly 3,000 meals a day, 900 more than last year. (Photo courtesy of Union Rescue Mission)



# MOVING FORWARD DURING TOUGH TIMES

*Advisors share tips on managing clients, businesses and themselves during difficult economic times.*



*"In the aftermath of the market meltdown, risk remains unusually high — but so, too, is the opportunity set. We believe that the best strategy at this time is one that has elements to play it both ways, being partly defensive for capital preservation, but also opportunistic to take advantage of the current dislocations in the markets (especially in various segments of the bond markets)."*

## **JIM BERLINER**

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*"Keep focused on the larger aspects of life: cultivating good character, keeping the integrity of being yourself and working to maintain a cheerful attitude despite setbacks. Life is a gift and it's good to remind ourselves of that every day. These troubles may last awhile, and we should remember that each of us has ongoing riches in our family, friends and business relationships."*

## **BONNIE PASTOR**

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*"It's important to discuss with clients their own sense of financial security, and whether the amounts and priorities in their estate plan continue to make sense. For those who are in a position to do so, now is a great time to make loans to family members and gifts (either outright or using techniques such as charitable lead trusts) to take advantage of today's low interest rates and depressed asset values."*

## **NANCY HOWARD**

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*"Recognize the paradigm shift in our industry from traditional advice that has an investment management bias to an approach that understands that clients are looking for holistic, integrated advice that reflects near and longer-term concerns. Too often, clients' asset allocations do not reflect their real time horizon, a deficiency that is hidden in up markets, but has been highlighted by the current market environment."*

## **JACQUES SEXTON**

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*"While some charitable giving techniques have lost their luster in the current environment, there has not been a better time to consider a non-grantor charitable lead annuity trust to also achieve estate tax planning goals. This is the result of the current low rate (2.6 percent hurdle rate for April) and the potential for asset appreciation, as well as the threat of limited charitable deductions and higher tax rates in the future."*

## **WILLIAM HRANCHAK**

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The California Community Foundation meets the most rigorous standards in philanthropy and complies with the National Standards of U.S. Community Foundations.

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