

WEBINAR

Ask the Experts:
**Retaining
NextGen Clients
with Philanthropy**



As trillions of dollars prepare to change hands, advisors face a defining challenge: how to stay relevant to the next generation of clients. Philanthropy offers a uniquely powerful path—but only if advisors understand what motivates younger donors and how to meet them where they are.

Foundation Source’s **National Philanthropy Executive Gillian Howell** and **BNY Wealth Senior Wealth Strategist Boryana Zamanoff** recently shared their insights on retaining the next generation, selecting the right charitable vehicles, and turning philanthropic conversations into lasting client relationships.



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The following are highlights of their conversation.

Why is retaining the next generation such a critical issue for advisors right now?

Gillian Howell: The Great Wealth Transfer is real and it's looming large. There's a genuine fear among advisors about losing second and third generation clients during wealth transitions—and that fear is justified. Research suggests that less than 50% of advisors continue to work with the next gen after assets transfer. That's astonishing, and it's not a given that your relationships will survive the transition. Portfolio performance alone is no longer sufficient to retain younger clients. Advisors need to pursue these relationships differently and intentionally—and philanthropy is one of the smartest and simplest ways to do it.

How do Gen Z and Millennials' approaches to philanthropy differ from older generations?

Howell: The difference is substantial, and advisors who don't understand it will struggle to connect. Baby Boomers tend to think about philanthropy in terms of legacy—building wealth and giving that spans generations. Gen X is more pragmatic, often focused on community-based causes and research-driven decision-making. Millennials and Gen Z, on the other hand, are motivated by social justice, environmental issues, and direct impact. They see themselves as activists, advocates, and changemakers. They want to touch their philanthropy. They want to measure it. And critically, they assign equal value to time, talent, and treasure—not just financial contributions.

What's consistent across all generations, though, is the core motivation: passion for a cause. Every generation wants to improve their community, create a better world, and drive meaningful change. The vehicles and the expressions may differ—the values often don't.

What's the most common mistake advisors or families make when introducing the next gen to philanthropy?

Boryana Zamanoff: Treating philanthropy as an obligation rather than an exploration. I've seen families bring the next generation together and say, "You must allocate \$50,000 as a group this year." If that next-gen group has had no prior context—no conversations about giving at the dinner table, no modeling of charitable values at home—it becomes another chore. You can't manufacture philanthropic passion.

The opposite mistake is equally damaging: waiting too long. I've seen young adults become successor trustees on large family foundations without any prior involvement, suddenly responsible for distributing millions of dollars annually. Both extremes can be avoided with early, intentional, and age-appropriate engagement.

How can advisors tailor their approach when working with next-gen clients on philanthropy?

Howell: The most important thing is to meet them where they are. Reframe the language around giving to align with how younger donors self-identify. They don't think of themselves as donors first—they think of themselves as changemakers, advocates, and volunteers. Speak their language.

Advisors also need to accept that the next gen may share their parents' values but express them in completely different ways. A current client might give to education causes through brick-and-mortar donations to their alma mater. Their child may still care deeply about education, but channel that through advocacy or grassroots change. Same values, different manifestations—and that's perfectly valid. Help the family see the common ground. It's always there.

Finally, remember you're playing the long game. These are clients who are just beginning their philanthropic journeys. Engage the whole family, provide educational resources, and be their partner throughout.

How can philanthropy help teach financial stewardship to heirs?

Zamanoff: Philanthropy is often the best “training wheels” for introducing financial stewardship to the next generation. It's a much easier conversation to have with a teenager than to sit them down and explain the trust their grandparents established or the distributions they'll receive in their 30s. Giving conversations invite younger family members to think about what matters to them, what resources are available, and what impact they want to have—all foundational concepts that apply directly to broader wealth management later on.

Advisors can be a meaningful part of that process. Facilitate a meeting with the family—or just with the next-gen clients—and ask what they care about, what they'd want to support, and why. That conversation about values and dollars is an important one to have before the heavier lifting around wealth transfer begins.

What charitable vehicles should advisors be most familiar with for next-gen clients?

Zamanoff: The two most common vehicles are private foundations and donor-advised funds (DAFs), and each has a distinct purpose. Private foundations may be best for clients with significant assets who want long-term control over their philanthropic mission, naming rights, and the ability to involve younger generations through junior advisory boards. They require ongoing compliance but offer unmatched legitimacy and institutional presence.

DAFs, by contrast, are fast to set up, inexpensive to administer, and ideal for anonymous giving and international philanthropy. They're also much simpler from a compliance standpoint—there's no risk of self-dealing concerns when making grants to organizations where a family member is involved. Many families use both: a foundation for public legacy and institutional relationships, and a DAF for flexibility and anonymous giving.

For clients with appreciated assets and an income need, charitable remainder trusts (CRTs) remain a strong option—and the remainder can ultimately flow to a DAF, giving the donor continued flexibility on where the charitable proceeds go.

Howell: It's also worth mentioning giving circles, which align very naturally with younger donors. They're typically informal, hosted by a DAF or community foundation, and allow groups of donors to pool their funds for greater collective impact. For clients who are more interested in collaboration and community than individual legacy, a giving circle can be an ideal on ramp.

Are there newer or renewed interest in certain charitable giving vehicles that advisors should know about?

Zamanoff: There are a few worth being aware of. Non-charitable LLCs—popularized by the Chan Zuckerberg Initiative—allow families to dedicate assets to philanthropic purposes without the disclosure requirements and distribution minimums of a private foundation. Because contributions are not tax-deductible, there's significantly more flexibility in what the entity can do, including advocacy, policy work, and investment in social enterprises.

501(c)(4) organizations, such as most rotary clubs, have also seen renewed interest. They're tax-exempt but not tax-deductible, which gives them latitude to engage in lobbying and candidate endorsement around specific issues—well beyond what a 501(c)(3) can do. For clients who want to fund systemic or political change, they're worth understanding.

And special purpose trusts, like those used in the Patagonia restructuring, are an intriguing structure for families or companies that want to bind assets to specific values in perpetuity, rather than distributing them to individual beneficiaries. These are complex and jurisdiction-specific, but increasingly relevant for mission-driven families.

How should advisors discuss the benefits of charitable vehicles versus direct giving with younger clients?

Howell: There's nothing wrong with direct giving, but a structured vehicle allows clients to be more strategic and intentional. Rather than reactive, cause-driven donations in the moment, they can build a mission, agree on priorities as a family, and direct their giving with real purpose. Advisors can help clients make that shift from transactional giving to something more meaningful and sustained.

Zamanoff: I'd add that for clients who prioritize control and relationships with their grantees, a vehicle also allows them to give over time rather than in a single gift. They want to see how the organization behaves, measure the impact of their support, and maintain an ongoing relationship. Some donors also feel very strongly about privacy, while others want recognition and awareness of the causes they care about. Understanding which camp your client is in shapes which vehicle(s) make the most sense.

What role does technology play in engaging the next generation around philanthropy?

Howell: It's essential. The next generation is digital-first in every aspect of their lives, and philanthropic tools need to be part of the same ecosystem as the other wealth management services advisors provide. Clients should be able to view their charitable accounts alongside their investment and retirement accounts on a single dashboard. They should be able to initiate a gift, review grant proposals, or research a nonprofit from any device.

Advisors who can offer that integrated experience—technology that treats philanthropy as a core component of financial planning, not an add-on—will have a meaningful advantage. The platforms are available. The question is whether advisors are incorporating them into their practice.

This is a condensed, edited version of the conversation. Get full insights by watching the entire video of the presentation [here](#).



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