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Charitable giving is no longer a sidebar—an afterthought—in wealth and financial planning. After all, the high-net-worth client profile is changing dramatically. The multi-trillion-dollar intergenerational transfer of wealth is on its way into the hands of Gen Xers who are, in turn, adding their own income to that inherited wealth after years in the workforce. Millennials will also inherit wealth at the same time they're reaching their professional potential and building that wealth even further.

There's been another dramatic demographic shift among women. According to Boston Consulting Group, between 2010 and 2015 wealth held by women grew from $34 trillion to $51 trillion, and by 2020 they are expected to hold $72 trillion. They are also the primary breadwinners in nearly 40% of households in the U.S.

What It Means For Advisors

It's important to understand the things these cohorts have in common—their expectations and perspective—as they accumulate wealth. It's also important to know what they want from their advisors, and it's not an "old school" approach to financial services.

Younger generations in particular have grown up in the digital age and are heavily influenced by social media and peer approval. They are also more aware than previous generations of the socioeconomic interconnectivity of the world.

Women face different challenges. A large percentage of the women who will be or are already controlling a significant percentage of the wealth are over 40. They may not rely as much on social media as younger people, but they do share certain attitudes, particularly about philanthropy and their wealth management. They want to be an active part of their own wealth management planning, and they expect their advisors to ask the right questions and provide direction and guidance. They are seeking more than tax advice from their advisors, or the simple establishment of giving vehicles. (Betsy Brill will be speaking at FA's upcoming Invest in Women conference.)

Both demographic groups see their investment portfolios and their charitable giving portfolios as equally important and closely linked, which is why socially responsible and impact investing are so appealing to them. They want to effect change with their charitable funds.

They are also interested in more strategic philanthropy—moving away from checkbook giving. They want their gifts to have meaning, and they want to see things happen now, not later. They are often more actively involved with organizations they give to and more interested in the impact the organizations are achieving.

For women, philanthropic conversations are often tied to family and key events in their lives. They may have seen a recent windfall from an inheritance or divorce settlement, liquidity events that can influence their decisions about philanthropy. Older women might be managing their own money or their family's for the first time and often don't know what they have available for charitable giving during their life and as part of their legacy. They look for expert advice from a number of sources: their financial and legal advisors, nonprofit leaders and staff, other women donors, philanthropic advisors and their peers.

Women are now such powerful players in the world of philanthropy that the Women's Philanthropy Institute at the Lilly Family School of Philanthropy compiles an annual report on gender differences in the field.

How Can Advisors Be More Effective?

Since philanthropy is one of the priorities of these emerging demographic groups, I thought it would be helpful to outline 10 things for you to consider. You may already be familiar with some of these steps or have pursued them in your practice, but the ideas bear repeating, since they can both deepen relationships with existing clients and help you build a practice that appeals to, and therefore will attract, a younger client base and more women.

1. Consider re-evaluating how you listen and talk to clients and ask the right questions. Philanthropy should be an integrated part of your work with clients. You should ensure that questions about charitable giving are included on intake or on-boarding questionnaires. You stand to build a deeper personal and professional relationship with clients if you inquire about their values, and how those values influence their financial decisions. Here are a few questions to ask right out of the gate:

• Do you have philanthropic goals?

• Are you currently involved with any charities?

• What would you hope to accomplish with your charitable giving?

• Do you hope to instill the value of giving in your children?

• How would you like to be remembered?

2. In larger percentages than boomers do, Generations X and Y consider themselves knowledgeable about investing. But they aren't sure which are the best investment strategies or asset allocations to pursue if they are charitably inclined. An advisor should be sure to review the assets they have and those they will have available for charity and also look over which assets, including non-cash assets, they can use to fund their charitable contributions.

3. Discuss charitable vehicle options, including the upsides and downsides of each. Provide recommendations for both your clients' charitable intent and for possible tax mitigation. While donor-advised funds are the vehicle of choice these days, you can still help your clients by thoroughly exploring with them the differences between donor-advised funds and private foundations so they can make informed decisions. This is important because they often make that choice in a vacuum.

4. Discuss with them what they want to do with their wealth when they pass away. Advisors sometimes say there are only three possible beneficiaries of somebody's wealth: the family, charities or 300 million strangers (who get it through taxation). Advisors do a major disservice to their clients when assumptions are made about their wealth transfer philosophies and the beneficiaries of the clients' wealth.

5. Collaborate on the client's charitable intent and strategies with his or her other advisors so all advisors are working as a team in service of the client's goals.

6. Once a vehicle is established, make sure your client understands the operational and administrative requirements. For donor-advised funds, advisors may want to review the documents that they receive from their fund provider. They will want to ensure that the fund is incorporated into the estate plan documents and that successor advisors have been determined.

7. Once vehicle documents are processed and filed, do not leave clients hanging. It is one thing to have a charitable vehicle, but it is another to know how to "drive" it. Your client needs to know how to ensure the effectiveness of the vehicle. The more you know, the more you can help clients find the answers. For example, you might consider referring them to a philanthropic advisor to ensure that their charitable giving is meaningful and strategic. Clients assume that you are committed to ensuring that they are successful and protected, so providing resources to "make that happen" is paramount.

8. Pay attention to the charitable intent portion of your client's estate plan and revisit original philanthropic goals and objectives for both lifetime and legacy giving and any specific contributions or stewardship direction in the estate plan. Do named charities still exist? Are your clients still interested in making outright gifts to these charities, and do they want to instruct their trustees to do so? Things change!

9. Consider innovative ways to reach out to clients, particularly the demographics you want to work with. Events that provide both information and peer interaction are particularly attractive to both women and the next generations. Consider a single topic discussion: philanthropy or impact investing, or you can combine the two to show donors how to achieve a double-bottom-line return on their investments and philanthropy. Bring together charitable giving thought leaders: social entrepreneurs and prominent women donors (for example) to share knowledge and experience. This will enhance your role as a "relevant" advisor and resource.

10. Continually educate yourself! The more you know about what your target markets are talking about, the more you know what the "hot buttons" are in philanthropy—such as taxes—the more dynamic your conversations will be. Another bonus: What you read or learn can be shared with clients as a way to keep in front of them and show that you are thinking about them.

As we noted earlier, the "old school" approach driven by products or investments is not as appealing to the next generations of wealth or to women. They are seeking a dialogue with their advisors. Having the tools in your toolbox to explore philanthropy, uncover current needs and provide solutions to problems clients have and opportunities they wish to seize will be paramount to successful relationships with all clients. It is a win-win-win for you, for your clients and for society.

Betsy Brill is the president of Strategic Philanthropy, Ltd. She is a speaker at the 4th Annual Invest In Women conference, being held April 29-May 2 in Houston.

Betsy is an internationally recognized expert in philanthropy. In 2000, she co-founded Strategic Philanthropy, Ltd., and serves as the firm's President. Strategic Philanthropy, Ltd., is a Multi-Family Philanthropic Office® working with ultra-high net worth individuals, families, family-owned businesses and their advisors, providing strategy and implementation support to ensure measurable value and impact in both lifetime and legacy giving.

Betsy is a prolific writer and speaker; she has authored pieces for Financial Advisor Magazine, STEP Journal, and Private Wealth among others. Recently, she contributed to Cross-Border Giving: a Legal and Practical Guide, published by CAF America. In addition to her MBA from Thunderbird School of Management, Betsy has a certificate in Non-Profit Management from Roosevelt University and is a registered Trust and Estate Practitioner (TEP) through the Society of Trust and Estate Practitioners (STEP.