



Increasing Philanthropic Giving: A Missed Business Opportunity for Professional Advisers

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Rules of Engagement

- Respect confidentiality & privacy
- No solicitation or pitches
- Honour others wherever they are on their journey



THE CAMPAIGN FOR
**GROWING
MODERN
PHILANTHROPY**

INCREASING ENGAGEMENT • SHARING KNOWLEDGE • DELIVERING IMPACT

Professional Wealth Advisers

The Key to Increasing Philanthropic Giving

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- Market research demonstrates the significant role that professional wealth advisers can play in encouraging more and better giving by their clients
- 12% of UK wealthy population take philanthropy advice for their advisers; their giving accounts for 58% of the £1.3B of individual giving of HNW and UHNW individuals
- UHNW individuals supported by their professional advisers on their donor journey give 17 times more - £335k vs. £19K
- The results of the research suggest strongly that one of the reasons that the UK's wealthy population hasn't fully learned how to give is because many advisers have not yet learned how to guide, coach and support with the joined-up expertise needed to help would-be donors more effectively

Market Research (U)HNWI

503 Internet interviews of wealthy/HNW and UHNW individuals

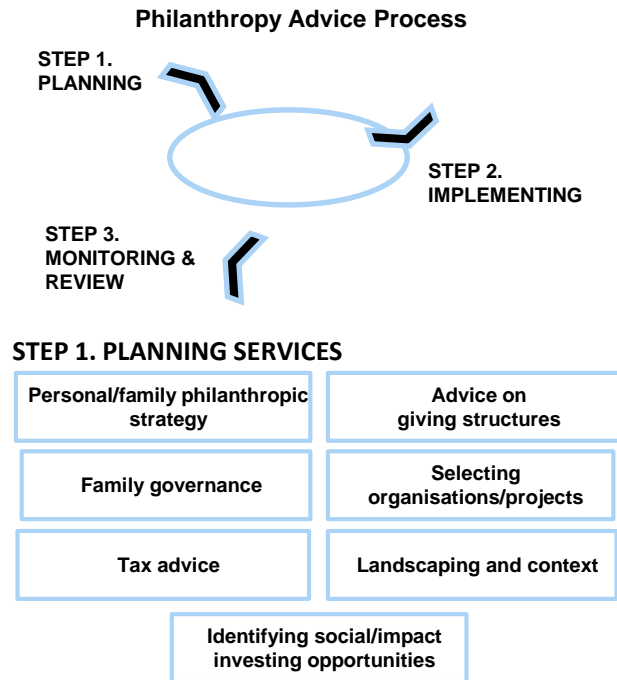
- Rated philanthropy services as poor: 5.9 out of 10
- Clients want more/better philanthropy advice and guidance
- Clients no longer want just a financial return, more values based
- Good for professional advisory business
 - Providing philanthropy support attracts client interest
 - Aligns advisory firms with their clients core interests/ benefits advisory firms business
 - Deepens relationships/ creates shared value; aids with client retention and referral of new clients
 - Get clients to discuss their long term goals, adding value to the discussion about their wealth
 - Addresses shifting values of next gen and the growing role of women in wealth

Market Research Advisory Firms

Assessed/mapped top 383 professional wealth advisory firms and interviewed 22 advisers:

- 20% of the firms offer some form of private client philanthropy advice
- Few have fully comprehensive ability to offer philanthropy advice
- Only a handful offer social investment advice; typically through their investment teams
- Advice is mostly in planning and implementation services, little in monitoring & reviewing (23 services mapped)

Philanthropy advice has the same steps as other professional advice



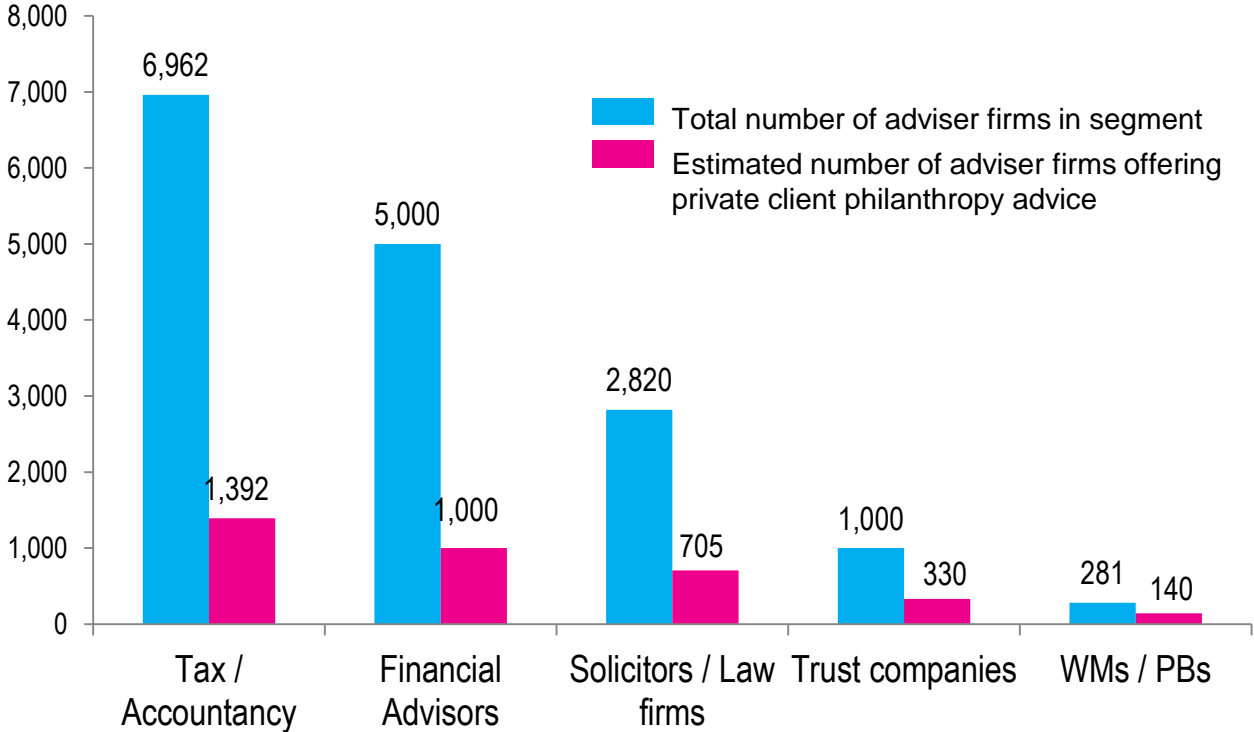
STEP 2. IMPLEMENTATION SERVICES

Setting up a giving structure	Aligning investments with philanthropic strategy
Succession planning in line with philanthropic strategy	Investment management for endowments
Tax planning onshore/cross-border	Account/trust/foundation admin and management
Aligning business with philanthropic strategy	Values-based investments (eg. social investment)
Managing non-financial assets (eg. art or property-giving)	Research, knowledge, networks and inspiration
Managing financial assets (eg. share giving)	Public communications strategy

STEP 3. MONITORING & REVIEW SERVICES

Financial reporting	Tax reporting
Monitoring impact	Monitoring implementation and tactical adjustment of strategy

And, only one in five of the UK's 16,000 advisory firms offer philanthropy advice, so provision is patchy

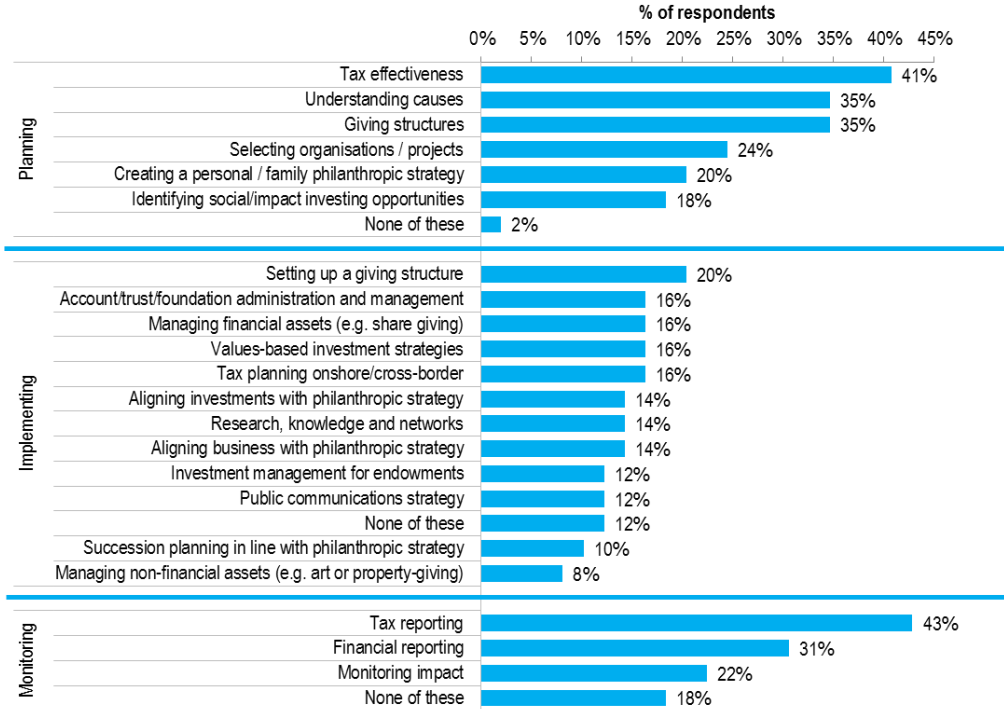


Source: Scorpio Partnership analysis

Sources: Association of Professional Financial Advisors (2013); Financial Reporting Council (2014), The Law Society (2015); Private Asset Managers Report (2015), STEP survey (2011).

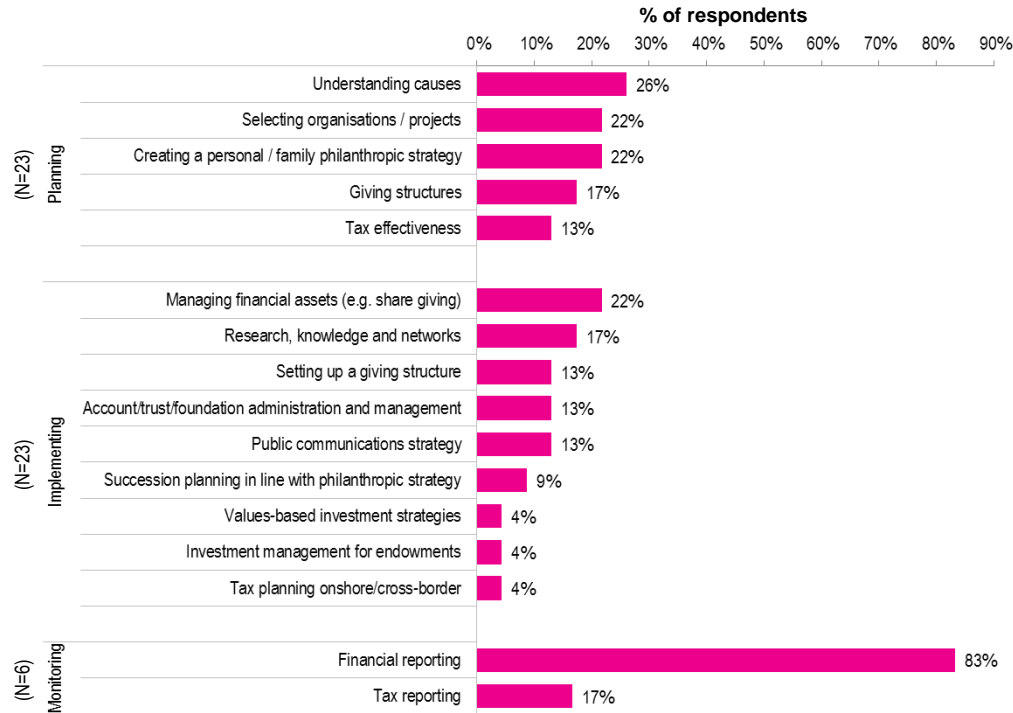
On average, affluent & HNW advice-takers use 4.4 philanthropy advice services

Have you taken professional advice in any of these areas relating to your charitable activity?



Advice takers value planning, implementing and monitoring advice

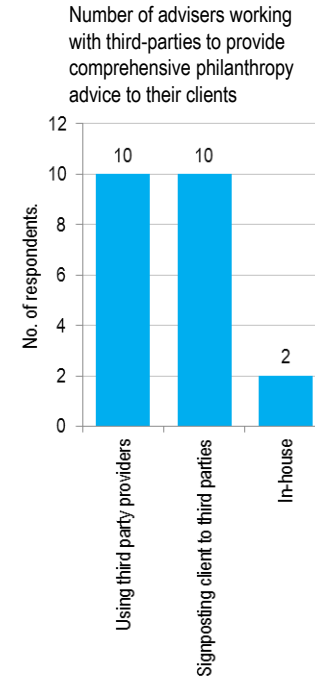
Which of these areas was most important to you to help you plan / implement / monitor your support for charities or causes?



Respondents welcomed advisory support across the planning, implementation and monitoring phases, although were split on which aspect they found most important.

Advisers Regularity Collaborate

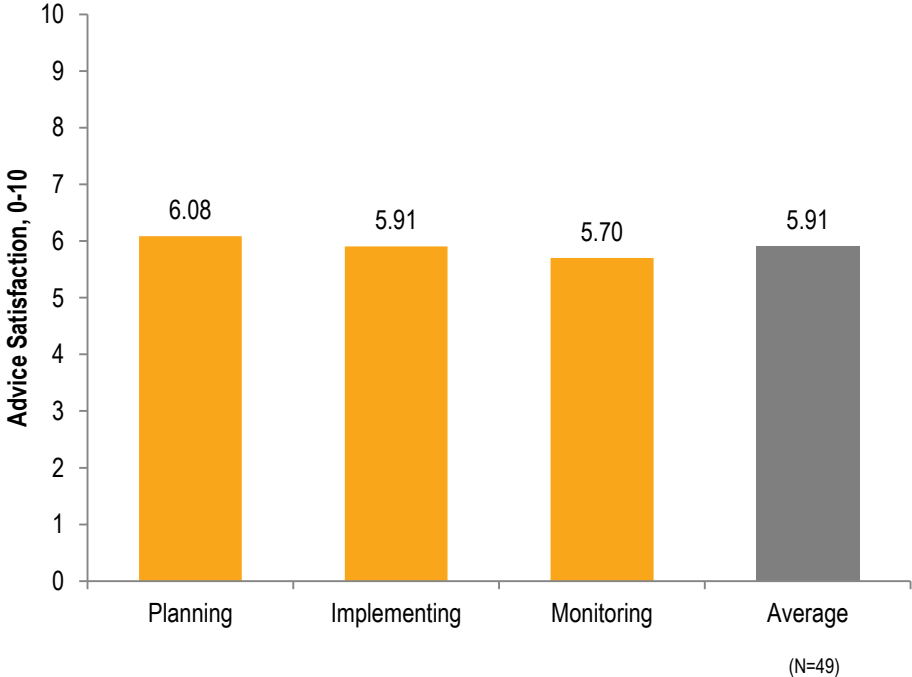
- Private banks, wealth managers, law firms and family offices have developed the most comprehensive philanthropy advice capabilities to date; although provision is not universal
- Advisory firms tend to build their philanthropy advice capability around their core strengths. They work with advisers with complementary expertise to provide holistic philanthropy advice
- Private banks, wealth managers and trust companies often include strategic philanthropy advice within their relationship fees as a value added service; and will work with, or signpost their clients to, lawyers or accountants for technical structuring or tax advice



NB. based on qualitative interviews.

There is room for improvement in the advice received

How satisfied were you with the advice you received relating to the following?

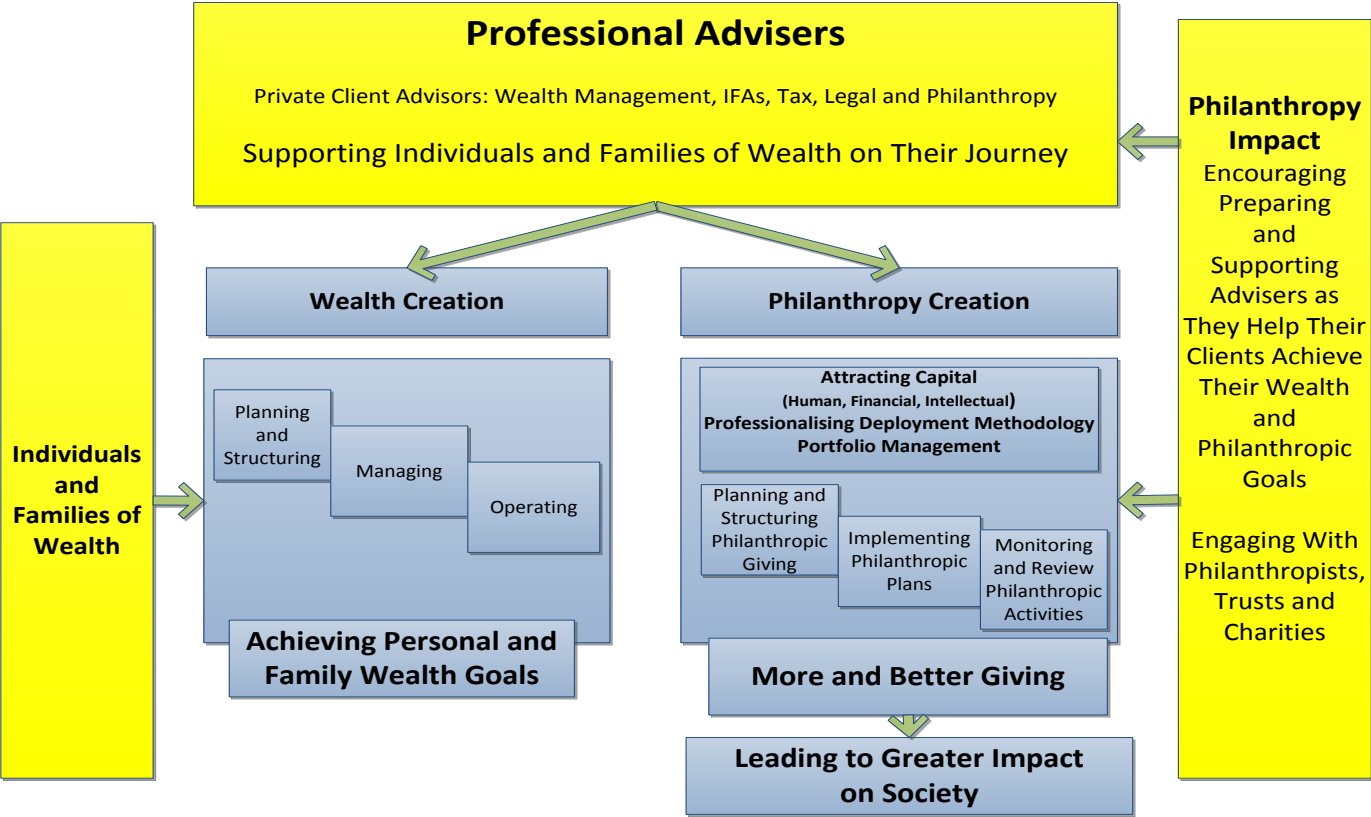


Levels of satisfaction with the advice they receive is middling at best.

Advisers should monitor the extent to which they are adding value through their philanthropy advice.

**Professional wealth advisers are the
key to growing more and better
philanthropy**

Donor Journey





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Philanthropy and the Private Client Solicitor

Rachael Armstrong, Partner

“What we have done for ourselves alone dies with us; what we have done for others and the world remains and is immortal.”

Albert Pike

1. the practice of performing charitable or benevolent actions
2. love of mankind in general

- Tax
 - Taxable estate
 - Deed of Variation
 - Gifts to Charity
 - Income Tax
- Family
 - Sickness
 - Education

- Preserving funds
- Moral obligations
- Lack of knowledge
- Misconceptions

- Planning
- Implementation
- Monitoring and Review

- Philanthropic goals
 - Personal/family
- Selecting causes
- Tax advice
- Advice on giving structures
 - Specific gift to a specific charity
 - Charities Aid Foundation
 - Create a new Charity

- Setting up a giving structure
 - In will/during lifetime
 - Charitable objectives
- Registration with the Charity Commission
- Aligning investments with strategy – Financial planning advice
- Accounting to HMRC – Accountant’s advice
- Management

- Financial reporting
- Tax reporting
- Monitoring impact
- Monitoring implementation

“We make a living by what we get, but we make a
life by what we give”

Winston Churchill



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