

FINANCIAL ADVICE

No margin for complacency



*Wealth management is undergoing a profound transformation as clients increasingly expect advisers to make sure that their investments are aligned with their values. **John Pepin, of Philanthropy Impact**, explains how best to tackle this*



Clients are no longer satisfied with financial advice that focuses solely on returns. They increasingly expect their advisers to help them align their wealth with their personal values, impact ambitions, and philanthropic aspirations. This shift, which is driven by

generational change, heightened social awareness, and evolving regulatory expectations, presents both a challenge and a tremendous opportunity for the advisory profession.

Philanthropy Impact's recent, unpublished research – undertaken by independent consultants – into how new generations of wealth holders and women of wealth are approaching sustainability and impact has two clear findings:

- These wealth holders expect their advisers to help align their capital with their values across the spectrum of capital, both in terms of impact investing and philanthropy.
- The advisory profession is not fully meeting these expectations, raising the risk that the ongoing intergenerational wealth transfer will be accompanied by large-scale changes in adviser relationships.

These results are not limited to younger clients. *Investing for Global Impact: A Power for Good 2022* 

(<https://www.campdenwealth.com/report/investing-global-impact-power-good-2022>), research by Camden Wealth Limited, found that older generations show a growing demand for, and satisfaction in, impact investing and that investors are seeking better services from wealth advisers.

A review of major studies, including the FCA's Financial Lives Survey (2023)  (<https://www.fca.org.uk/news/blogs/establishing-trust-sustainable-investment-products>), found that 81% of adults want their money to do good as well as deliver a return; 76% wish to invest in ways that protect the environment; and 74% want to make a positive social impact.

Philanthropy Impact's research, alongside industry studies, points to an undeniable trend:

- 64% of millennials make investment decisions based on their values (Allianz 
(<https://www.allianzlife.com/-/media/files/allianz/pdfs/newsroom/ent-3368-n.pdf>)).
- 65% of wealth inheritors will change adviser if their values are not understood by the existing professional (Schroders 
(<https://www.schroders.com/en/channel-islands/intermediary/insights/are-women-key-to-your-future-business/>)).

How to adapt

Across the advisory sector, leading firms report that values-based conversations are not only enriching their client services but have become a key differentiator in client retention. One partner at a major pan-European firm described a complete overhaul of their service model to embed values-based discussion and philanthropy support as a core element of their practice. Advisers in private banking consistently highlight that values-based discussions are among their most powerful relationship-building tools.

Many firms have launched or expanded services aligned with values-based, impact, and sustainability principles.

Examples span a broad spectrum of the professional advisory landscape and include:

- A wealth management firm developing impact-first investment portfolios.
- A legal firm structuring socially responsible investment funds.
- A private bank integrating social and environmental goals into client planning.
- An accountancy and tax advisory firm building responsible and values-driven, investing-aligned client services.

- A wealth management firm introducing sustainable portfolios in real estate and private equity.

By embedding impact-investment solutions more robustly into mainstream financial services, the sector is moving toward making purpose-led strategies part of “business as usual.” These developments point to a genuine change in how capital is allocated, with forums, peer networks, and shared learning platforms playing a vital role in supporting this transition.

This is not a passing fad

This is not a passing fad. It is a fundamental shift in client expectations. Advisers who can facilitate values-based discussions are better positioned to attract, retain, and deepen client relationships. Those who cannot risk losing relevance.

In addition, a values-based approach also helps meet regulatory requirements. Under the FCA’s Consumer Duty and the principle of customer centricity, firms must act to deliver good outcomes for clients. Understanding a client’s values and impact goals is part of knowing your customer and failing to do so can present both compliance and reputational risks.

What advisers need to do to succeed

Our experience and research have identified four critical enablers for advisers aiming to integrate values into their practice:

1. **Leadership buy-in:** cultural change starts at the top; leadership must commit to embedding purpose into the firm’s strategy.
2. **Commercial clarity:** impact and philanthropy services must be tied to clear business objectives, from client retention to assets under management growth.

3. **Technical expertise:** advisers need frameworks, language, and tools to confidently guide values-based conversations.
4. **Networking:** building a trusted network across sectors enables collaboration, referrals, and innovative solutions for clients.

The impact of taking this approach

From the client's perspective, values-based advice fosters trust, relevance, and a sense of partnership. It helps them articulate their vision for both financial return and societal contribution, and it ensures their legacy reflects what matters most to them.

From the adviser's perspective, it differentiates their service offering, deepens relationships, and strengthens intergenerational ties. Advisers who embed these conversations report higher client satisfaction, increased referrals, and more robust, long-term mandates.

From the firm's perspective, the business case is compelling (Fidelity Charitable Research 

(<https://www.fidelitycharitable.org/insights.html>)):

- Up to 6 times higher median assets under management for firms offering values-based services.
- 3 times greater organic growth and 1.3 times more new money compared to peers.
- Improved retention, brand reputation, and competitive positioning.

Embedding a values-based client approach into organisational culture not only strengthens relationships with clients but also becomes a powerful driver of talent attraction and retention. The aim is not only to meet the expectations of clients but also those of increasingly impact-driven employees.

Looking ahead: shaping the impact economy

The shift toward values-based wealth management represents an opportunity to advance the profession for the better. By building the skills, networks, and confidence to meet changing client expectations, advisers can strengthen their commercial position while helping direct capital toward solutions that benefit society and the environment.

This is not just a market trend, but a defining characteristic of the advisory profession's future.

As society navigates complex challenges, the advisory profession stands at a crossroads. Those who embrace values-based, purpose-led strategies will not only meet evolving client demands but also contribute to meaningful systemic change.

At Philanthropy Impact, we believe the future of wealth management is about more than numbers – it's about aligning capital with purpose to create lasting value for people and a sustainable future. And, together with our members and partners, we are committed to making that vision a reality.

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John Pepin is the Chief Executive of Philanthropy Impact. Philanthropy Impact is a capacity building non-profit organisation at the intersection of impact investment and



philanthropy. Its mission is to increase the flow of capital for good.

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