



# Increasing Philanthropic Giving: A Missed Business Opportunity for Professional Advisers

2 February 2017

<b>Chair</b>	Karl Lavery, Director, Manse Capital
<b>Panel</b>	John Pepin, Chief Executive, Philanthropy Impact Sylvie Nunn, Partner and Tom Wainman, Solicitor, Wrigleys Solicitors LLP Tom Gauterin, Associate, Irwin Mitchell Solicitors
<b>Interview</b>	Tim Hodgson, Director, Westcourt Group <b>interviewed by</b> Sally-Anne Greenfield, Leeds Community Foundation



THE CAMPAIGN FOR  
**GROWING  
MODERN  
PHILANTHROPY**

INCREASING ENGAGEMENT • SHARING KNOWLEDGE • DELIVERING IMPACT

# Professional Wealth Advisers

# The Key to Increasing Philanthropic Giving

- 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 when supported by their professional advisers on their donor journey give 17 times more - £335k vs. £19K
- There is room for growth in philanthropy – private wealth HNW £1.4trillion; giving £1.3B = 0.1% of HNW wealth.
- Scorpio Partnership estimates that the full potential for philanthropic giving by wealthy in the UK is over £5B per year; the potential exists to unlock transformational growth from the current £1.3B.

# Our Market Research

- Demonstrates the significant role that professional wealth advisers can play in encouraging more and better giving by their clients
- Highlights the opportunity to engage professional advisers in the drive to increase philanthropy in the UK.
- 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 Part 1

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

- 28% 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)

# Market Research Part 2

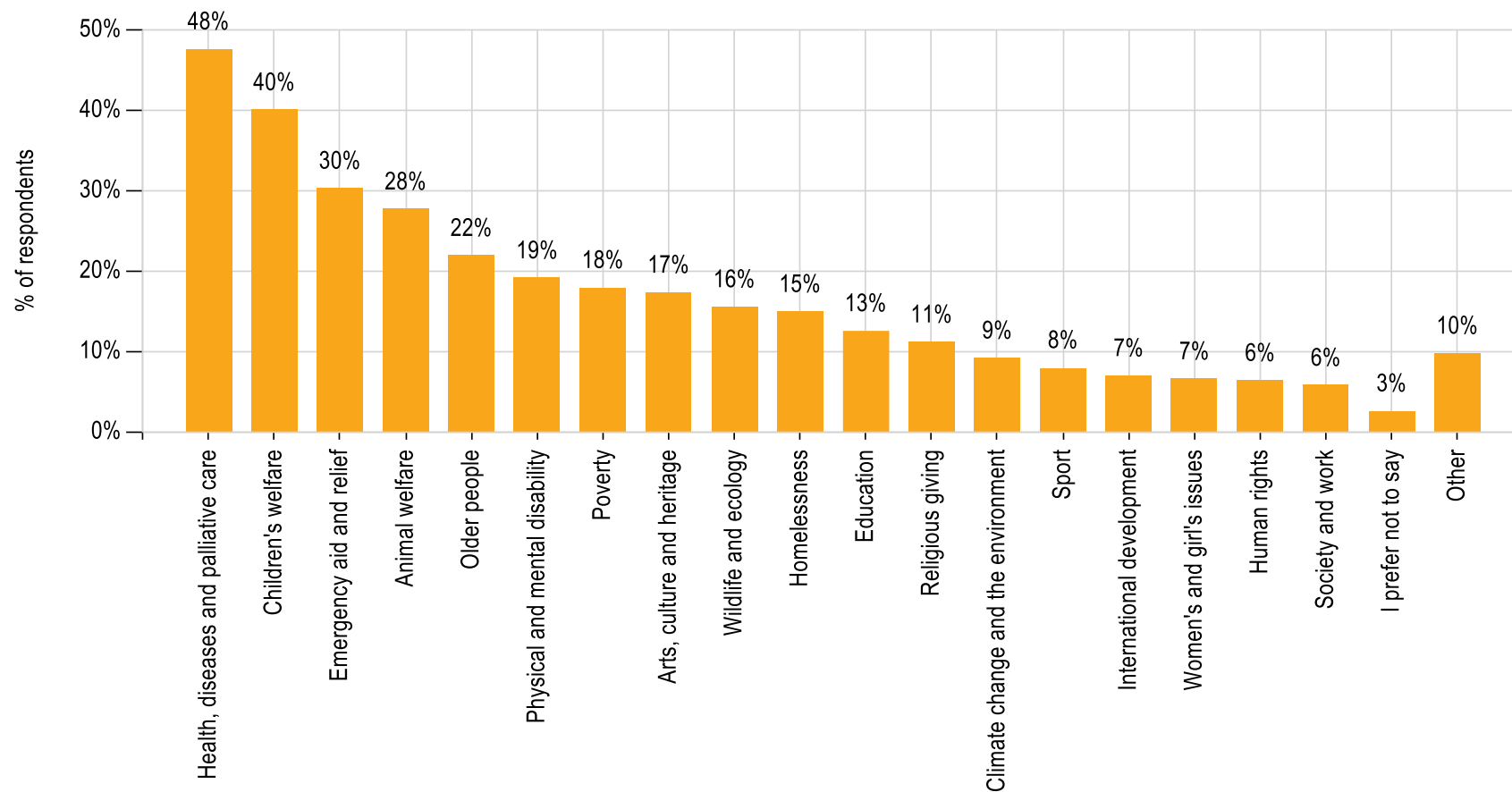
503 Survey respondents wealthy/HNW and UHNW individuals

- 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, they want something more – more values based
- Good for professional advisory business
  - Providing philanthropy advice/ 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

# **Supported Causes**

## Supported causes

Which causes do you regularly support?

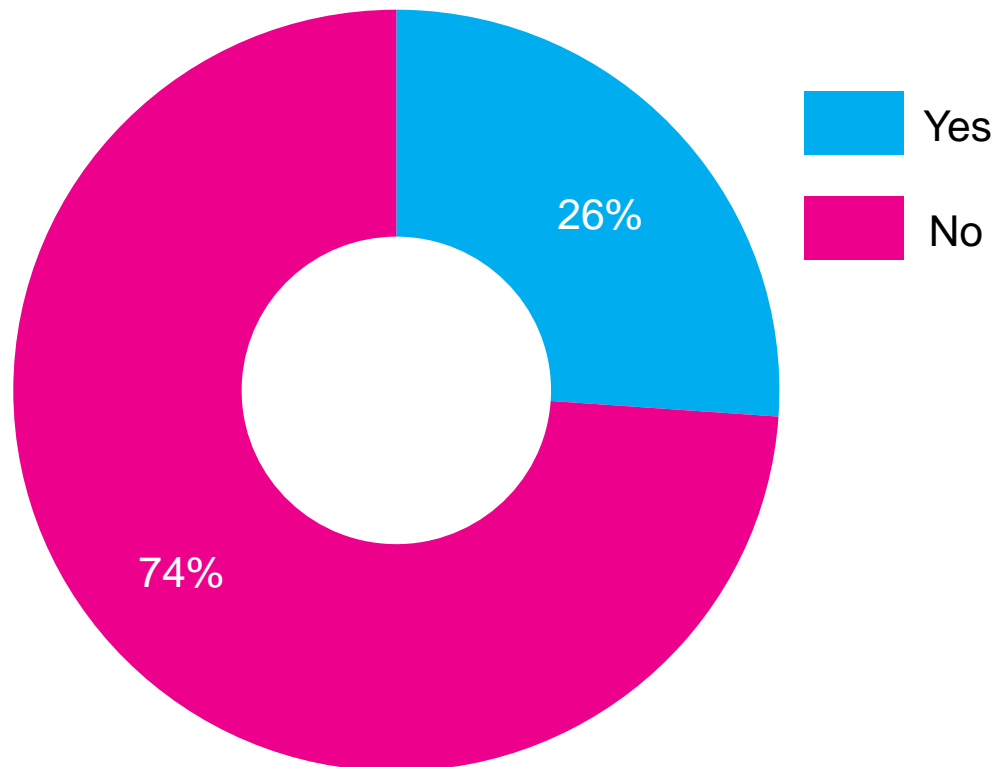


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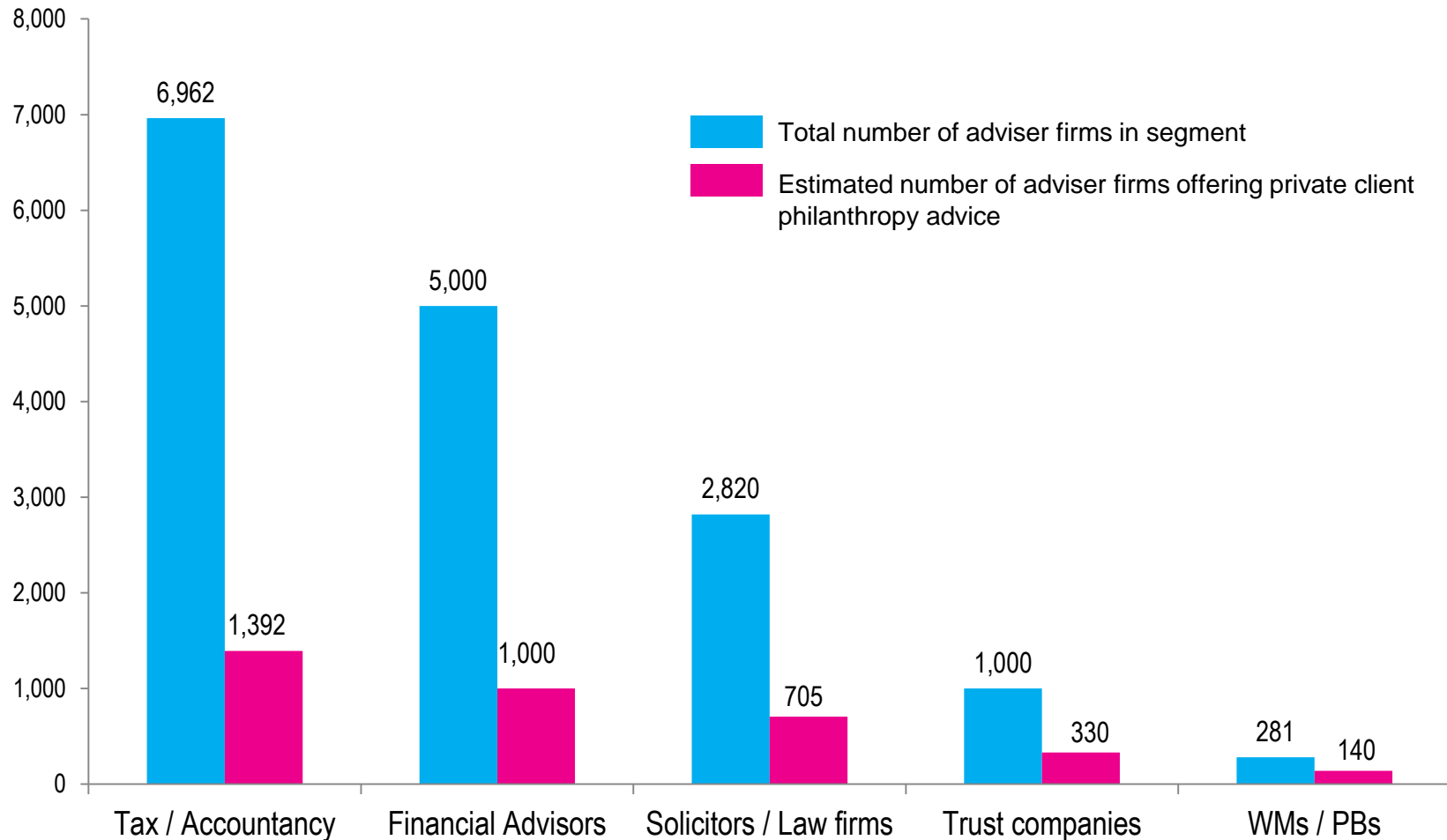
## The UK's affluent & HNW individuals are also making values-based investment choices

**Do you make investment choices with the specific goal of having a social impact, in addition to a financial return?**



# **Professional Wealth Adviser Philanthropy Advice Services**

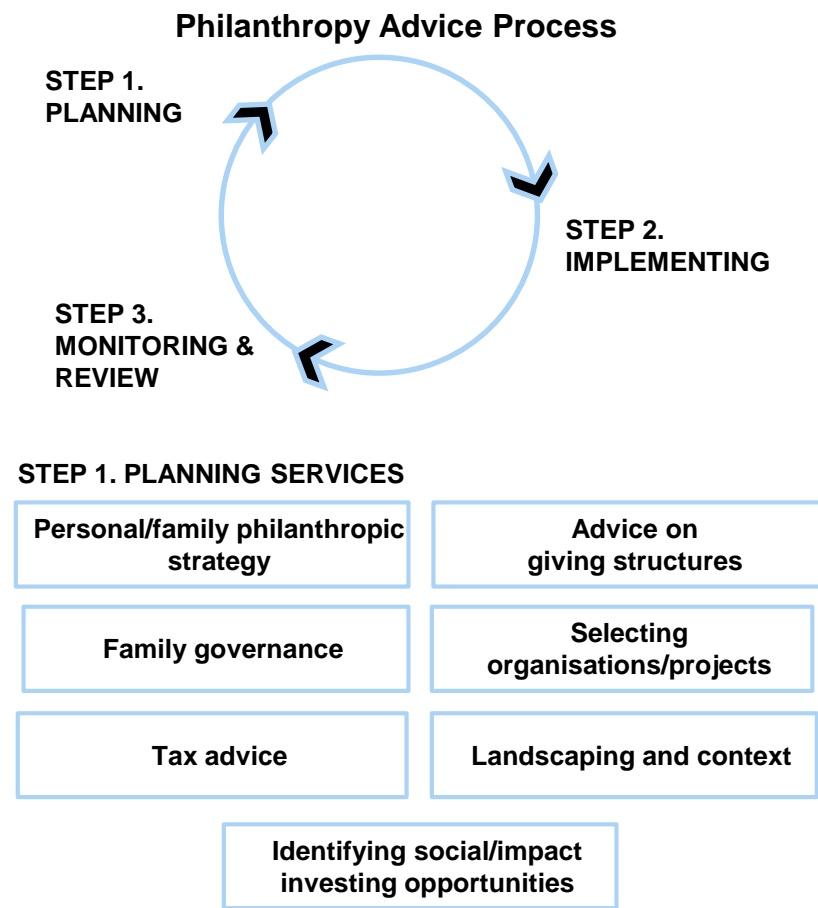
And, only one in five of the UK's 16,000 advisory firms offer philanthropy advice, so provision is patchy



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).

# Philanthropy advice has the same steps as other professional advice



## STEP 2. IMPLEMENTATION SERVICES

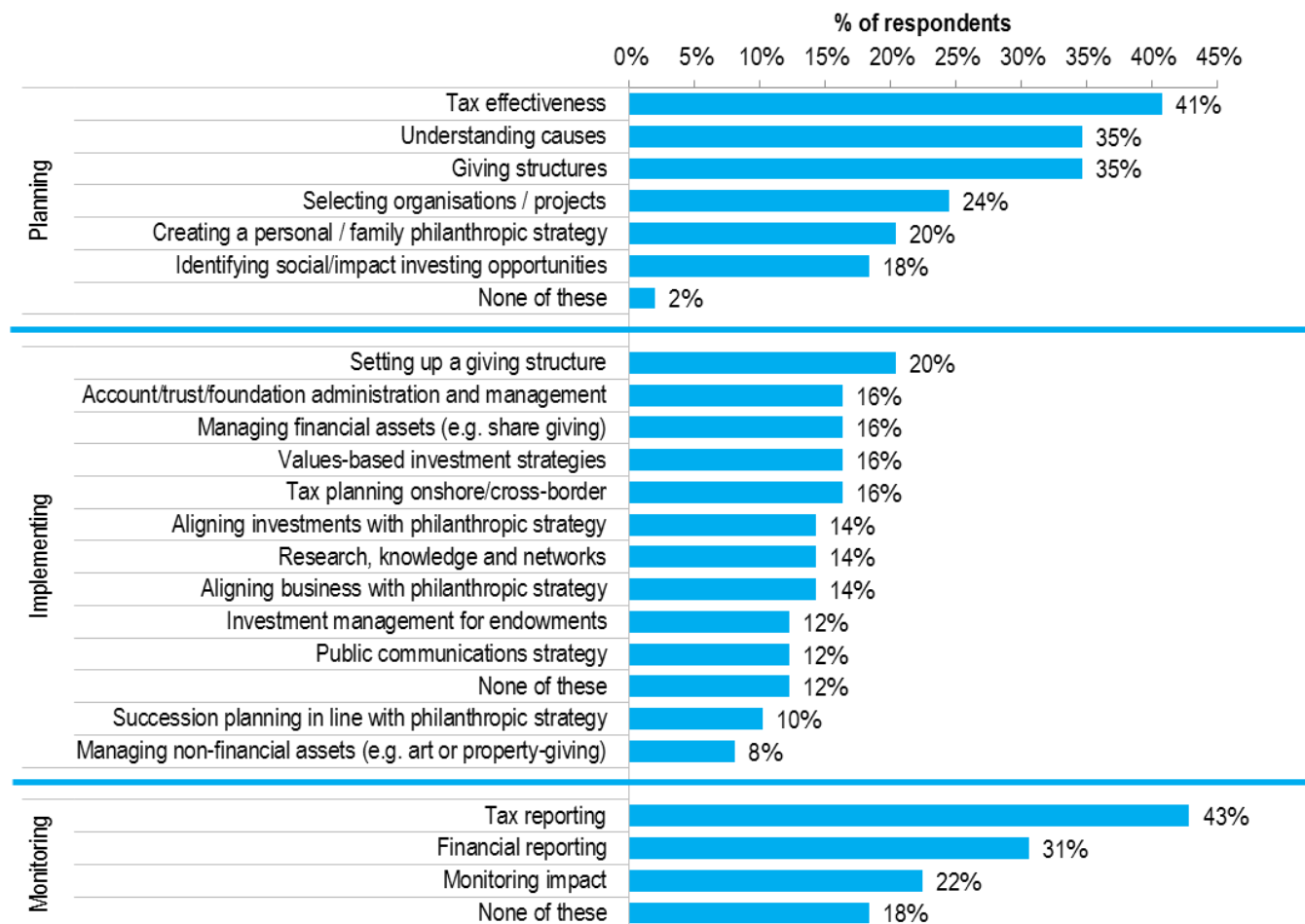
Setting up a giving structure	Aligning investments with philanthropic strategy
Succession planning in line with philanthropic strategy	Investment management for endowments
Tax planning onshore/cross-border	Account/trust/foundation admin and management
Aligning business with philanthropic strategy	Values-based 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

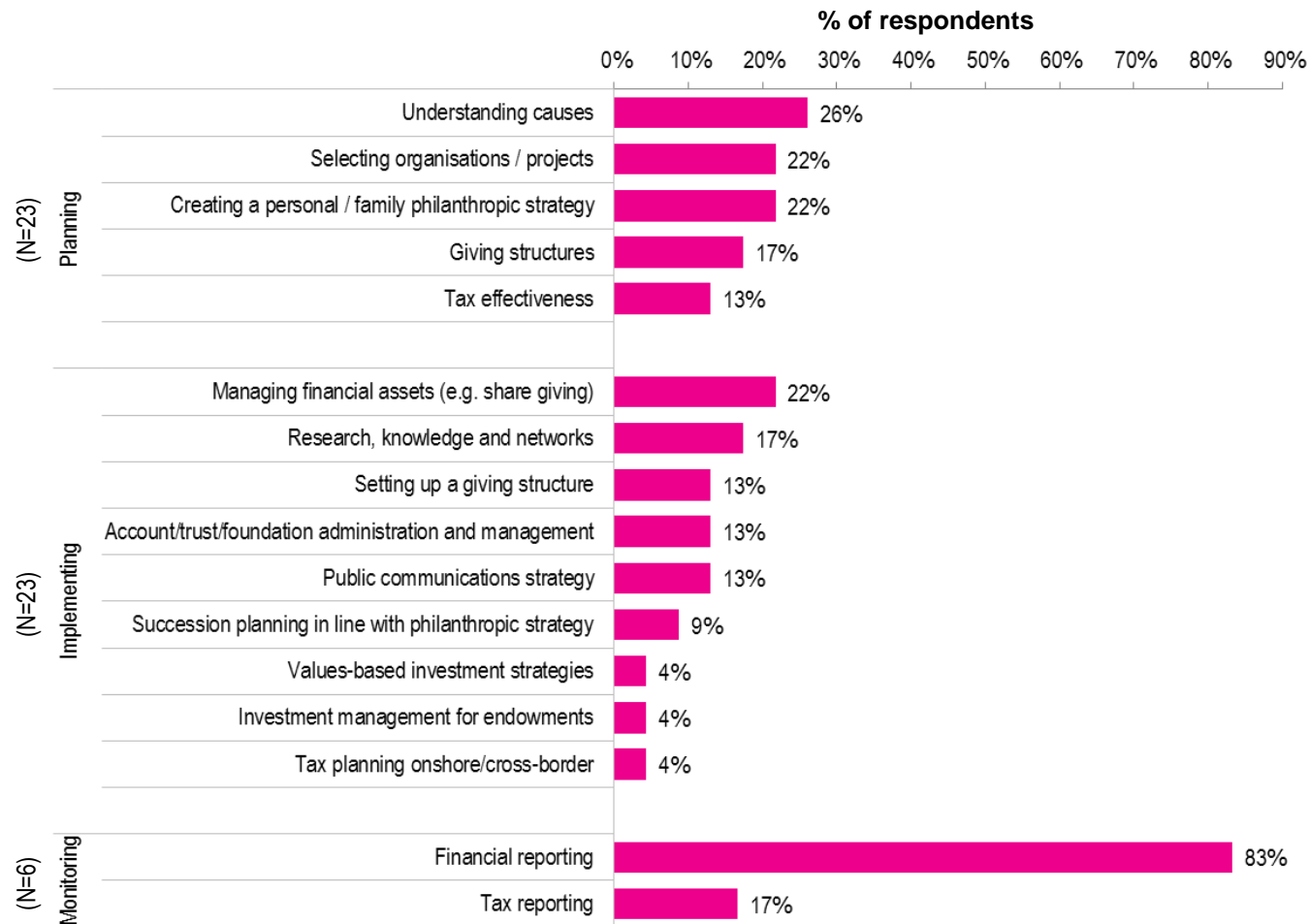
# On average, affluent & HNW advice-takers use 4.4 philanthropy advice services

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?

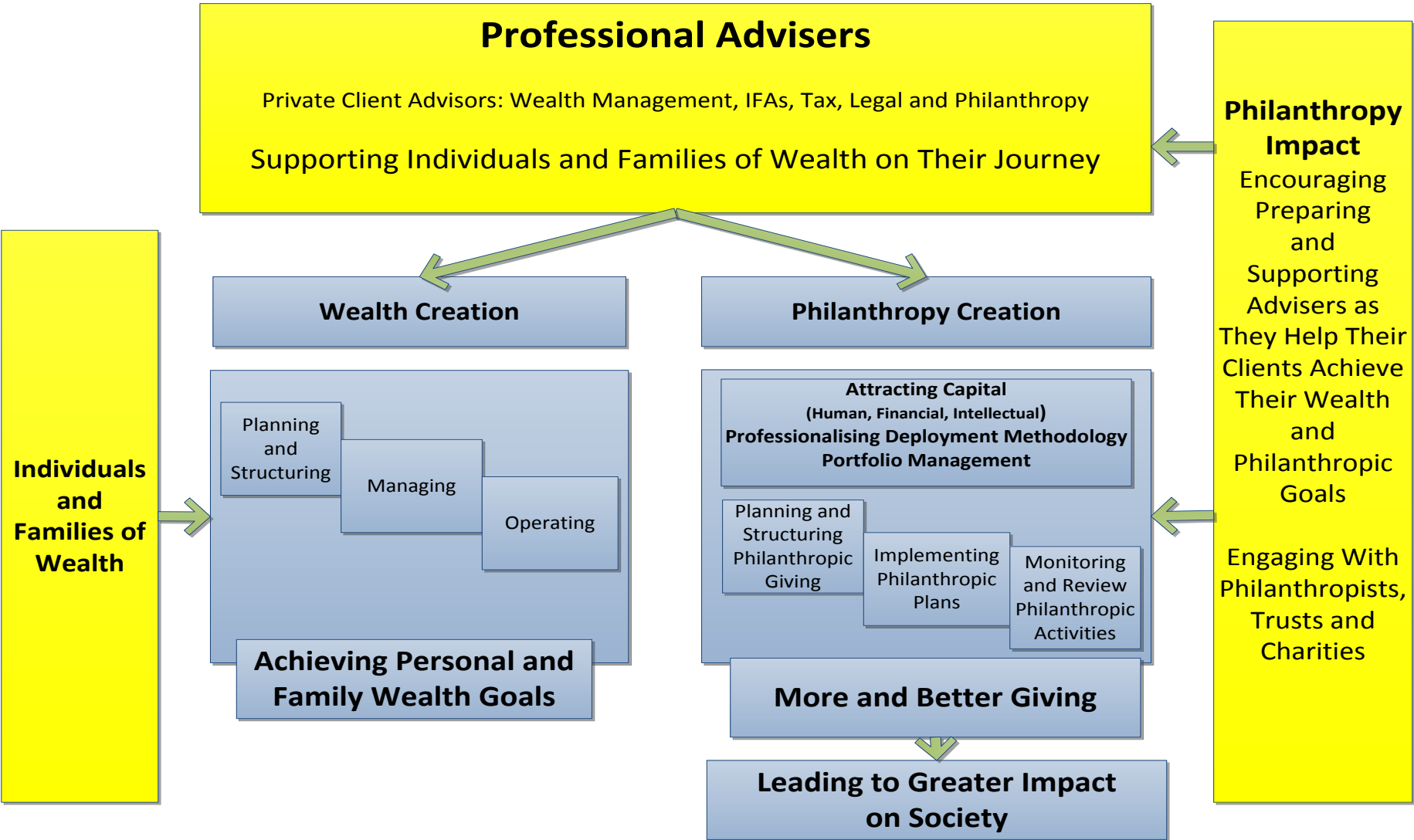


Respondents welcomed advisory support across the planning, implementation and monitoring phases, although were split on which aspect they found most important.

**Significant opportunities to grow  
philanthropic giving**

**Professional wealth advisers are  
the key**

## Donor Journey





# The Campaign for Growing Modern Philanthropy

- Everything Philanthropy Impact does is aimed at creating an exponential increase in the number, diversity, geographical spread and financial capacity of active philanthropists – across regions, borders, gender and ethnicity.
- Philanthropists and social investors will then be in a position to make the best-informed decisions about the investment options open to them.
- We are doing this by:
  - Bringing philanthropists and professional advisers together to discuss how we can solve issues related to more and better giving
  - Enabling advisers at the highest levels to develop ways to change the ethos of the wealth advisory market to move them to encourage and support their clients on their donor journey
  - Providing more opportunities to learn through events, think pieces and research

# Philanthropy: engaging with donors

**Sylvie Nunn**

Partner

**Tom Wainman**

Solicitor

**WRIGLEYS**  
— SOLICITORS —

# Discussing philanthropy

- How to start the conversation?
- Giving opportunities and triggers
- Knowing how to engage
- Signposting

# Options

- Giving v social investing
- Giving to established charities
- Donor-led funds
- Setting up your own charity
- Cross-border giving
- Impact measurement
- How to learn more?

WRIGLEYS  
— SOLICITORS —

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