Loyalty That Lasts, Growth That Endures:

THE POWER OF PHILANTHROPY SERVICES

FOUNDATIONSOURCE

In the rapidly evolving wealth management sector, providing philanthropy services is becoming an essential component in offering holistic financial planning. This not only fulfills the rising demand among clients for values-driven solutions but also cements the advisor's role as a trusted partner across generations. Expanding service offerings to include philanthropy helps bridge the gap between financial goals and deeply held personal values, providing distinct advantages for both clients and advisory practices alike.

Client Benefits

Integrating philanthropy services into an advisory practice brings a suite of benefits for clients far beyond traditional investment management. High-net-worth (HNW) individuals and families are increasingly searching for more than just financial returns—they are seeking purpose and legacy. By addressing philanthropy in thoughtful, structured ways, advisors enable clients to realize and amplify their intentions for wealth while navigating complex financial landscapes.

#1 Holistic Financial Planning

- **Alignment with Personal Values:** Philanthropy services ensure that clients' financial plans not only focus on asset growth but also explicitly reflect their values and beliefs. This allows for purposeful giving and a meaningful legacy that goes beyond dollars.
- **Integrated Tax Efficiency:** Charitable vehicles and coordinated giving strategies can maximize tax benefits, ensuring clients optimize their overall wealth preservation, minimize tax liabilities, and expand philanthropic impact.
- **Legacy and Family Engagement:** Philanthropy offers a platform for families to articulate shared values, engage younger generations, and foster communication, helping families stay united around a common cause.

#2 Enhanced Client Satisfaction

- **Addressing Unmet Needs:** Many HNW clients express dissatisfaction with purely transactional relationships. Thoughtful philanthropy advisement demonstrates genuine investment in clients' broader objectives, deepening trust and loyalty.
- **Purpose-Driven Planning:** Advisors who facilitate charitable discussions help clients discover what matters most, resulting in tailored strategies encompassing passion and purpose, not just profit.
- **Amplified Social Impact:** Professional guidance ensures clients' charitable giving is structured, strategic, and impactful, creating measurable difference for causes they care about and increasing their own sense of fulfillment.

#3 Access to Adjacent Services

- **Comprehensive Wealth Solutions:** Looking beyond investments, clients increasingly expect adjacent services such as tax, estate, and charitable planning as part of a single, seamless experience. A PwC study shows that approximately 56% of global HNW individuals seek added services like philanthropic advisory, and nearly half (46%) would consider switching firms if their needs aren't met.[1]
- **Increased Retention and Loyalty:** Firms that take the time to deliver truly personalized guidance that transcends investment returns or transactions have higher satisfaction rates,[2] with expanded and holistic offerings fast becoming the new standard among leading advisors.

Advisor Benefits

Adopting philanthropy services not only advances client outcomes but also unlocks significant strategic advantages for financial advisors and their practices. As demands among high-net-worth and ultra-high-net-worth clients become more complex, the advisors who step into the role of multifaceted partners are best positioned for growth and differentiation.

#1 Stronger, Deeper Client Relationships

- **Unmatched Loyalty:** Advisors providing philanthropic guidance are seen as partners for life, cultivating durable relationships that are more resilient to market changes and competition.
- **Multi-Generational Reach:** Philanthropy often serves as a touchpoint to engage heirs and successive generations, allowing advisors to maintain and grow relationships across family lines and ensuring long-term practice continuity.

#2 Business Growth and Competitive Differentiation

- **Increased Referrals:** About six in 10 advisors surveyed agree that charitable clients make many more referrals, due in part to the way philanthropy can spark conversations, connections and sharing with friends and family.[3]

- **Asset Consolidation:** Philanthropic planning can help advisors to identify new long-horizon assets, such as charitable trusts or family foundations, bringing additional wealth under management.
- **Market Differentiation:** Advisors who seamlessly integrate adjacent services—such as philanthropy, estate and tax planning—stand out from competitors and develop a reputation for premium, full-spectrum service.

#3 Professional Fulfillment and Enhanced Reputation

- **Empowering Impact:** Being at the forefront of clients' giving journeys introduces purpose and gratification into the advisory role, raising job satisfaction and meaning in daily work.
- **Advanced Practice Evolution:** Delivering integrated, high-level advice—including philanthropic and adjacent services—elevates the advisor's status from technical expert to holistic strategist.

#4 Third-Party Validation: Importance of Adjacent Services

- **Industry Insight:** Research with HNW investors reveals that nearly two-thirds are actively seeking advisors able to provide value-added, adjacent services such as tax strategies, estate planning, and philanthropic advice alongside traditional investment management—a trend that is more pronounced as wealth increases.[4]
- **Retention Imperative:** According to a PwC global survey, nearly half of HNW individuals would consider switching providers if their evolving needs for holistic, non-financial services are not met.[1]
- **Depth of Service as a Strategy:** Practices serving HNW clients now offer, on average, 11.5 services per client relationship versus just 7.1 services among the advisory population more broadly—highlighting the significant role of adjacent services in dominating the wealth advisory space.[5] Providing philanthropic solutions can help expand the range of services you offer to high-net-worth clients.

CLIENT BENEFIT	PRACTICE BENEFIT
Values-driven, purpose-based planning	Unmatched client loyalty
Tax, estate, and legacy optimization	Stronger, multi-generational relationships
Family engagement and consensus	Increased referrals and new assets
Greater philanthropic and social impact	Premium brand and market differentiation
Access to comprehensive, adjacent services	Increased retention and practice relevance

Adding philanthropy and adjacent services to an advisory practice is not simply a value-add; it's fast becoming a necessity for meeting the complex, purpose-driven, and intergenerational needs of today's high-net-worth and ultra-high-net-worth clients. In doing so, advisors build more durable client relationships, access new avenues for growth, and secure their reputations as trusted, holistic partners.

[1] PwC's Wealth Management Insights 2024 – Deep Dive VII
https://www.pwc.ch/en/publications/2024/non-financial-services-in-wealth-management.pdf

[2] https://www.jdpower.com/business/press-releases/2024-us-full-service-investor-satisfaction-study

[3] https://foundationsource.com/resources/white-papers/why-charitable-expertise-should-be-part-of-your-practice/

[4] PwC HNW Investor Survey 2022
https://www.pwc.com/us/en/industries/financial-services/asset-wealth-management/high-net-worth-investor.html

[5] BlackRock, Offer the Services High Net Worth Clients Want
https://www.blackrock.com/us/financial-professionals/practice-management/how-to-attract-high-net-worth-clients

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