

## BACKGROUND:

A 2014 Canadian survey found that wealth management clients are highly interested in discussing philanthropy and look to their advisors to lead the way. While the majority of advisors indicated they had conversations on charitable giving with their clients, the clients told a different story, saying only a very few advisors raised the topic. In fact, while 90% of financial advisors reported that they discussed philanthropy or charitable giving with their high net worth clients, only 13% of clients reported having such discussions (“The Philanthropic Conversation,” 2014, p. 19). Among the small group of clients that had discussed philanthropy with a professional advisor, less than half report having experienced a good, meaningful discussion (“The Philanthropic Conversation,” 2014, p. 20).

## RESEARCH:

This qualitative research closely examines those professional advisors that are managing to navigate those meaningful philanthropic conversations with their clients and asks: *How has the incorporation of philanthropy impacted the business and practice of professional advisors, and what is the value proposition of this inclusion?* For this research, the term “professional advisor” includes portfolio managers, wealth and estate planners, insurance brokers, financial business development managers, estate planning lawyers, and tax accountants. Thirteen professional advisors were identified by their peers as having successfully incorporated philanthropy and strategic charitable giving into their business practice. They are located in firms from Vancouver to Halifax, and represent a cumulative 360 years experience as professional advisors with a total of 156 years specializing in charitable gift planning. Semi-structured interviews were conducted with this diverse group of professional advisors and a detailed profile of each advisor is provided in the report.

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## FINDINGS:

Interviewees of this research note a surge of interest in philanthropy as Canadian demographics shift, which they see as a result of high levels of accumulated wealth over the past few decades, and coinciding with “baby boomers” beginning to make plans for a wealth transfer to the next generation. Indications point to a great opportunity for those advisors who are poised to provide guidance to their clients regarding their charitable intent – whereas professional advisors who ignore philanthropy do so at the peril of their business, since clients will move to someone better positioned to meet their charitable needs.

**Impact on professional advisor business:** Philanthropy is described as the glue that binds client’s loyalty to their service with such strength that the loyalty sometimes spans across several generations. To some, philanthropy is the attractor of new clients in a firm’s quest to create a “sticky business”. Others see strategic charitable gift planning as “an enduring revenue source” when funds that might otherwise have been transferred out are maintained, and continue to produce trailing commissions. All professional advisors interviewed agree that having incorporated philanthropy into their practice has strengthened and solidified their business.