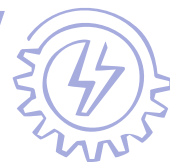


The Philanthropy Advantage



7 WAYS CHARITABLE PLANNING CAN
ELEVATE AN ADVISORY PRACTICE



Philanthropy is no longer a niche topic limited to year-end tax discussions. For today's wealth management clients, charitable giving is an essential expression of their values, a meaningful part of financial planning, and a vital dimension of wealth transfer and legacy-building. Advisors who fail to address these needs risk leaving a major gap in client engagement.

Research shows that affluent clients across demographics—including high-net-worth (HNW) individuals, women, and rising generations—expect their advisors to incorporate philanthropy into holistic wealth strategies.¹ Yet most advisors underdeliver, leaving opportunities on the table.

As the industry adapts to seismic shifts—from the historic Great Wealth Transfer to client demand for more human centric, holistic advice—philanthropy stands out as a versatile, future proof avenue for adding measurable value. **This paper outlines seven key ways philanthropy services elevate advisory practices.**

1 Meeting the Expectations of High-Net-Worth Clients

High-net-worth individuals (HNWIs) remain the largest drivers of charitable capital, giving consistently through market fluctuations. In 2022, 85% of affluent households gave to charity, with an average annual contribution of \$34,917.²

Philanthropy for HNWIs is deeply values-driven; studies show that the majority of wealthy donors connect giving to specific, meaningful issues.³ Mega-gifts and initiatives such as the Giving Pledge highlight philanthropy as a defining element of legacy and social influence. In fact, the top 50 U.S. philanthropists gave over \$16 billion in 2022.⁴

For advisors, this creates both opportunity and responsibility. Offering popular charitable tools like donor-advised funds and private foundations, along with the associated advisory support, helps clients achieve both tax efficiency and mission alignment.³ By addressing philanthropy, advisors enrich client satisfaction and signal relevance in a competitive market.²

2 Closing the Service Gap for the Underserved

Surveys show a profound service gap: 91% of HNW clients rate charitable giving as a priority, and 90% want advisors to address it early in the relationship—but only 47% are satisfied with how these conversations go, and merely 23% actually discuss giving strategies with an advisor.⁵

Why the gap? Many advisors hesitate, unsure of how to move beyond transactional gift discussions. Yet HNW clients increasingly want advice that incorporates legacy, family values, and long term impact goals.⁶ Advisors who close this gap gain differentiation, positioning themselves as holistic partners who build trust and deepen client connection.

3 Expanding Value Through Adjacent Services

Client expectations around financial advice are expanding fast. Between 2018 and 2023, the percentage of investors seeking comprehensive advice nearly doubled, rising from 29% to 52%. Almost 80% of affluent households say they would pay more for deeper, human-centric engagement over basic solutions.⁷

Philanthropy is one of the simplest adjacent services to integrate. Firms that offer charitable planning see greater growth and loyalty, particularly among clients—especially younger generations—who prioritize legacy and social impact.⁸ Incorporating philanthropy secures client retention during wealth transfer events and positions advisors as trusted lifetime partners.

PHILANTHROPY IS ONE OF THE SIMPLEST
ADJACENT SERVICES TO INTEGRATE



4 Leveraging Philanthropy's Versatility and Advantages

Philanthropy offers flexible, multipurpose benefits. It supports estate planning, tax efficiency, family legacy-building, values alignment, and engagement across generations.⁹ Notably, strategies like charitable trusts can reduce estate taxes, donor-advised funds can streamline giving, and gifting appreciated assets can help mitigate capital gains taxes.¹⁰

When philanthropy is coordinated alongside estate and tax planning, it strengthens not only financial outcomes but family bonds.⁹ Advisors who collaborate with a range of specialists across estate, tax and charitable planning can deliver the expertise their clients want while ensuring that the strategies they implement are impactful and enduring.¹¹ And clients themselves report higher satisfaction and fulfillment when charitable planning is integrated holistically.⁹

5 Serving Women as a Growing Economic Force

By 2030, U.S. women are projected to control over \$34 trillion in assets.¹² They are more likely than men to give to charity and to give higher amounts.¹³ Women now influence up to 85% of family philanthropic decisions, often expecting transparency, measurable impact, and deeper engagement.¹⁴

Women's philanthropy is frequently collaborative and values-driven, with a focus on measurable outcomes.¹⁵ Advisors who specialize in philanthropic planning are therefore positioned to build deeper, more values-aligned relationships during the Great Wealth Transfer^{12,15} when women are expected to assume control of more wealth through inheritances from family and spouses. Among our clients, we've noticed an uptick in women driving philanthropy over the past few years, including a 32% increase in the number of women in leadership roles.²³

6 Connecting with the Next Generation

Discussing philanthropy is one of the most effective ways to engage with younger investors and prospects. Millennials increased giving by 22% in 2024, averaging \$1,616 annually—higher than both Gen Z and Gen X.¹⁶ 87% of Millennials and 71% of Gen Z made financial donations in the past year, often supplemented by volunteering or advocacy.¹⁷ Gen Z began giving young—at about age 14 on average—and carries forward a strong sense of purpose into adulthood.^{17,18}

Both generations identify strongly as givers, advocates, and changemakers.¹⁷ For advisors, this means integrating philanthropy is essential to earning loyalty from the next generation. With trillions of dollars at stake from inheritance, advisors who help Millennials and Gen Z embed philanthropy into budgeting and long-term planning distinguish themselves in meaningful, lasting ways. In fact, a new wealth report²⁴ released by Capgemini's Research Institute found that a significant number of inheritors are planning to leave their parents' advisors within the next few years. Advisors can address this now by connecting with the next generation through philanthropy.

7 Strengthening Multigenerational Bonds

As wealth managers seek other ways to add value and help clients with their goals, philanthropy is an area that can unite families around a common purpose. Families with strong giving traditions report higher levels of closeness (81% vs. 71% among those without such traditions).¹⁹ Philanthropy also fosters shared values while allowing individual passions to find expression—ensuring continuity of tradition without erasing individuality²⁰, something that is especially important when working across a wide range of ages where beliefs and priorities may vary.

For advisors, facilitating multigenerational philanthropy does more than optimize tax outcomes—it builds family communication, succession skills, and harmony.^{21,22} Advisors who embrace this role often secure deeper, long-term relationships with multiple generations of client households, which can create stability through difficult periods and transitions.

Philanthropy as a Growth Engine for the Future of Wealth Management

Philanthropy is far more than a charitable add-on—it is a strategic growth driver that elevates advisory practices. It deepens trust with high-net-worth individuals, addresses unmet needs, sustains stronger relationships with women and younger clients, and strengthens family bonds across generations.

Incorporating philanthropy is now easier than ever. Emerging fintech and wealthtech platforms make it easier than ever to open charitable vehicles such as donor-advised funds and private foundations, while other frictionless tools help advisors embed new capabilities to assist with charity research, advanced grantmaking, impact investing and more. These new philtech offerings transform charitable planning from a complex niche into a scalable, client-centered service.

In an environment of competition, wealth transfer, and rising expectations, philanthropy is not optional—it is a decisive, competitive advantage. Advisors who embrace it will elevate their practices by aligning financial planning with the lasting purpose their clients seek.

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An advisor who's not considering clients' philanthropic motivations would be doing themselves a disservice. And the reason is because there's an overwhelming amount of empirical research that shows an increasing number of families, particularly driven by the younger generations, are expecting that their financial advisors will have that tool in their toolkit."

— PRINCIPAL FROM A MULTI-FAMILY OFFICE ADVISING ON
MORE THAN \$7 BILLION IN DISCRETIONARY CLIENT ASSETS

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- ² Indiana University Lilly Family School of Philanthropy. *Charitable Giving by Affluent Households Above Pre-Pandemic Levels*.
- ³ Indiana University Indianapolis ScholarWorks. *High Net Worth Philanthropy*.
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- ⁶ FIG Marketing. "5 Philanthropic Giving Strategies for High Net Worth Clients."
- ⁷ McKinsey & Co. "The Looming Advisor Shortage in U.S. Wealth Management."
- ⁸ WealthManagement.com. "Three Drivers Leading Advisors to Provide Charitable Services."
- ⁹ Baird Private Wealth Management. *Building a Purposeful Charitable Legacy*.
- ¹⁰ Fidelity Charitable. *Charitable Contributions: Tax Strategies*.
- ¹¹ Community Foundation of New Jersey. "Professional Advisors."
- ¹² FreeWill. *Women's Philanthropy in 2025*.
- ¹³ BOK Financial. *Women are Redefining Philanthropy Amid the Great Wealth Transfer*.
- ¹⁴ Community Foundation for Northern Virginia. *Women and Philanthropy: Opportunity to Grow Your Practice*.
- ¹⁵ Stanford Social Innovation Review. *Are Women Donors the Key to Unlocking More Giving?*
- ¹⁶ Amanda Cole. "Why Nonprofits Need to Take Millennial Donors More Seriously." *NonProfit PRO*.
- ¹⁷ Foundation Source. "Gen Z and Millennials Look Beyond Financial Contributions to Take a Holistic Approach to their Charitable Giving."
- ¹⁸ Blackbaud Institute. *New Report Illuminates Gen Z Philanthropic Giving Behavior*.
- ¹⁹ Private Wealth. *Create the Legacy of Giving Through Family Philanthropy*.
- ²⁰ LGA Global. *A Family Foundation Won't Fix What Isn't Working*.
- ²¹ Trusted Family. "Engaging the Next Generation in Family Led Philanthropy."
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- ²³ According to Foundation Source's client data from January 2019 through February 2023.
- ²⁴ Capgemini's Research Institute: *World Wealth Report 2025*.

ABOUT FOUNDATION SOURCE

Foundation Source empowers people and companies to create a better world through philanthropy. We support more than 4,000 charitable organizations with innovative technology backed by philanthropic expertise.

HAVE A QUESTION?

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