FIDELITY Charitable®
Make more of a difference

Differentiating with charitable planning

How advisors can meet the demand for charitable planning

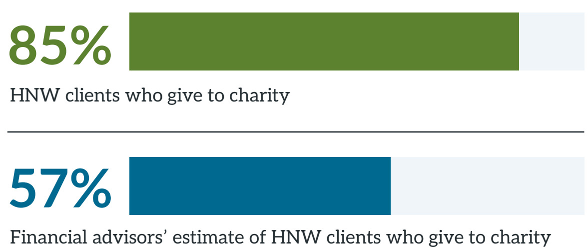
A Fidelity Charitable® study found that financial advisors might be underestimating the extent to which their affluent and high-net-worth clients are giving charitably and the value these clients place on giving. The results suggest an opportunity for advisors to lean into charitable planning to attract clients and enhance existing client relationships.

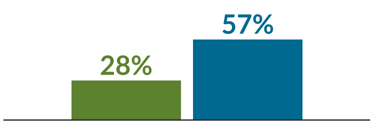
3 insights to apply to your practice

1. You may be underestimating your clients' dedication to giving

Our study showed that high-net-worth (HNW) clients—those with more than $1 million in investable assets[1]—are typically very engaged in charitable giving. Eighty-five percent of high-net-worth respondents reported giving to charity, with 72% saying they give at least $10,000 annually. Additionally, 61% of those with $3 million or more in investable assets ranked charitable giving as one of their top two financial priorities. But when asked to estimate what percentage of their high-net-worth clients give to charity, advisors estimated that only 57% do so.

Advisors underestimate HNW clients who are giving





Percentage of HNW clients with whom advisors have discussed charitable giving

Non-HNW HNW

Advisors also reported speaking with fewer than 60% of their high-net-worth clients about charitable planning and tax strategies, indicating a potential missed opportunity to enrich their services with discussions on values, tax mitigation, and legacy planning.

2. You can deliver more expertise and value to your clients by suggesting tax-smart giving strategies

Almost all respondents who were aware of any kind of tax-smart giving method report that they've discussed at least one method with their advisor, if they have one. But those conversations have the potential to be much more comprehensive. For example, less than one-third of donors have discussed charitable distributions from an individual retirement account (IRA), even though many could be facing a required minimum distribution. Advisors may be missing opportunities to deliver potential tax savings to their clients if they aren't having these conversations.

91%

Discussed at least one giving method/vehicle with advisor

(among those with a financial advisor and who are aware of any giving vehicles)

Percentage of respondent discussions with advisors by giving vehicle

A qualified charitable distribution from an IRA	30%
Bequests, estate planning, or leaving money to charity in a will	26%
Donor-advised funds	25%
Family foundations or private foundations	24%
Donating appreciated publicly traded securities	22%
Naming a charity as the beneficiary of a retirement or life insurance plan	21%
Donating privately held business interests, such as C corp and S corp stock	19%
Donating cryptocurrency	16%
Donating company or restricted stock received from equity compensation	16%

Percentages among those with a financial advisor and who are aware of any giving vehicles (77% of total)

22%

of clients discussed donating appreciated securities

Your clients likely have appreciated assets in their portfolio, but only 22% of respondents discussed donating them with their advisor. Are your clients missing an opportunity for tax savings?

3. You can grow your practice with charitable planning

Nearly half of registered investment advisors report that discussing charitable planning with their clients has helped them nurture those relationships, while 60% said these conversations have helped them attract new clients. Among those with less than 15 years of experience, the percentages were 61% and 52% respectively, suggesting that those newer to the profession may be more likely to recognize the value of charitable planning, particularly as they grow their practices. Yet barriers still exist that limit advisors from fully realizing the value of charitable conversations. Nearly one-third report feeling uncomfortable with the personal nature of such discussions, and 37% say that they need deeper knowledge of the tax benefits.

	Total among those surveyed	Less than 15 years of experience	15 or more years of experience	Registered investment advisors	Broker-dealers
Impact of charitable planning on client relationships					
Charitable planning has helped me expand the types of conversations I have with clients.	**46%**	61%	30%	50%	35%
Charitable planning has helped me expand relationships with existing clients.	**44%**	61%	26%	49%	30%
Charitable planning has helped me attract new clients.	**32%**	52%	9%	37%	15%
Barriers to charitable planning conversations among advisors					
I need more in-depth knowledge of the tax benefits around charitable planning.	**37%**	61%	26%	49%	30%
I am uncomfortable discussing personal topics related to giving with clients.	**28%**	52%	9%	37%	15%
I don't have enough time to discuss charitable planning in my client meetings.	**25%**	43%	5%	30%	10%
I'm not interested in discussing this/ giving is not an area I prioritize.	**25%**	43%	4%	30%	7%

Take action

Initiate conversations

Proactively bring up charitable planning during client meetings. Ask about your clients' philanthropic interests and goals, both in life and concerning their legacy.

Get educated on charitable giving strategies

Visit FidelityCharitable.org/advisor to learn about donating appreciated assets and setting up a donor-advised fund.

Differentiate yourself from others

Demonstrate that your services go beyond fundamental investment management and deliver deeper and more meaningful solutions.

Interested in learning more about tax-smart charitable giving strategies?

Contact a charitable planning expert.

About the study: Bellomy Research surveyed 401 registered investment advisors and broker-dealers on behalf of Fidelity Charitable in September to October 2024 via a 15-minute online survey.[2] Big Village Insights surveyed 610 mass affluent ($100,000 to $1 million in investable assets) and high-net-worth (more than $1 million in investable assets) consumers via a 15-minute online survey during the same time period.[1] Questions about amounts given to charity and whether discussions of charitable planning had occurred were asked of both consumer and advisor respondents to create points of comparison.

1. Consumer respondents consisted of one-third with investable assets of $100,000 to $1 million, one-third with $1 million to $3 million, one-third with $3 million or more.* All must have given within the last year; at least 60% give $10,000 or more annually; no more than 40% give $2,500 to less than $10,000 annually.*

2. Advisors were sourced from both Bellomy Research's financial advisor community (convened by Fidelity Investments®) and its discovery database. Advisor respondents consisted of 304 registered investment advisors and 97 independent broker-dealers; assets under management $25 million and above, 40% with assets under management above $100 million; serving at least 20 clients.

For investment professional use.