THE U.S. TRUST STUDY OF
THE PHILANTHROPIC CONVERSATION:

Understanding Advisor Approaches & Client Expectations

Conducted in partnership with The Philanthropic Initiative

OCTOBER 2013
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Project Team:
Claire Costello, National Practice Executive, Philanthropic Solutions, U.S. Trust, Bank of America Private Wealth Management
Matthew Card, Senior Media Relations Specialist, Bank of America
Keri O’Brien, Marketing Manager, Bank of America
Brian Shaw, Information Manager, Merrill Lynch Market Research, Bank of America
Chamie Deters, Strategic Market Executive, Bank of America

The Philanthropic Initiative (TPI)
The Philanthropic Initiative (TPI) is an innovative philanthropic consulting firm that helps corporations, foundations and families develop and execute customized strategies to increase the impact of their giving. Working nationally and globally, TPI helps donors achieve philanthropy that is more strategic, effective and fulfilling and helps professional advisors build the capacity to do the same with their own clients. Across 25 years, TPI has directed more than a billion in philanthropic dollars and influenced billions more.

Project Team:
Jim Coutre, Partner
Jamie Jaffee, Managing Partner
Steven Johnson, Senior Fellow
Katherine Linder, Philanthropic Advisor
Ellen Remmer, Senior Partner

Phoenix Marketing International (Phoenix)
Phoenix is a top-30 Honomichl research company and partner to many of the largest companies in the Financial Services, Automotive, Affluent/Wealth, Media, Healthcare, Multicultural, Technology, and Travel and Leisure markets worldwide. They combine primary and syndicated marketing research expertise with database analytics and advanced modeling to support their clients’ strategic decision making, as well as research, completed on behalf of their clients, that is provided to industry organizations.

Project Team:
Neal Chambliss, President - Custom Financial Services
Mimi Potter, Senior Vice President
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</tbody>
</table>
BACKGROUND AND OBJECTIVES
Background

In August 2013, US Trust, in partnership with The Philanthropic Initiative, Inc. (TPI), conducted a research project with Phoenix Marketing International (Phoenix), an independent market research firm. About 13 years ago, TPI undertook the largest research initiative at that time that was directed toward how professional advisors were talking to their clients about philanthropy. The purpose of this study is to revisit the key points uncovered in the earlier study and to expand upon topics of particular interest today from two vantage points: external professional advisors to high net worth (HNW) clients and HNW consumers who are active in philanthropy.

The overall themes of this research project are:

- To broadly determine the level of advisor interest in actively promoting philanthropy, as well as understand how advisors are talking to their HNW clients about philanthropy, and
- To compare and contrast advisor perceptions and behaviors to the perspective of HNW consumers.

This current study provides valuable information for professional advisors, donors, nonprofit professionals and others interested in philanthropy/the non-profit sector about the role of professional advice in philanthropy. The comprehensive data presented and analyzed was gathered from two surveys. The first focused on a broad, random national sample of financial/wealth advisors (not company/firm specific), attorneys, and tax/accountants who advise HNW clients. The second survey was among HNW consumers with $3 million or more in investable assets and who are actively engaged in charitable giving or philanthropy. A total of 312 professional advisors and 119 HNW consumers met the respective criteria and completed the surveys.
Objectives

Specific objectives include understanding:

- Professional advisor approaches to discussing philanthropic planning with HNW clients; and
  - Synergies with HNW consumer perceptions of advisors’ timing and approach
- Advisors’ primary focus of philanthropic conversations with clients; and
  - HNW consumer objectives for and expectations of discussions with advisor
- Advisors’ perceived opportunities for and barriers to having philanthropic conversations with clients, including perceptions of client motivations and hesitations to give; and
  - HNW consumer reasons they say they are charitably active and reasons they may hesitate to give
- Impact of philanthropic discussions on advisors’ business development and client relationships; and
  - Relationship between consumer assessment of their advisors’ proficiency in philanthropic advising and advisor selection
- Advisors’ knowledge of and competencies with structured giving vehicles (e.g., charitable trusts, private foundations, donor advised funds); and
  - Relationship between the rendering of philanthropic advice and the incidence of client structured giving
- Advisors’ desire for additional education and other assistance to increase philanthropic knowledge and more effectively counsel their clients on charitable giving
METHODOLOGY
Methodology

The Questionnaires

To meet the objectives of the project, in July/August 2013 a comprehensive quantitative online survey was conducted among a broad, random sample of 312 professional advisors (not company/firm specific) who advise HNW clients. A total of 42 questions were asked on a variety of topics including philanthropic discussions with HNW clients, the impact of philanthropic advising on business development and advisors’ own personal charitable giving.

Simultaneously, an online survey was conducted among 119 HNW consumers who are actively engaged in charitable giving or philanthropy. A total of 47 questions were asked on a variety of topics including patterns of giving, philanthropic discussions with professional advisors, and knowledge and use of giving vehicles.

The Sample Composition

Advisor respondents were initially screened to ensure that they fall into one of the desired advisor categories (financial/wealth advisor, trust/estate attorney, tax/accountant) and that they advise HNW clients (those with $3 million or more in investable assets). HNW consumer respondents were initially screened to ensure that they have $3 million or more in investable assets and are actively engaged in charitable giving or philanthropy, which could include financial donations or volunteering.

<table>
<thead>
<tr>
<th>External Advisors</th>
<th>HNW Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>312</td>
<td></td>
</tr>
<tr>
<td>104</td>
<td>102</td>
</tr>
</tbody>
</table>

Note: The color schemes in this table are used throughout the report to designate the advisor results from the HNW consumer results.
Methodology

The Sample Composition (Continued)

The advisor sample was not weighted because there is no reliable information regarding the market for the advisor segments serving HNW clients. The final HNW consumer sample was weighted to represent the true representation of wealthy consumers by age and investable assets.

Statistical Significance

Statistical significance is a term used to describe results that are unlikely to have occurred by chance. Significance tells how sure you are that a difference or relationship exists between measures.

Measures for the three types of professional advisors surveyed have been statistically tested for differences between the groups – financial/wealth advisors, attorneys, and tax/accountant advisors. All data have been tested for statistical significance at the 95% confidence level. Any significant differences between segments are noted throughout the report with letters (a, b, c, etc.) when a measure is statistically larger than the indicated measure.
Executive summary

Philanthropic Discussions between Professional Advisors and HNW Consumers

Discussing philanthropy is an important dimension of the advisor – HNW consumer relationship. Nearly all advisors ask at least some of their clients about their philanthropic interests and involvement. And, most make it their practice to ask HNW consumers about philanthropy.

Giving – whether directly or through the use of a giving vehicle (e.g., charitable trust, private foundation or donor advised fund) – is nearly universal among HNW individuals. The majority have either discussed philanthropy with an advisor, or are open to discussions. Advisor involvement in HNW consumer giving correlates with the methods by which giving occurs, with those who discuss philanthropy with their advisors being more likely to use giving vehicles.

Who initiates the discussion is not as important to HNW consumers as when it is initiated. Nearly all want the subject of philanthropy to be brought up early in the advisor – HNW client relationship (within the first few meetings with their advisor), when they expect their advisor to have fully understood their needs and goals. Most advisors say they raise the subject of philanthropy only after having a greater understanding of their clients’ financial picture and personal life, but do not necessarily do so in the first several meetings as their clients prefer.
Executive summary

Focus of Philanthropic Discussions

Advisors and clients disagree about the focus of their philanthropic conversations. Advisors believe their philanthropic discussions are equally balanced between their clients’ personal goals/interests and technical topics, but most HNW consumers say their advisors primarily focus on the technical aspects of giving, including tax consequences. HNW consumers want advisors to adopt a more balanced approach, focusing on both their personal passions/charitable interests and technical topics. Less than half of HNW consumers are fully satisfied with the philanthropic conversations they have with advisors, likely influenced by this disparity in advisor focus and client desires.

Impact of Philanthropic Discussions on Business Development

Most advisors say discussing philanthropy with their clients is good for their business development. The direct benefits include contributing to a more comprehensive, holistic advising approach and helping with new client acquisition. Both advisors and clients agree that these discussions deepen relationships and enhance the credibility of the advisor.

For advisors who are actively engaged in their own giving, talking about their experiences with clients can have widespread positive implications for their business. HNW consumers say knowing that an advisor has personal philanthropic experience and knowledge would factor into advisor selection and would enhance the credibility of philanthropic advice provided.
Executive summary

In addition, advising clients on philanthropy can help expand relationships to extended family, a benefit that isn’t fully leveraged by advisors. Just a fraction of HNW consumers say that their advisor has suggested including future generations in giving, even though consumers say that encouraging future generations to be philanthropic is one of the most important reasons they give. Many advisors seem to recognize this gap, saying they would like to increase their knowledge of how to engage heirs in philanthropic giving.

**Knowledge of and Continued Education in Philanthropic Advising**

Advisors consider themselves to be at least somewhat knowledgeable about structured giving vehicles (charitable trusts, private foundations, and donor advised funds), and HNW consumers generally agree. Consumers who work with advisors on their philanthropic efforts give them high marks for competency and knowledge of structured giving vehicles.

On the occasion that a client’s philanthropic needs exceed the advisor’s base of knowledge, nearly all are willing to refer the client to another professional (most often to a philanthropic advisor or an attorney). In addition, most advisors show an interest in expanding their knowledge of philanthropic advising. They are interested in increasing their knowledge on a variety of topics, with developing strategic giving plans, learning more about giving vehicles, better integrating client philanthropic values and goals in the broader wealth plan and engaging clients’ heirs in philanthropic efforts topping the list.
Executive summary

**Advisor Perceptions of Client Motivations to Give and Reasons for Hesitation**

While advisors correctly report their clients’ top motivations to give (personal passion, a desire to give back/make an impact), they overestimate the importance of tax benefits and enhancing the family name/business, while underestimating the desire to encourage future generations in philanthropy. Many advisors believe that a primary reason why a client may hesitate to give is the client’s perceived wealth inadequacy (i.e., concern about running out of money for themselves or their heirs). However, clients are actually more concerned about donations not being used effectively and an increase in donation requests.
DISCUSSIONS OF CHARITABLE GIVING AND PHILANTHROPY
Nearly all advisors discuss philanthropy with at least some of their client base

- About three-fourths of advisors make it their practice to ask HNW consumers about philanthropy
- Accountants are least likely to ask about philanthropy, or have the discussion at all

### Incidence and Degree of Discussing Philanthropy with their High Net Worth Clients

<table>
<thead>
<tr>
<th>% Ask</th>
<th>71%</th>
<th>77%</th>
<th>80%</th>
<th>57%</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>30%</td>
<td>31%</td>
<td>38%</td>
<td>21%</td>
</tr>
<tr>
<td>Most (61%-80%)</td>
<td>21%</td>
<td>17%</td>
<td>25%</td>
<td>21%</td>
</tr>
<tr>
<td>Some (1%-60%)</td>
<td>39%</td>
<td>44%</td>
<td>29%</td>
<td>42%</td>
</tr>
<tr>
<td>None</td>
<td>11%</td>
<td>8%</td>
<td>9%</td>
<td>16%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of HNW clients with which discuss</th>
<th>Total</th>
<th>Wealth Advisors</th>
<th>Trust/Estate Attty</th>
<th>Tax/Acct Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most (61%-80%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some (1%-60%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
However, just 55% of HNW consumers say they have had philanthropic discussions with advisors

- While just over half of HNW consumers have had philanthropic conversations with advisors, a notable percentage are open to having a discussion
  - 13% are open to discussing philanthropy with an advisor; the majority of those who have not yet had these discussions say their advisors never mentioned it
  - 9% say the topic has been broached by an advisor, but not yet discussed in detail, primarily because the advisor wasn’t familiar with their personal life/values
The vast majority of advisors say discussing philanthropy with clients is important, about one-half say it’s *very important*

**Perceived Importance of Discussing Philanthropy with Clients**

- **External Advisors**
  - Very important: 46% (Total), 48% (Wealth Advisors), 56% (Trust/Estate Attorneys), 35% (Tax/Acct Advisors)
  - Somewhat important: 42% (Total), 44% (Wealth Advisors), 33% (Trust/Estate Attorneys), 47% (Tax/Acct Advisors)
  - Not very important: 10% (Total), 7% (Wealth Advisors), 11% (Trust/Estate Attorneys), 13% (Tax/Acct Advisors)
  - Not at all important: 2% (Total), 1% (Wealth Advisors), 0% (Trust/Estate Attorneys), 5% (Tax/Acct Advisors)
The vast majority of HNW consumers also consider philanthropic conversations with their advisors to be important

- Advisor perceptions of their clients’ feelings about the importance of discussing philanthropy are in line with what HNW consumers actually say

**Importance of Philanthropic Conversations to HNW Consumers and Advisor Perceptions of Importance to Clients**

<table>
<thead>
<tr>
<th></th>
<th>External Advisors</th>
<th>HNW Consumers(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Very important</strong></td>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Somewhat important</strong></td>
<td>62%</td>
<td>55%</td>
</tr>
<tr>
<td><strong>Not very important</strong></td>
<td>16%</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Not at all important</strong></td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

\(^1\) Among those who discuss philanthropy with advisors

\(a\) Wealth Advisors
\(b\) Trust/Estate Attorneys
\(c\) Tax/Acct Advisors

Among Those Who Have Not Discussed Philanthropy w/ Advisors
Financial planners/wealth advisors are the most common professional advisors with whom HNW consumers have discussed philanthropy

- HNW consumers rely more heavily on informal networks versus formal professional advisors regarding their charitable giving (just 55% have had philanthropic conversations with professional advisors)
  - Most HNW consumers discuss philanthropy with spouses/partners and other family members
- Among those who use professional advisors, spouses/partners and professional advisors are considered equally valuable sources of information

<table>
<thead>
<tr>
<th>Ever Discussed Philanthropy with Professionals/Advisors</th>
<th>HNW Consumers</th>
<th>Ever Discussed Philanthropy with Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial planner, financial advisor, wealth advisor</td>
<td>37%</td>
<td>Spouse or partner</td>
</tr>
<tr>
<td>Accountant or tax advisor</td>
<td>36%</td>
<td>Other family members</td>
</tr>
<tr>
<td>Philanthropic advisor/specialist</td>
<td>16%</td>
<td>Friends</td>
</tr>
<tr>
<td>Attorney or other legal advisor</td>
<td>15%</td>
<td>Non-profits to whom you give</td>
</tr>
<tr>
<td>Bank or trust company staff</td>
<td>7%</td>
<td>Community foundations</td>
</tr>
<tr>
<td>Insurance agent</td>
<td>1%</td>
<td>Regional association or other org</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
<td>Giving Circles or other collaborative giving</td>
</tr>
<tr>
<td>None</td>
<td>45%</td>
<td>None</td>
</tr>
</tbody>
</table>

Most Valuable Source of Information/Direction (Among those who discuss philanthropy w/advisor)

- 29% Spouse/Partner
- 25% Professional Advisor/Philanthropic Specialist
- 37% Other
- 9% None
One-third of advisors say they initiate philanthropic discussions with their clients, however, far fewer consumers say that their advisor brings up the subject on their own

- Half of HNW consumers say they are usually the initiators, while a comparable percentage of advisors say the topic is brought up equally by both parties
- Most consumers say it’s acceptable for either party to initiate the philanthropic discussion

**External Advisors**

<table>
<thead>
<tr>
<th>Who Typically Initiates the Philanthropic Discussion</th>
<th>HNW Consumers ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always/ Usually Advisor</td>
<td></td>
</tr>
<tr>
<td>33% (Always/Usually Advisor)</td>
<td>17% (HNW Consumers)</td>
</tr>
<tr>
<td>Equally by Both</td>
<td>47% (HNW Consumers)</td>
</tr>
<tr>
<td>46%</td>
<td>51% (HNW Consumers)</td>
</tr>
<tr>
<td>Always/Usually Consumer</td>
<td>18% (HNW Consumers)</td>
</tr>
<tr>
<td>20%</td>
<td>32% (HNW Consumers)</td>
</tr>
</tbody>
</table>

**HNW Consumers ¹**

<table>
<thead>
<tr>
<th>Who Should Initiate the Philanthropic Discussion</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Either</td>
<td>64% (HNW Consumers)</td>
</tr>
<tr>
<td>Your advisor</td>
<td>2% (HNW Consumers)</td>
</tr>
<tr>
<td>You</td>
<td>34% (HNW Consumers)</td>
</tr>
</tbody>
</table>

¹ Among those who discuss philanthropy with advisors
HNW consumers express a desire to have philanthropic conversations early in the client/advisor relationship

• One-third want an advisor to bring up the topic at their first meeting
• Most want the advisor to bring up philanthropy within the first several meetings, when they expect the advisor to fully understand them

**HNW Consumers**

*When Should Advisor First Bring Up Topic of Philanthropy¹*

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>At your first meeting</td>
<td>34%</td>
</tr>
<tr>
<td>After a few meetings of discussing needs</td>
<td>15%</td>
</tr>
<tr>
<td>After several meetings, when fully understand them</td>
<td>41%</td>
</tr>
<tr>
<td>Not sure</td>
<td>12%</td>
</tr>
</tbody>
</table>

¹ Among those who discuss philanthropy with advisors
Advisors are more likely to raise the subject of philanthropy after having a greater understanding of their clients

- 36% strongly agree that it is their responsibility to raise the topic of philanthropy with their clients
- Few advisors (14%) feel strongly that they should discuss using philanthropy as a way to instill charitable values in the next generation

### Reasons Advisors Likely to Raise the Topic of Philanthropy: Top Box

<table>
<thead>
<tr>
<th>Reason</th>
<th>External Advisors</th>
<th>Wealth Advisors</th>
<th>Trust/ Estate Attorneys</th>
<th>Tax/Acct Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am more likely to raise the subject of philanthropy when I have a detailed knowledge of my client’s <strong>financial picture</strong></td>
<td>47%</td>
<td>48%</td>
<td>45%</td>
<td>46%</td>
</tr>
<tr>
<td>I am more likely to raise the subject of philanthropy when I have a detailed knowledge of my client’s <strong>personal life</strong></td>
<td>40%</td>
<td>42%</td>
<td>34%</td>
<td>43%</td>
</tr>
<tr>
<td>I raise the subject when a client is volunteering or active in the community</td>
<td>43%</td>
<td>42%</td>
<td>45%</td>
<td>44%</td>
</tr>
<tr>
<td>I feel it is my responsibility as an advisor to raise the issue of charitable giving</td>
<td>36%</td>
<td>30%</td>
<td>48% <strong>ac</strong></td>
<td>31%</td>
</tr>
<tr>
<td>I present the subject of philanthropy with clients who have children/grandchildren as a way to instill charitable values in the next generation</td>
<td>14%</td>
<td>15%</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>I worry that my client will question my motives if I raise the subject of philanthropy</td>
<td>3%</td>
<td>3%</td>
<td>1%</td>
<td>4%</td>
</tr>
</tbody>
</table>

1 Top box = highest rating of 4 (agree strongly) on 4-point rating scale ranging from “agree strongly” to “disagree strongly”
Even if a client says he/she is not interested in discussing philanthropy, most advisors will revisit the subject later

- Wealth advisors are notably more likely to revisit the subject than accountants and attorneys

**Action Taken if Client is Not Interested in Discussing Philanthropy**

<table>
<thead>
<tr>
<th>External Advisors</th>
<th>Total</th>
<th>Wealth Advisors</th>
<th>Trust/Estate Attny</th>
<th>Tax/Acct Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drop the subject for good</td>
<td>46%</td>
<td>40%</td>
<td>54% a</td>
<td>46%</td>
</tr>
<tr>
<td>Revisit the subject later</td>
<td>54% b</td>
<td>60%</td>
<td>46%</td>
<td>55%</td>
</tr>
</tbody>
</table>

U.S. TRUST
Many advisors say they encourage HNW clients of all asset levels to consider philanthropy

- Accountants are more likely to encourage giving at all asset levels (most likely because they focus on the tax advantages)

**At what Asset Level Advisor Begins to Encourage Philanthropy**

1 Among those discussing philanthropy with HNW consumers
Advisors overemphasize technical topics when raising the subject of charitable giving

- In contrast, consumers say a balance of both personal topics like passions/interests and tax benefits would better engage them.

### Ways Philanthropic Conversations are Initiated by Advisors and Preferred Ways among HNW Consumers

<table>
<thead>
<tr>
<th></th>
<th>External Advisors</th>
<th>HNW Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Wealth Advisors</td>
</tr>
<tr>
<td><strong>Personal Topics</strong></td>
<td>35%</td>
<td>42% c</td>
</tr>
<tr>
<td>Ask about passions/philanthropic goals/interest in charities or in donating</td>
<td>28%</td>
<td>30% c</td>
</tr>
<tr>
<td>Bring up topic of leaving legacy/legacy planning</td>
<td>5%</td>
<td>11% bc</td>
</tr>
<tr>
<td>Discuss philanthropic activities of advisor/employer/ideas that show knowledge of advisor</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Technical Topics</strong></td>
<td>71%</td>
<td>65%</td>
</tr>
<tr>
<td>Explain tax benefits of donating/ask as part of tax preparation</td>
<td>32%</td>
<td>23%</td>
</tr>
<tr>
<td>Part of the total financial planning/estate planning/wealth transfer (in general)</td>
<td>20%</td>
<td>29% b</td>
</tr>
<tr>
<td>Discuss leaving assets to charities/non profits</td>
<td>12%</td>
<td>5%</td>
</tr>
<tr>
<td>Review level of current/past giving</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Use questionnaire/personality assessment</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

*a,b,c* indicate statistical significance.
HNW consumers say philanthropic conversations touch on various areas, from tax implications to values, goals, and objectives

• However, HNW consumers say very few advisors discuss involving future generations in giving
• HNW consumers say their advisors have varying degrees of capability to discuss their personal values and charitable goals
  – Half rate their advisors’ ability to discuss their personal values and charitable goals as at least somewhat strong

### Rating of Advisors’ Ability to Discuss Personal Values and Charitable Goals

<table>
<thead>
<tr>
<th>Rating</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very strong</td>
<td>18%</td>
</tr>
<tr>
<td>Somewhat strong</td>
<td>29%</td>
</tr>
<tr>
<td>Not very strong</td>
<td>22%</td>
</tr>
<tr>
<td>Not at all strong</td>
<td>6%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>26%</td>
</tr>
</tbody>
</table>

### Topics Advisors Have Discussed

<table>
<thead>
<tr>
<th>Topic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Giving for tax reasons</td>
<td>49%</td>
</tr>
<tr>
<td>Family/personal values</td>
<td>42%</td>
</tr>
<tr>
<td>Philanthropic goals/objectives</td>
<td>39%</td>
</tr>
<tr>
<td>Gave advice or helped set of giving vehicle</td>
<td>32%</td>
</tr>
<tr>
<td>Management of invested charitable assets</td>
<td>32%</td>
</tr>
<tr>
<td>Giving to make a difference</td>
<td>31%</td>
</tr>
<tr>
<td>Help in identifying potential gift recipients</td>
<td>20%</td>
</tr>
<tr>
<td>Help in defining programmatic focus for giving</td>
<td>19%</td>
</tr>
<tr>
<td>Involving future generation in giving</td>
<td>9%</td>
</tr>
</tbody>
</table>

1 Among those who discuss philanthropy with advisors
According to HNW consumers, while many topics are touched on, advisors \textit{primarily} focus philanthropic conversations on technical issues.

- In fact, just 9% of consumers say advisors balance philanthropic conversations between technical and personal topics.
- Tax/accountants are most inclined to focus on the technical issues compared to other types of advisors.

\begin{itemize}
  \item In fact, just 9\% of consumers say advisors balance philanthropic conversations between technical and personal topics.
  \item Tax/accountants are most inclined to focus on the technical issues compared to other types of advisors.
\end{itemize}
Just 41% of HNW consumers who have philanthropic conversations with advisors are fully satisfied

- And only between 21% and 36% say their advisors play an important role in their giving efforts
  - As satisfaction with philanthropic discussions increases, so too does consumer perception of the importance of the advisor’s role

### HNW Consumers 1

<table>
<thead>
<tr>
<th>Importance of Advisor’s Role in Helping with Charitable Giving by Type of Advisor</th>
<th>Satisfaction with Philanthropic Discussions with Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very important</td>
<td>Fin'l Planner/Advisor</td>
</tr>
<tr>
<td>Somewhat important</td>
<td>Atty/Legal Advisor</td>
</tr>
<tr>
<td>Not very/at all important</td>
<td>Acct/Tax Advisor</td>
</tr>
</tbody>
</table>

**Base**
- 41 for Fin'l Planner/Advisor
- 21 for Atty/Legal Advisor
- 37 for Acct/Tax Advisor

**HNW Consumers**
- 62 total

1 Among those who discuss philanthropy with advisors
BENEFITS OF PHILANTHROPIC DISCUSSIONS
The vast majority of advisors believe that discussing philanthropy is good for their business development.

Is Discussing Philanthropy Good for Business\textsuperscript{1}

\begin{tabular}{|c|c|c|c|}
\hline
 & Total & Wealth Advisors & Trust/Estate Attny & Tax/Acct Advisors \\
\hline
External Advisors & 74\% & 76\% & 64\% & 83\% \\
\hline
\end{tabular}

\textsuperscript{1} Among advisors who have discussed philanthropy with HNW consumers
Advisors say that philanthropic discussions benefit business in a variety of ways

- Advisors say discussions allow them to present a more holistic approach to managing their clients’ wealth and show personal interest in them
- Advisors also believe that philanthropic discussions lead to better client insights and help them better serve their clients

**Why Discussing Charitable Giving is Good for Business (Open-end)**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Total</th>
<th>Wealth Advisors</th>
<th>Trust/ Estate Attorneys</th>
<th>Tax/Acct Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>More comprehensive and holistic approach</td>
<td>24%</td>
<td>27%</td>
<td>22%</td>
<td>19%</td>
</tr>
<tr>
<td>Shows my personal interest in clients</td>
<td>18%</td>
<td>23% b</td>
<td>9%</td>
<td>25% b</td>
</tr>
<tr>
<td>Good for our image/we're not all about $$</td>
<td>13%</td>
<td>16%</td>
<td>8%</td>
<td>15%</td>
</tr>
<tr>
<td>Leads to better insights/helps serve clients</td>
<td>13%</td>
<td>12%</td>
<td>16%</td>
<td>7%</td>
</tr>
<tr>
<td>Increases our credibility/my reputation</td>
<td>11%</td>
<td>11% c</td>
<td>17% c</td>
<td>0%</td>
</tr>
<tr>
<td>Shows philanthropy is important to me</td>
<td>11%</td>
<td>6%</td>
<td>16% a</td>
<td>12%</td>
</tr>
<tr>
<td>Learn about other assets (e.g. at other organizations)/manage more assets</td>
<td>10%</td>
<td>8%</td>
<td>8%</td>
<td>16%</td>
</tr>
<tr>
<td>Tax issues</td>
<td>8%</td>
<td>3%</td>
<td>9%</td>
<td>19% a</td>
</tr>
<tr>
<td>Good for networking/connect with organizations</td>
<td>2%</td>
<td>0%</td>
<td>6% ac</td>
<td>0%</td>
</tr>
<tr>
<td>Doesn't hurt/good generally</td>
<td>2%</td>
<td>3%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
<td>5%</td>
<td>11%</td>
<td>19%</td>
</tr>
</tbody>
</table>
An advisor’s own philanthropic involvement can enhance discussions with HNW consumers and provide new business opportunities

- One-third of HNW consumers are more open to discussing philanthropy if their advisor is philanthropic
- Perceived value of the philanthropic advice is greater when the advisor is philanthropically engaged

About one-half of advisors discuss their own charitable giving with their clients

More Open to Discussion if Advisor is Philanthropic Themselves

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>Don’t Know/Maybe</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>HNW Consumers</td>
<td>34%</td>
<td>14%</td>
<td>52%</td>
</tr>
</tbody>
</table>

40% Among HNW consumers who discuss philanthropy with an advisor

Would Place More Value on Advice if Advisor is Philanthropic Themselves

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>Don’t Know/Not Sure</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>HNW Consumers</td>
<td>43%</td>
<td>9%</td>
<td>48%</td>
</tr>
</tbody>
</table>

49% Among HNW consumers who discuss philanthropy with an advisor
About one-third of advisors have been asked to serve in some capacity related to their clients’ giving vehicles, providing viable additional business opportunities

- Attorneys are the most likely to say they are asked by clients to serve on a board/be a board or committee member

### Advisor Has Been Asked to Serve/Be Board Member

<table>
<thead>
<tr>
<th>External Advisors</th>
<th>Total</th>
<th>Wealth Advisors</th>
<th>Trust/Estate Attny</th>
<th>Tax/Acct Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30%</td>
<td>15%</td>
<td>48% ac</td>
<td>29% a</td>
</tr>
</tbody>
</table>

a b c
Discussing philanthropy provides an excellent means of deepening relationships and also aids in establishing new relationships.

Is Discussing Philanthropy a Means of Establishing New Clients or Deepening Relationships

- Total: 75% establish relationships with new HNW clients, 73% deepen relationships with existing HNW clients
- Wealth Advisors: 80% establish relationships with new HNW clients, 71% deepen relationships with existing HNW clients
- Trust/Estate Attorneys: 60% establish relationships with new HNW clients, 54% deepen relationships with existing HNW clients
- Tax/Accct Advisors: 48% establish relationships with new HNW clients, 73% deepen relationships with existing HNW clients
Advisors also believe that discussing philanthropy helps them build relationships with their clients’ extended families

• Opportunity exists in this area:
  – Just 1-in-10 HNW consumers report that their advisors have discussed involving future generations in giving
  – Few advisors say they present the subject of philanthropy as an opportunity to instill charitable values in the next generation
• Many (45%) advisors recognize this opportunity, saying they would like to learn more about engaging clients’ heirs in philanthropic giving

**Discussing Philanthropy Has Helped Build Relationships with Extended Family**

<table>
<thead>
<tr>
<th></th>
<th>External Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>56%</td>
</tr>
<tr>
<td>Wealth Advisors</td>
<td>64%</td>
</tr>
<tr>
<td>Trust/Estate Atty</td>
<td>51%</td>
</tr>
<tr>
<td>Tax/Acct Advisors</td>
<td>52%</td>
</tr>
</tbody>
</table>
Consumers agree that philanthropic conversations with advisors enhance relationships and can influence advisor selection

- Fully 40% of HNW consumers say philanthropic discussions have deepened their advisor relationships.
- Advisor knowledge of philanthropy can also provide a competitive advantage for new business opportunities, with 1-in-3 consumers being more likely to select an advisor who is knowledgeable in philanthropy (increasing to about half for those who already discuss the topic with an advisor).

**HNW Consumers**

**Discussing Philanthropy with Advisor Has Deepened Relationship**

- Don't know 11%
- No 49%
- Yes 40%

**Would Be More Likely to Select Advisor Who Was Knowledgeable in Philanthropy**

- Don't know 16%
- No 54%
- Yes 31%

1 Among those who discuss philanthropy with advisors

46% Among HNW consumers who discuss philanthropy with an advisor
HNW consumers who work with advisors are more structured in the way they give

- Approximately half of consumers who discuss philanthropy with their advisors use structured giving vehicles, and nearly 20% say the majority of donations are made via giving vehicles (or equally with direct giving)
- The most common structured giving vehicles used are private foundations and giving circles

**How Donations to Charitable Organizations are Made**

<table>
<thead>
<tr>
<th>Type of Giving Vehicle</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct donations</td>
<td>99%</td>
</tr>
<tr>
<td>Any Structured Giving Vehicle</td>
<td>32%</td>
</tr>
<tr>
<td>Private Foundations</td>
<td>19%</td>
</tr>
<tr>
<td>Giving Circles or other collaborative giving</td>
<td>16%</td>
</tr>
<tr>
<td>Donor Advised Funds at community foundations</td>
<td>9%</td>
</tr>
<tr>
<td>Donor Advised Funds provided by commercially branded providers</td>
<td>8%</td>
</tr>
<tr>
<td>Charitable Trusts</td>
<td>4%</td>
</tr>
</tbody>
</table>

**How Majority of Donations are Made**

- Direct giving 89%
- Equally through giving vehicles 2%
- Equally through both 9%

---

Among HNW consumers who discuss philanthropy with an advisor:
- 82% Direct giving
- 3% Giving vehicles
- 15% Equal giving
It is much more likely that philanthropic instructions are included in wealth transfer documents when the consumer is working with an advisor

- The majority of HNW consumers working with advisors have philanthropic instructions in their wealth transfer documents
  - Advisor estimates are in agreement with consumer measures
KNOWLEDGE ABOUT PHILANTHROPY & REFERRALS
Advisors are somewhat knowledgeable about giving vehicles

- Familiarity with structured giving vehicles is relatively low among HNW consumers
- Consumer confidence in advisor competence with and knowledge of structured giving vehicles are enhanced by talking to/working with advisors

<table>
<thead>
<tr>
<th>Familiarity with Vehicles for Charitable Giving: Top Box¹</th>
<th>External Advisors</th>
<th>HNW Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Wealth</td>
</tr>
<tr>
<td>Charitable Trusts</td>
<td>49%</td>
<td>46%</td>
</tr>
<tr>
<td>Private Foundations</td>
<td>37%</td>
<td>33%</td>
</tr>
<tr>
<td>Donor Advised Funds</td>
<td>29%</td>
<td>32%</td>
</tr>
<tr>
<td>Giving Circles / collaborative giving</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

¹ Top box = highest rating of 4 (very familiar) on 4-point rating scale ranging from “very familiar” to “not at all familiar”
About one-half of advisors have encountered client needs for philanthropic advice that exceeded their capabilities

- Almost all advisors refer or would refer clients to others if a client’s philanthropic needs exceed the advisor’s base of knowledge
  - Among the few who would not refer, a lack of a referral network is a top barrier

<table>
<thead>
<tr>
<th>External Advisors</th>
<th>Need for Philanthropic Advice Exceeded Advisor’s Capabilities</th>
<th>Referred/Would Refer if Needs Exceed Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Wealth Advisors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>a</td>
</tr>
<tr>
<td>Referred/Would Refer if Needs Exceed Knowledge</td>
<td>49%</td>
<td>49%</td>
</tr>
</tbody>
</table>
When out of their depth of knowledge about philanthropic mission formation/creation, attorneys and philanthropic advisors are most likely to be consulted

<table>
<thead>
<tr>
<th>Where or To Whom Would Refer for Mission Formation or Creation</th>
<th>External Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Attorney</td>
<td>32%</td>
</tr>
<tr>
<td>I would handle this</td>
<td>27%</td>
</tr>
<tr>
<td>Philanthropic Advisor outside my firm</td>
<td>21%</td>
</tr>
<tr>
<td>A non-profit</td>
<td>19%</td>
</tr>
<tr>
<td>Philanthropic Advisor inside my firm</td>
<td>11%</td>
</tr>
<tr>
<td>Accountant</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
<tr>
<td>Does not apply</td>
<td>9%</td>
</tr>
</tbody>
</table>

Notes: a, b, c
For establishing grant-making strategies, advisors refer clients to attorneys and philanthropic advisors

| Where or To Whom Would Refer for Establishing a Grant-Making Strategy and Finding Appropriate Beneficiaries |
|-------------------------------------------------|-----------|-----------------|-----------------|-----------------|
| External Advisors                                | Total     | Wealth Advisors | Trust/Estate Attorneys | Tax/Acct Advisors |
| I would handle this                             | 33%       | 33%             | 38%             | 28%             |
| Attorney                                         | 32%       | 36% b           | 16%             | 43% b           |
| Philanthropic Advisor outside my firm            | 23%       | 16%             | 29% a           | 25%             |
| A non-profit                                     | 18%       | 23%             | 18%             | 13%             |
| Accountant                                       | 12%       | 14%             | 12%             | 10%             |
| Philanthropic Advisor inside my firm             | 10%       | 13% b           | 2%              | 14% b           |
| Other                                            | 4%        | 4%              | 8% c            | 0%              |
| Does not apply                                   | 6%        | 8%              | 9%              | 2%              |

a b c
The majority of advisors plan to increase their knowledge of philanthropy

• Advisors are interested in increasing their knowledge in a variety of areas
  – Developing strategic giving plans and learning more about giving vehicles top the list
  – About half show an interest in better integrating client values and goals in wealth management and engaging clients’ heirs in philanthropic giving

### External Advisors

#### Which Philanthropy Topics Are You Interested in Learning About\(^1\)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Total</th>
<th>Wealth Advisors</th>
<th>Trust/Estate Attny</th>
<th>Tax/Acct Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing strategic giving plans and mission formation</td>
<td>55%</td>
<td>52%</td>
<td>55%</td>
<td>61%</td>
</tr>
<tr>
<td>Understanding more about giving vehicles (Charitable Trusts, etc.)</td>
<td>50%</td>
<td>41%</td>
<td>54%</td>
<td>60% a</td>
</tr>
<tr>
<td>Integrating values and goals into overarching wealth management plans</td>
<td>46%</td>
<td>59% bc</td>
<td>35%</td>
<td>39%</td>
</tr>
<tr>
<td>Engaging the next generation in philanthropic giving</td>
<td>45%</td>
<td>45%</td>
<td>50%</td>
<td>41%</td>
</tr>
<tr>
<td>Impact investing (socially-responsible investing, etc.)</td>
<td>38%</td>
<td>31%</td>
<td>39%</td>
<td>48%</td>
</tr>
<tr>
<td>Becoming more familiar with non-profits and community/social needs</td>
<td>36%</td>
<td>37%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>Ways to initiate discussions about philanthropy with HNW consumers</td>
<td>33%</td>
<td>37%</td>
<td>28%</td>
<td>33%</td>
</tr>
</tbody>
</table>

\(^1\) Among those interested in learning more
Advice from colleagues/planned giving professionals and seminars are considered the most useful resources when advising clients about philanthropy.

<table>
<thead>
<tr>
<th>How Helpful Resources Are/Would Be in Advising Clients: Top Box¹</th>
<th>Total</th>
<th>Wealth Advisors</th>
<th>Trust/Estate Attorneys</th>
<th>Tax/Acct Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advice from colleagues</td>
<td>36%</td>
<td>34%</td>
<td>37%</td>
<td>36%</td>
</tr>
<tr>
<td>Seminars, training, continuing education, and membership in</td>
<td>34%</td>
<td>34%</td>
<td>37%</td>
<td>32%</td>
</tr>
<tr>
<td>professional associations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advice from planned giving professionals</td>
<td>32%</td>
<td>39%</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>Insights learned from other clients</td>
<td>28%</td>
<td>31%</td>
<td>25%</td>
<td>27%</td>
</tr>
<tr>
<td>Professional journals such as Trusts &amp; Estates, Journal of</td>
<td>25%</td>
<td>21%</td>
<td>31%</td>
<td>23%</td>
</tr>
<tr>
<td>Planned Giving, Family Foundation Advisor, Chronicle of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philanthropy, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advice from community foundation personnel and engagement</td>
<td>23%</td>
<td>26%</td>
<td>26%</td>
<td>16%</td>
</tr>
<tr>
<td>with non-profits</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement planning or charitable giving software</td>
<td>18%</td>
<td>20%</td>
<td>16%</td>
<td>18%</td>
</tr>
</tbody>
</table>

¹ Top box = highest rating of 5 (very helpful) on 5-point rating scale ranging from “very helpful” to “not at all helpful”
WHY HNW CONSUMERS GIVE / HESITATE TO GIVE
Advisors correctly identify the top reasons why their clients give, however they incorrectly identify other key motivations

- Even though advisors recognize the top motivations to give as personal passions/desire to give back, they still over-emphasize the technical aspects in advisor conversations with their clients
- Advisors **overestimate** tax benefits and wish to enhance the family/business name as top reasons to give and **underestimate** consumers’ desire to encourage future generations in philanthropy
  - Some of their misperception of the reasons HNW consumers give likely contribute to the overall emphasis on the technical aspects

---

**Importance of Factors in HNW Consumers’ Decisions to Give: Top Box¹**

<table>
<thead>
<tr>
<th><strong>External Advisors: Total</strong></th>
<th><strong>HNW Consumers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Passionate about a cause</td>
<td>56%</td>
</tr>
<tr>
<td>Desire to give back</td>
<td>46%</td>
</tr>
<tr>
<td>Impact community / world</td>
<td>46%</td>
</tr>
<tr>
<td>Reduce taxes</td>
<td>46%</td>
</tr>
<tr>
<td>Religious / spiritual motivations</td>
<td>41%</td>
</tr>
<tr>
<td>Create family legacy</td>
<td>30%</td>
</tr>
<tr>
<td>Tradition of family giving</td>
<td>29%</td>
</tr>
<tr>
<td>Enhance family name / business</td>
<td>22%</td>
</tr>
<tr>
<td>Encourage children / future generations</td>
<td>20%</td>
</tr>
<tr>
<td>It’s an obligation of wealth</td>
<td>18%</td>
</tr>
<tr>
<td>Were asked by someone</td>
<td>12%</td>
</tr>
</tbody>
</table>

¹ Top box = highest rating of 5 (very important reason) on 5-point rating scale ranging from “very important reason” to “not at all important”
Advisors misperceive their clients’ primary reasons for hesitating to give

- HNW consumers are less concerned about wealth preservation than advisors think
- In contrast, HNW consumers are mainly concerned with their donations being used wisely, fear of increased requests, and a general lack of connection/conviction to a cause or organization

Importance of Factors in HNW Consumers’ Hesitations to Give: Top Box

<table>
<thead>
<tr>
<th>Factor</th>
<th>External Advisors: Total</th>
<th>HNW Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not enough money for heirs</td>
<td>41%</td>
<td>4%</td>
</tr>
<tr>
<td>Not enough money for self</td>
<td>34%</td>
<td>14%</td>
</tr>
<tr>
<td>Don't consider wealthy enough</td>
<td>22%</td>
<td>5%</td>
</tr>
<tr>
<td>Gifts won’t be used wisely</td>
<td>24%</td>
<td>30%</td>
</tr>
<tr>
<td>Lack knowledge / connection to charity</td>
<td>20%</td>
<td>24%</td>
</tr>
<tr>
<td>Fear increase in donation requests</td>
<td>20%</td>
<td>17%</td>
</tr>
<tr>
<td>Don't know where to start</td>
<td>13%</td>
<td>1%</td>
</tr>
<tr>
<td>Have not been asked</td>
<td>11%</td>
<td>6%</td>
</tr>
<tr>
<td>Don't think it will make a difference</td>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td>No tradition of family giving</td>
<td>11%</td>
<td>2%</td>
</tr>
<tr>
<td>Not yet explored their passions</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Lack the time</td>
<td>5%</td>
<td>3%</td>
</tr>
</tbody>
</table>

1 Top box = highest rating of 5 (very important reason) on 5-point rating scale ranging from “very important reason” to “not at all important”
Advisors perceive their female clients to be somewhat more passionate about giving.

### Perceived Passion of HNW Consumers’ Giving by Gender

**External Advisors: Total**

- **Male**
  - Very passionate: 18%
  - Somewhat passionate: 65%
  - Not very passionate: 15%

- **Female**
  - Very passionate: 12%
  - Somewhat passionate: 63%
  - Not very passionate: 24%
Advisors and HNW consumers disagree about the impact of eliminating tax benefits on giving levels

- Advisors think that eliminating tax benefits would notably reduce giving levels; HNW consumers are less likely to say that tax benefit reductions would impact giving levels
- It is more likely that eliminating income tax deductions will impact giving levels than estate tax eliminations

### How Charitable Giving Would Change if Actions Occurred

<table>
<thead>
<tr>
<th></th>
<th>External Advisors: Total</th>
<th>HNW Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reduce</strong></td>
<td>40%</td>
<td>55%</td>
</tr>
<tr>
<td><strong>Stay the Same</strong></td>
<td>30%</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Increase</strong></td>
<td>30%</td>
<td>11%</td>
</tr>
</tbody>
</table>

- **Estate tax eliminated**
- **Income tax deductions for donations eliminated**
- **Income tax deductions for donations eliminated**
## Advisor profiles

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Total</th>
<th>Wealth Advisors</th>
<th>Trust/Estate Attorneys</th>
<th>Tax/Acct Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 40</td>
<td>33%</td>
<td>32%</td>
<td>23%</td>
<td>45% b</td>
</tr>
<tr>
<td>41-50</td>
<td>13%</td>
<td>18%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>51-60</td>
<td>29%</td>
<td>29%</td>
<td>30%</td>
<td>29%</td>
</tr>
<tr>
<td>61+</td>
<td>24%</td>
<td>21%</td>
<td>38% ac</td>
<td>15%</td>
</tr>
<tr>
<td>Mean Age</td>
<td>50.7</td>
<td>50.1</td>
<td>54.9 c</td>
<td>47.1</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>76%</td>
<td>75%</td>
<td>83% c</td>
<td>71%</td>
</tr>
<tr>
<td>Female</td>
<td>24%</td>
<td>26%</td>
<td>17%</td>
<td>29% b</td>
</tr>
</tbody>
</table>

Notes:
- a, b, c indicate significant differences.
Advisor profiles

<table>
<thead>
<tr>
<th>Experience</th>
<th>Total</th>
<th>Wealth Advisors</th>
<th>Trust/ Estate Attorneys</th>
<th>Tax/Acct Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td># HNW Clients Advise w/ Assets of $3MM+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5</td>
<td>52%</td>
<td>39%</td>
<td>66% a</td>
<td>53% a</td>
</tr>
<tr>
<td>6-10</td>
<td>23%</td>
<td>21%</td>
<td>18%</td>
<td>30%</td>
</tr>
<tr>
<td>11-20</td>
<td>14%</td>
<td>21%  bc</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>21+</td>
<td>11%</td>
<td>19%  bc</td>
<td>6%</td>
<td>7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Years in Practice</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5 or less</td>
<td>16%</td>
<td>11%</td>
<td>9%</td>
<td>29% ab</td>
</tr>
<tr>
<td>6-15</td>
<td>28%</td>
<td>36%  b</td>
<td>22%</td>
<td>26%</td>
</tr>
<tr>
<td>16-20</td>
<td>14%</td>
<td>23%  bc</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>21-30</td>
<td>22%</td>
<td>24%</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>31+</td>
<td>21%</td>
<td>7%</td>
<td>40% ac</td>
<td>17% a</td>
</tr>
</tbody>
</table>

a b c
## Advisor profiles

### Compensation and Performance

<table>
<thead>
<tr>
<th>Compensation Structure</th>
<th>Total</th>
<th>Wealth Advisors</th>
<th>Trust/Estate Attorneys</th>
<th>Tax/Acct Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee for professional services</td>
<td>71%</td>
<td>39%</td>
<td>95% ac</td>
<td>79% a</td>
</tr>
<tr>
<td>Commission</td>
<td>18%</td>
<td>52% b</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Investment advisory asset management fee</td>
<td>20%</td>
<td>58% bc</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Some other way</td>
<td>10%</td>
<td>13% c</td>
<td>0%</td>
<td>17% c</td>
</tr>
<tr>
<td>Prefer not to answer</td>
<td>5%</td>
<td>6%</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Performance Rank within Firm

<table>
<thead>
<tr>
<th>Performance Rank within Firm</th>
<th>Total</th>
<th>Wealth Advisors</th>
<th>Trust/Estate Attorneys</th>
<th>Tax/Acct Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top quintile</td>
<td>47%</td>
<td>23%</td>
<td>64% a</td>
<td>53% a</td>
</tr>
<tr>
<td>Second highest quintile</td>
<td>20%</td>
<td>28% b</td>
<td>10%</td>
<td>20% b</td>
</tr>
<tr>
<td>Third highest quintile</td>
<td>9%</td>
<td>16% b</td>
<td>2%</td>
<td>9% b</td>
</tr>
<tr>
<td>Fourth highest quintile</td>
<td>2%</td>
<td>3%</td>
<td>0%</td>
<td>3%</td>
</tr>
<tr>
<td>Bottom quintile</td>
<td>1%</td>
<td>2%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Prefer not to answer / Don’t know</td>
<td>22%</td>
<td>28% c</td>
<td>23%</td>
<td>14%</td>
</tr>
</tbody>
</table>

| Followed by: b, c, a |

---

U.S. TRUST
## HNW consumer profiles

<table>
<thead>
<tr>
<th>Patterns of Giving</th>
<th>HNW Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td># Organizations Volunteer Time</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>20%</td>
</tr>
<tr>
<td>1</td>
<td>22%</td>
</tr>
<tr>
<td>2</td>
<td>27%</td>
</tr>
<tr>
<td>3+</td>
<td>31%</td>
</tr>
<tr>
<td># Give Donations</td>
<td></td>
</tr>
<tr>
<td>1-4</td>
<td>36%</td>
</tr>
<tr>
<td>5-6</td>
<td>17%</td>
</tr>
<tr>
<td>7-10</td>
<td>26%</td>
</tr>
<tr>
<td>11+</td>
<td>21%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Patterns of Giving</th>
<th>HNW Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Annual Income Donate</td>
<td></td>
</tr>
<tr>
<td>1-4%</td>
<td>29%</td>
</tr>
<tr>
<td>5%</td>
<td>20%</td>
</tr>
<tr>
<td>6-8%</td>
<td>13%</td>
</tr>
<tr>
<td>10%</td>
<td>21%</td>
</tr>
<tr>
<td>11%+</td>
<td>16%</td>
</tr>
<tr>
<td>Mean % of Annual Income Donated</td>
<td>7.2</td>
</tr>
</tbody>
</table>
HNW consumer profiles

<table>
<thead>
<tr>
<th>Demographics</th>
<th>HNW Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investable Assets</td>
<td>$3MM - $4.9MM 56%</td>
</tr>
<tr>
<td></td>
<td>$5MM - $9.9MM 34%</td>
</tr>
<tr>
<td></td>
<td>$10MM+ 10%</td>
</tr>
<tr>
<td>Mean Investable Assets</td>
<td>$7.7 MM</td>
</tr>
<tr>
<td>Income</td>
<td>&lt; $200K 36%</td>
</tr>
<tr>
<td></td>
<td>$200K - $299.9K 18%</td>
</tr>
<tr>
<td></td>
<td>$300K - $449.9K 25%</td>
</tr>
<tr>
<td></td>
<td>$500K+ 21%</td>
</tr>
<tr>
<td>Mean Income</td>
<td>$770 K</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Demographics</th>
<th>HNW Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>&lt;49 38%</td>
</tr>
<tr>
<td></td>
<td>49-67 47%</td>
</tr>
<tr>
<td></td>
<td>68+ 15%</td>
</tr>
<tr>
<td>Mean Age</td>
<td>56</td>
</tr>
<tr>
<td>Gender</td>
<td>Male 47%</td>
</tr>
<tr>
<td></td>
<td>Female 53%</td>
</tr>
<tr>
<td>Have Children/Grandchildren</td>
<td>Have Children 63%</td>
</tr>
<tr>
<td></td>
<td>Have Grandchildren 29%</td>
</tr>
</tbody>
</table>
## HNW consumer profiles

<table>
<thead>
<tr>
<th>Demographics</th>
<th>HNW Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marital Status</td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>84%</td>
</tr>
<tr>
<td>Domestic Partner/Civil Union</td>
<td>1%</td>
</tr>
<tr>
<td>Single</td>
<td>8%</td>
</tr>
<tr>
<td>Separated/Divorced</td>
<td>3%</td>
</tr>
<tr>
<td>Widowed</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Demographics</th>
<th>HNW Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Status</td>
<td></td>
</tr>
<tr>
<td>Employed Full-time by a Company, Partnership or Practice</td>
<td>43%</td>
</tr>
<tr>
<td>Retired</td>
<td>33%</td>
</tr>
<tr>
<td>Employed Part-time</td>
<td>11%</td>
</tr>
<tr>
<td>Owner of a Business</td>
<td>9%</td>
</tr>
<tr>
<td>Homemaker</td>
<td>3%</td>
</tr>
<tr>
<td>Student</td>
<td>0%</td>
</tr>
</tbody>
</table>