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Capital

New Philanthropy Capital:
Building a marketplace for philanthropy advice

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Our advice is based on the questions donors ask

Getting started	‘I want to eliminate global poverty – where do I start?’	‘Do I need my own foundation?’
Maximising impact	‘How can I narrow my focus to have a bigger impact?’	‘Can I co-fund with other donors?’
Making it happen	‘How do I find an effective hospice?’	‘How do I monitor the grants?’
Reviewing funding	‘We’ve been giving loads of small grants to many organisations – is this effective?’	Am I satisfied with the level of feedback from charities?

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New Philanthropy Capital: a unique mix

part *research house*

- Creating a body of research which is public and distributed for free on our website

part *think tank*

- Challenging opinions on charity effectiveness
- Informing public policy
- Identifying best practice in funding

part *consultancy*

- Advising donors on effective charities to support
- Creating strategies for donors to give effectively
- Managing donations and reporting on results

part *innovator*

- Developing and trialling tools to measure charity effectiveness
- Piloting initiatives such as the Results Library to challenge existing practice

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Wealth managers not meeting clients' philanthropy needs…

Research amongst ultra high net worth individuals and family offices in Europe*

- 90% of UHNW donors need expert advice in the philanthropic process
- But existing wealth management providers not supporting donors' needs
- Donors have a preference for advice not information
- Donors willing to pay for advice

"Lawyers and private bankers are very good at providing technical advice, but they are not interested in the pyschic income. They cannot tell you if a philanthropy project will provide you with value for money".

"I am dismissive of information now because it is so cheap and you can get it in huge quantities. It is all about advice".

*Research by Scorpio Partnership, 2007

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…despite philanthropy enhancing client relationships

Research amongst 100 European trusted advisors*

- 60% of advisors believe philanthropy will become core service offering within 5 years
- Most advisors do not feel that they are sufficiently meeting their clients' philanthropy needs, despite client demand, and are only offering philanthropy advice on an ad-hoc, informal basis.
- Main benefits of philanthropy offering seen as the potential to deepen client relationships and open dialogue into new areas. Most advisors also mention the additional revenue produced.
- There is a large appetite for wealth advisors to work with third party partners.
- Only 50% of private banks feel their RMs are well trained in philanthropy

"It is a new area and private banks in general are struggling to understand it all".

"Families are not interested in being offered a second rate service. The only way to offer a quality service is through experience".

"Relationship managers need to be able to talk about philanthropy with a great deal of confidence to ensure that they can help clients in decision making and the process of giving."

**Research by Scorpio Partnership, 2008*

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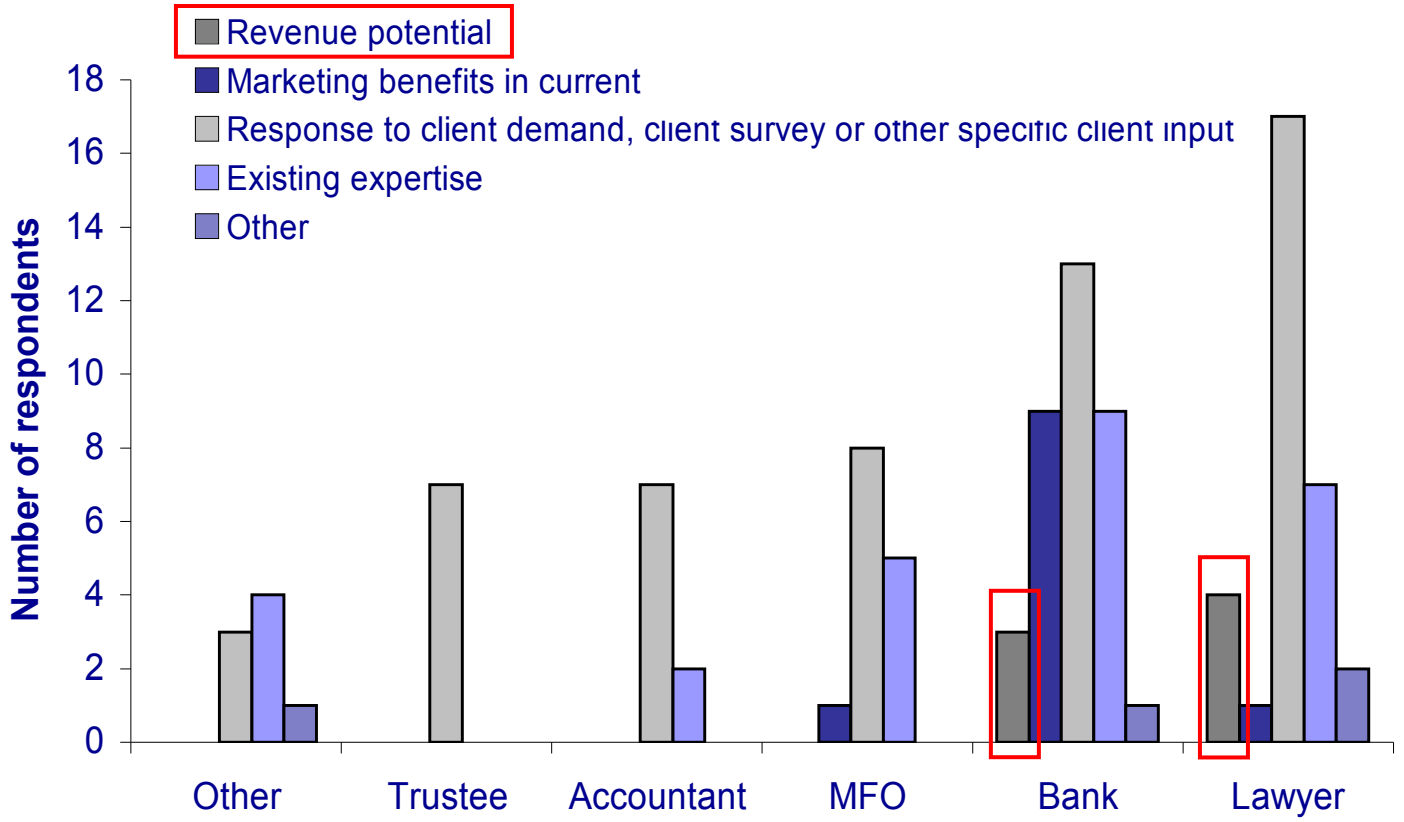
Reasons for setting up a philanthropy service

- Most firms set up philanthropy services in response to client demand
  - Only a handful identified revenue opportunities as important

What was the primary reason for setting up a philanthropy service?



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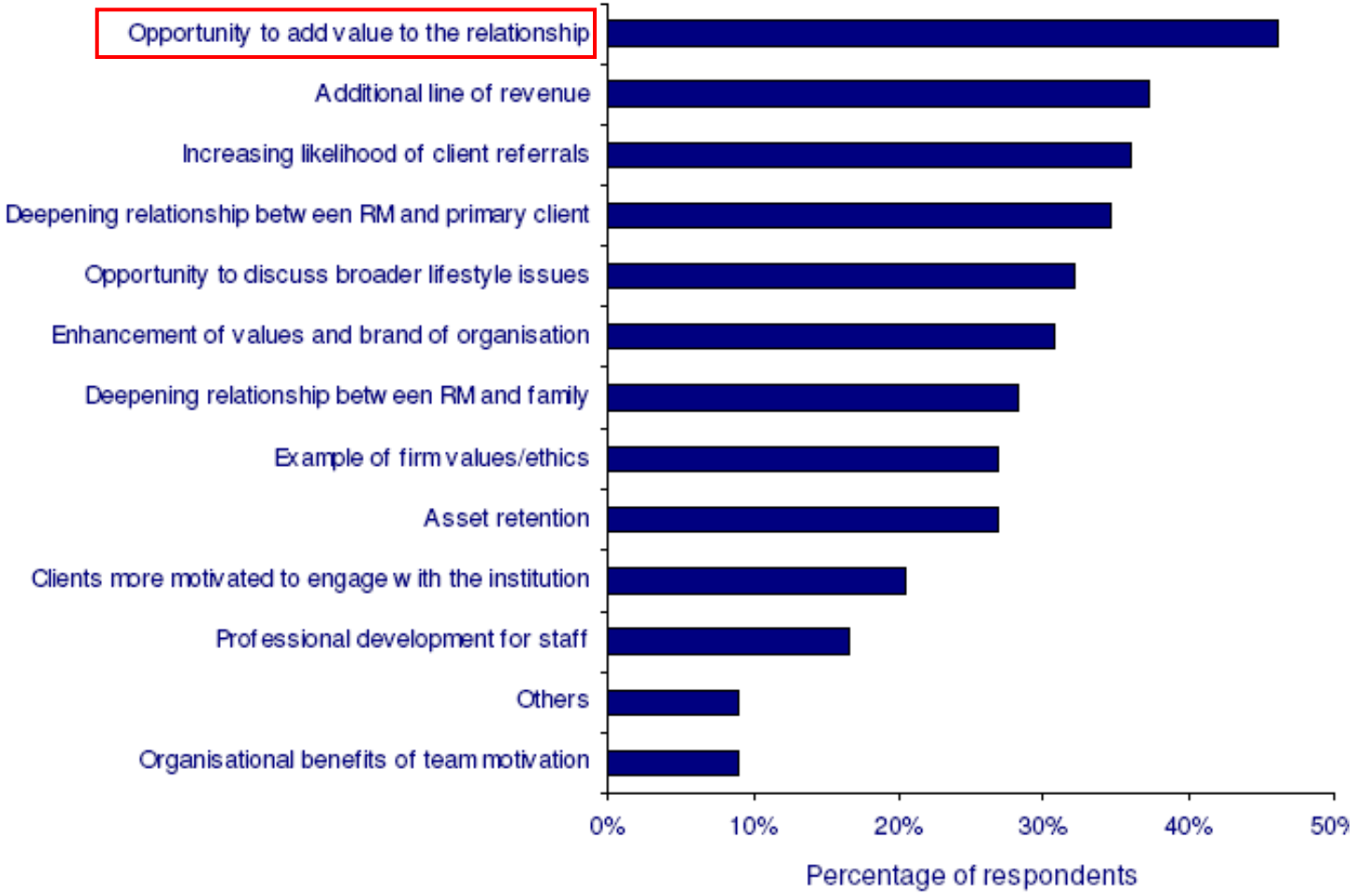
The benefits of philanthropy services

What are the benefits of offering a philanthropy service?



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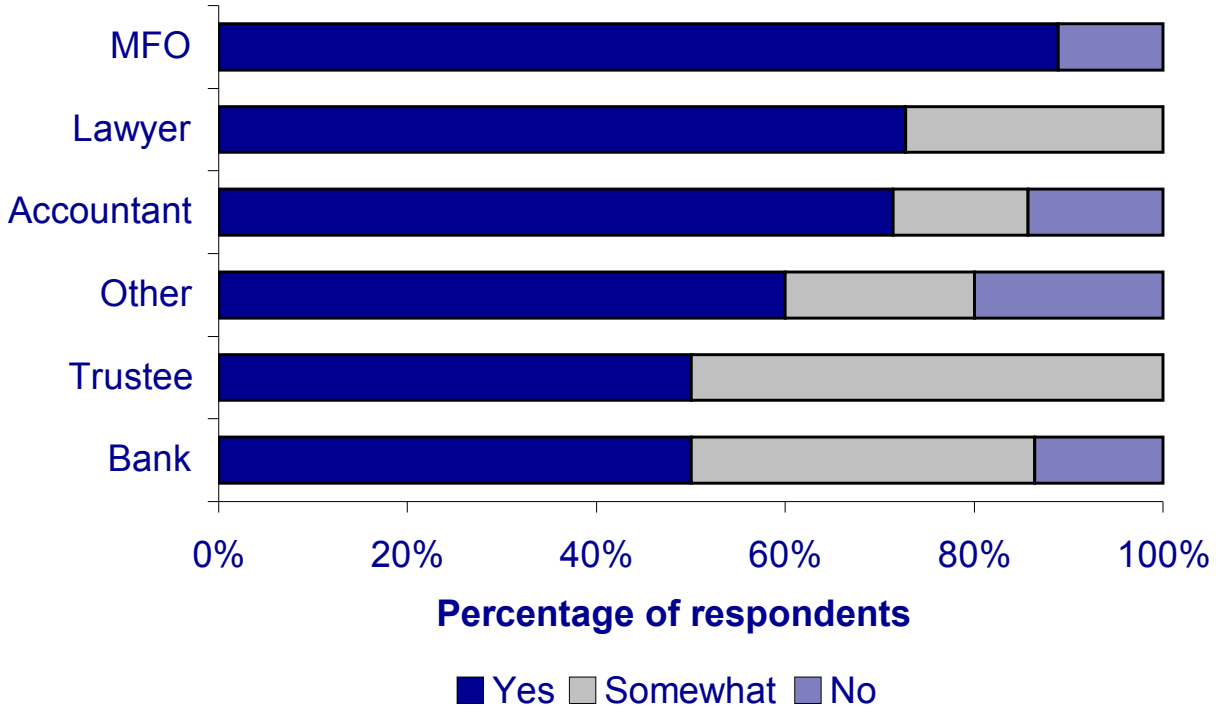
Question marks over the efficacy of training

- Training is widely offered, but there is a lack of confidence in its efficacy
- In particular, incentive structures at private banks are a major obstacle

To what degree are wealth advisors trained on their firm's philanthropy offering?



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Irish market for philanthropy advice lags rest of Europe

- Irish respondents gave philanthropy a score of 2 out of 5 as important to their business (compared to 3.2 for average across Europe)
- Irish advisors feel their industry responds very badly to client needs, and no-one thought philanthropy would be core to wealth management in 5 years, despite 100% of Irish advisors reporting growth in volume of client requests in last 2 years.
- Revenue potential noted as more important than rest of European survey – Irish philanthropy advice more likely to be fee based than in other European countries?

"There is virtually no service in this area in Ireland".

"The Irish market is in its infancy and will require more time for philanthropy to be an accepted part of the service offering".

"Maybe philanthropy services will be core in 10 years. The wealth management industry first needs to develop"

Research by Scorpio Partnership, 2008

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Our services for advisors support them in developing and delivering advice on effective giving

Strategy ▶ Implementation ▶ Delivery

Help develop your philanthropy offering

- Identify the necessary products, services and delivery methods for an offering
- Develop charitable funds for donors

Train your advisors and build in-house expertise

- Equip advisors to discuss philanthropy with clients

Engage with your clients about philanthropy

- Run seminars for your clients
- Provide high-quality content for your client publications
- Deliver workshops for next generation

Deliver tailored advice to your clients

- Start-up support for new foundations
- Bespoke charity analysis
- Funding reviews

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The philanthropy marketplace: looking to the future