

Positioning Yourself for Growth and Philanthropic Success with Families

By Dien Yuen and Mike Rea
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Current events, including conflict, climate change, and a growing awareness of social inequality, have encouraged high-net-worth individuals and families to reflect on how they can make a greater impact with the financial and social power they wield.

Furthermore, the greatest wealth transfer is taking place, shifting over \$72.6 trillion to heirs and \$11.9 trillion to charities between 2021 and 2045.¹ Most NextGens are active in philanthropy. While 88% say they share the same desire as their parents in giving back, only 20% say they take the same approach to achieving their own philanthropic goals.² The demographics and priorities of these new wealth holders are changing, too, as they face complex and interrelated social, cultural, and environmental challenges.

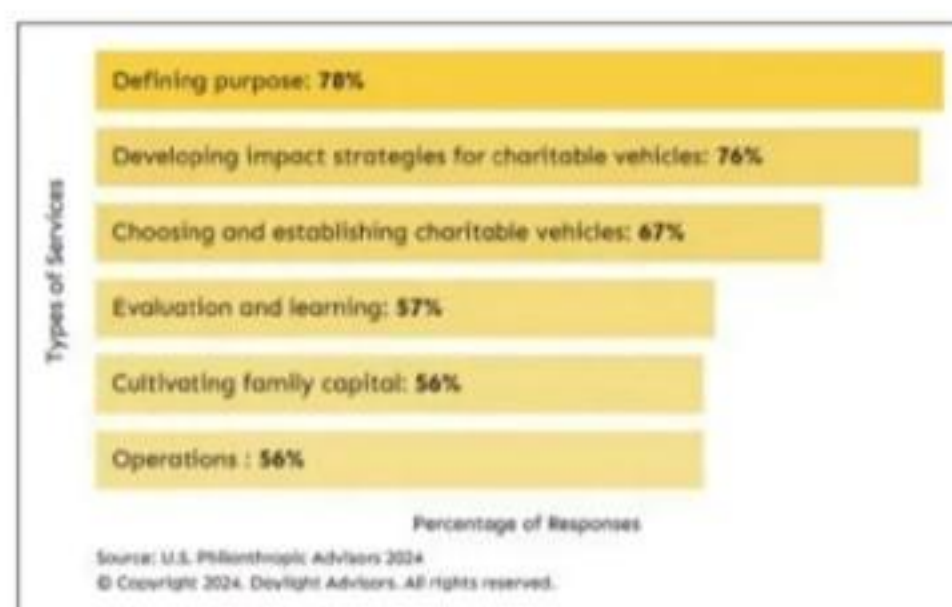
This evolving landscape allows advisors to engage clients and other family members further and create more value, stickiness, and assets under management over a longer time horizon.

Philanthropy Can Be Every Advisor's Business

Financial advisors are the go-to resource for sensitive financial conversations, so it is natural for clients to seek their help with philanthropic matters.

Advisors are expected to be conversant in many domains, including philanthropy, because of the integrated, cross-disciplinary nature of working with wealthy families.³ Advisors can play a natural and significant role in a client's philanthropic journey simply by listening, guiding client conversations, expanding their knowledge, and efficiently connecting them to strategic advice and resources where needed. For clients new to giving or newly energized, a good experience with a capable advisor allows them to explore and nurture their interests, even joining donor networks and collaborating with others through the advisor's introduction.

Yet, not all financial advisors have the basic knowledge, fluency, and cultural dexterity to engage in philanthropic conversations or help support the needs of increasingly sophisticated clients. Self-study, [training programs](#), and access to in-house philanthropic resources can help advisors level up to support client goals and opportunities and better



partner with philanthropic specialists within your firm and others on a client's team for impact.

Leverage Specialists to Provide Full and Expandable Service and Impact

Philanthropic advisor is an umbrella term for people and firms hired to help clients navigate the *why, who, what, where, when, and how* of using their resources for philanthropy and social impact.

Some can help define philanthropic values and focus, conduct research and landscape scans, or source and complete due diligence on groups and projects. They can develop impact strategies, help plan and establish charitable giving vehicles, integrate successive generations' ideas into the family's philanthropic plans, help with grant administration, and evaluate the impact of the client's giving.

In addition to in-house resources, independent advising firms are also available to meet the rising demands of philanthropic families. Our [research](#) on philanthropy advisors found that 258 respondents helped facilitate over \$13 billion in the past year.

Being a part of a client's philanthropic priorities can pay great dividends, in business, impact, and deeper relationships, including with NextGens. With [professional development and practice](#), advisors can play a primary role in helping clients deploy their financial and social capital to support the communities and causes they care about. It's a meaningful journey on which you'll both grow, and grow together. ■

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[Learn more at www.daylightadvisors.com](http://www.daylightadvisors.com) and [LinkedIn](#).

1. Cerulli Associates. The Cerulli Report – U.S. HNW and UHNW Markets, 2021.

2. Bank of America. 2024 Bank of America Private Bank Study of Wealthy Americans.

3. UHNW Institute. 10 Domains of Family Wealth, 2023.

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