



Wealth advice and philanthropy

The benefit to charities and advice firms

Public First, commissioned by the Charities Aid Foundation
(CAF)

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00 Contents

00	CONTENTS	1
01	FOREWORD	2
02	ABOUT THE CHARITIES AID FOUNDATION	3
03	BACKGROUND	4
	Key findings	5
04	WHY PROVIDE ADVICE?	6
	Impact on donations	6
	Growth for advice firms	8
05	CONCLUSION	10
06	METHODOLOGY	11
	Additional donations if the legacy giving model of advice was replicated	11
	Benefits to advice firms from offering advice on philanthropy	12

01 Foreword

Philanthropy in the UK has considerable untapped potential. Leading professional advisers appreciate the importance of philanthropy to their clients and how valuable it can be to support them with their giving ambitions - but some are behind the curve.

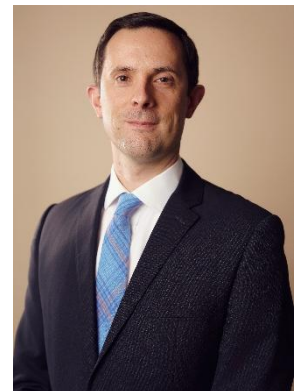
This research adds to a growing body of evidence showing that increasing knowledge and encouraging discussions about philanthropy could drive a step change in giving. And for the first time it shows the economic benefits for advisers when they get this right.

The 'great wealth transfer' has accelerated the need for advisers to address client attrition and highlights the opportunities in responding to the expectations and ambitions of the next generation of donors. As high-net-worth individuals are increasingly interested in the wider spectrum of impact capital, advisers need to be equipped to respond to this.

Although this research focuses on wealth management firms, the private client industry is highly sophisticated and every client journey with their trusted set of advisers is different. Professional advisers across the HNW space, including in tax, law, offshore structuring and private banking, have a role to play and these findings highlight the potential benefits that knowledge of philanthropy can bring for their own business and client relationships.

Despite the considerable upside for advisers in supporting philanthropy, we know that this approach hasn't permeated the whole adviser community. That's why we need to see action from the FCA to roll out training to all financial advisers and to embed conversations about impact capital in regulated financial planning conversations. The Government should empower the FCA to take this important work forward, so that professional advisers are equipped with the tools they need to reinvigorate the UK's culture of generosity and better serve their clients.

Thank you to Public First for producing this insightful research which helps shed new light on the value that philanthropy can have for advisers, philanthropists, and of course, for charities delivering their life-changing work.



**Mark Greer, Managing Director,
The Charities Aid Foundation**

02 About the Charities Aid Foundation

The Charities Aid Foundation (CAF) exists to accelerate progress in society towards a fair and sustainable future for all. Over the last 100 years, CAF has led the way in developing innovative approaches to giving and distributes over £1 billion annually to social purpose organisations around the globe.

03 Background

Philanthropy is the driving force behind many of Britain's economic and social innovations.

But the philanthropic sector remains reliant on a handful of highly generous high-net-worth donors who have consistently pledged their wealth, time and networks to charitable causes. The majority of donations from the wealthiest 1% of households come from less than 5% of that group.¹ Broadening participation beyond this wealthy “civic core” is therefore a central challenge, and normalising philanthropy among providers of wealth and financial advice – who affluent individuals already seek out – is one of the most promising ways to grow the UK's philanthropic base.

Although philanthropy in the United States is shaped by higher overall wealth levels, different tax incentives and distinct cultural norms, it also benefits from routine conversations between advisers and their clients about philanthropy. Two-thirds of HNW individuals report having discussed philanthropy with their adviser in the US,² while in the UK only a third say their adviser has raised philanthropy with them,³ meaning many wealthy clients here never receive structured guidance on how to organise their finances and give effectively.

At the same time, the UK wealth and financial advice industry faces pressures that make it particularly ripe for a stronger focus on philanthropy advice. A number of major UK asset managers have been reporting net outflows of funds as investor preferences shift towards cheaper and more global passive investment vehicles, leaving wealth advisers in the position where they need to replace asset-based fees with value-added advisory fees.⁴ Investment managers are finding it harder to differentiate themselves based on returns alone, pushing them to look for broader ways to help their clients. Meanwhile, financial planners face strict new rules to prove their fees offer ‘fair value,’ meaning they must show they provide more than just a standard investment portfolio. Advice firms are also bracing for a large intergenerational wealth transfer, and advisers who fail to build relationships with heirs risk losing a substantial share of assets when wealth changes hands.⁵

¹ ‘Giving Back Better: Unlocking philanthropy in the UK.’ *Onward*, January 2024. [Link](#)

² ‘The US Trust Study of the Philanthropic Conversation, Understanding adviser approaches & client expectations. Bank of America Private Wealth Management and The Philanthropic Initiative, 2018. [Link](#)

³ ‘The Modern Philanthropist.’ *Barclays Private Bank*, October 2025. [Link](#)

⁴ ‘The UK retail market, The Investment Association, 2024, [Link](#)

⁵ ‘Navigating the great wealth transfer,’ *Vanguard*, June 2025. [Link](#)

With pressure on assets under management and fees and looming generational change, helping clients think intentionally about their legacy and philanthropy is a key way advisers can demonstrate the value-add of the personalised support they offer.

Key findings

Public First carried out economic modelling commissioned by the Charities Aid Foundation to explore the impact that better advice on philanthropy could have on donations for the charitable sector and on advice firms themselves. We found that:

- If previous interventions to increase charitable bequests were similarly applied to all forms of charitable giving, this could unlock £820 million from high-net-worth (HNW) donors annually. Over a decade, this would amount to over £8 billion in donations from high-net-worth donors from improved advice alone, taking the total donations from HNW donors to nearly £30 billion by 2035.
- If advice firms provided comprehensive philanthropic advice, they could increase their client lifetime value by nearly 25%.

04 Why provide advice?

Impact on donations

The UK already has clear evidence that structured advice on giving can unlock more money for charities. In 2013, the Cabinet Office's Behavioural Insights Team worked with Remember A Charity and Co-operative Legal Services to test what happens when solicitors simply raise the option of leaving a charitable gift in a will—doing so roughly doubled the share of clients who included a legacy, and carefully worded “social norm” prompts increased both the number of gifts and their size.⁶

Since this coordinated campaign, legacy donations have grown steadily. Between 2012 and 2024, legacy donations have increased by 96% in value, and 14% more donors have been leaving charitable gifts in their wills.⁷

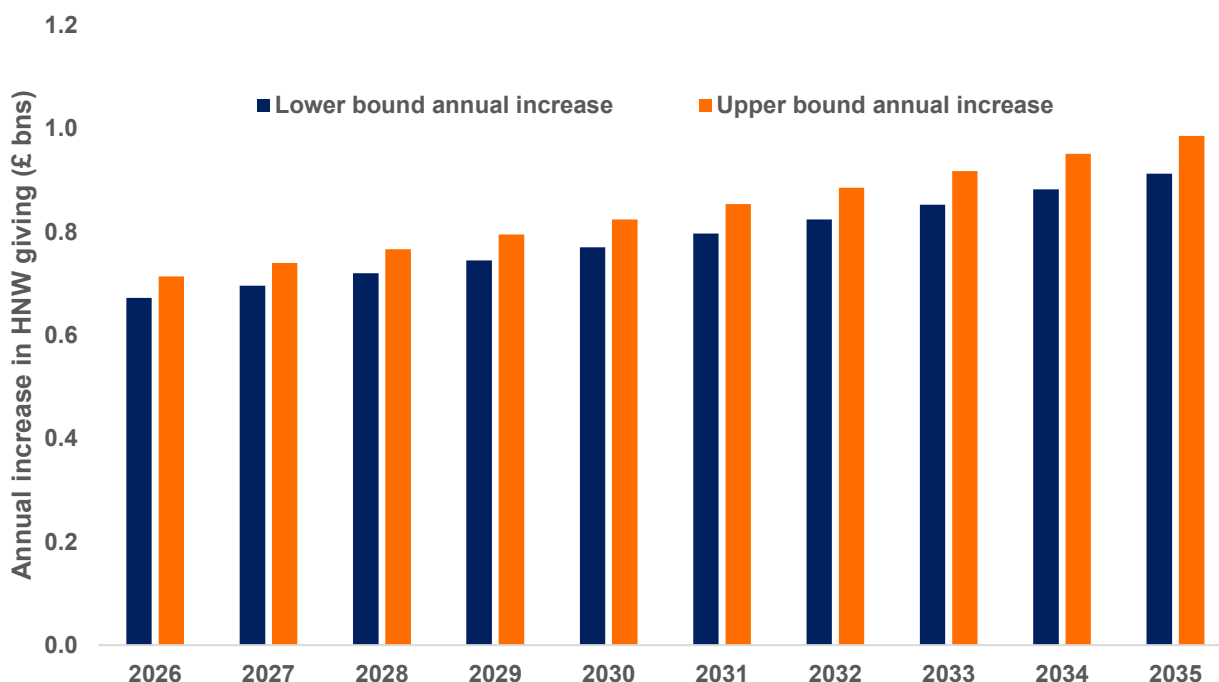
We modelled the impact of a similar advice programme applied to all philanthropic donations to understand the value of donations that could be unlocked if advisers had the right tools and training to engage their clients in philanthropy.

Our estimates revealed that donations from high-net-worth individuals would increase by £820 million on average each year, resulting in an increase of over £8 billion in donations for the charity sector in a decade from improved advice alone.

⁶ *Applying behavioural insights to charitable giving, Charities Aid Foundation and Behavioural Insights Team. [Link](#)*

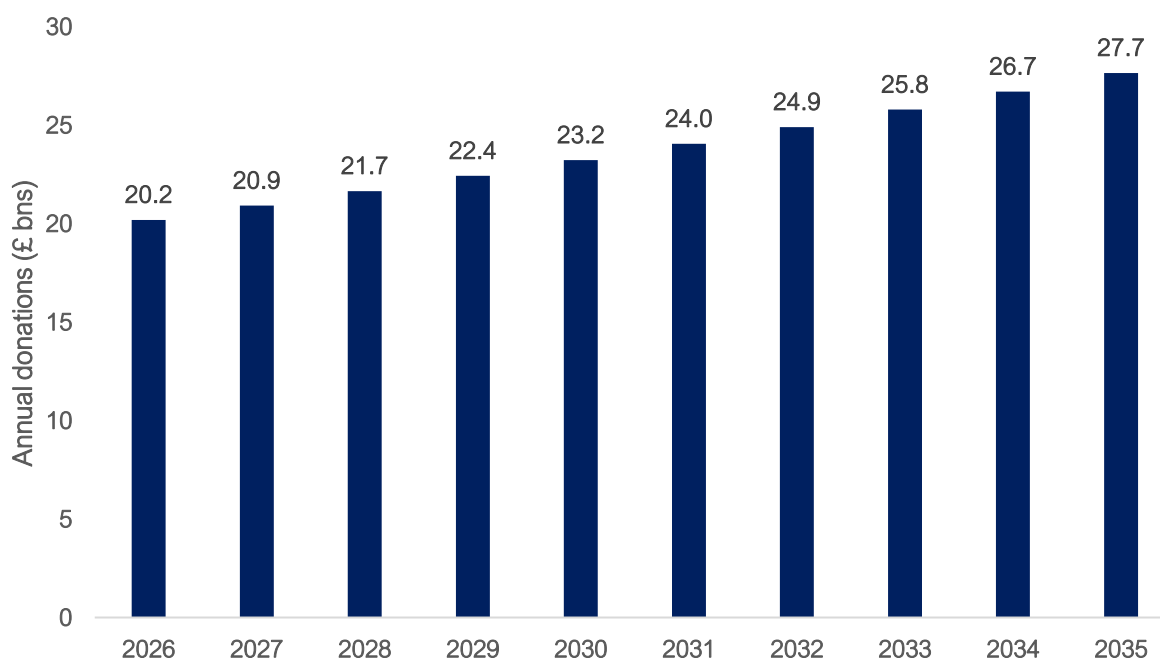
⁷ *Legacy Futures data dashboard. [Link](#)*

Figure 1: Annual increase in donations from improved wealth advice



The cumulative impact of philanthropy advice being provided as standard practice is even higher. Improved advice on philanthropy could increase the total annual donations from HNW donors to nearly £30 billion by 2035.

Figure 2: Projected total annual donations from high-net-worth individuals, including the impact of improved wealth advice, 2025-35.⁸



⁸ Donations from HNW individuals in 2025 was calculated using a bottom-up estimate of the number of HNW individuals, the share of those that donate to charity and their average donation levels. Further details can be found in the methodology section.



Growth for advice firms

Advice on philanthropy isn't just beneficial to charities; it can also bring significant economic benefits to the advice firms themselves.

Currently, only a third of HNW clients report that their adviser has proactively raised philanthropy with them. A reluctance to offer philanthropic advice often stems from a fear that such advice might adversely impact firm revenues by drawing down on clients' wealth and asset portfolios. As an adviser commented,

*"Across the industry, a lot of financial advisers see philanthropy and think, '[My clients] are going to disinvest with me and I'll miss out on funds under management'."*⁹

But these fears are often unfounded. Our modelling found that advice firms stand to benefit financially from offering philanthropy advice. In a market environment characterised by high rates of client attrition and net negative fund outflows from UK AUM, philanthropy helps retain clients and their portfolios and attract clients who want support managing their assets to match their philanthropic goals. As another adviser commented:

*"Advisers don't understand how to integrate philanthropy into the services that they provide. There's a fear about cannibalising assets. But, I've seen advisers change their perspective when they realise that clients are walking out of the door because they can't provide a philanthropy solution. Clients want to devote some of their assets to philanthropy - and firms will see this more and more."*¹⁰

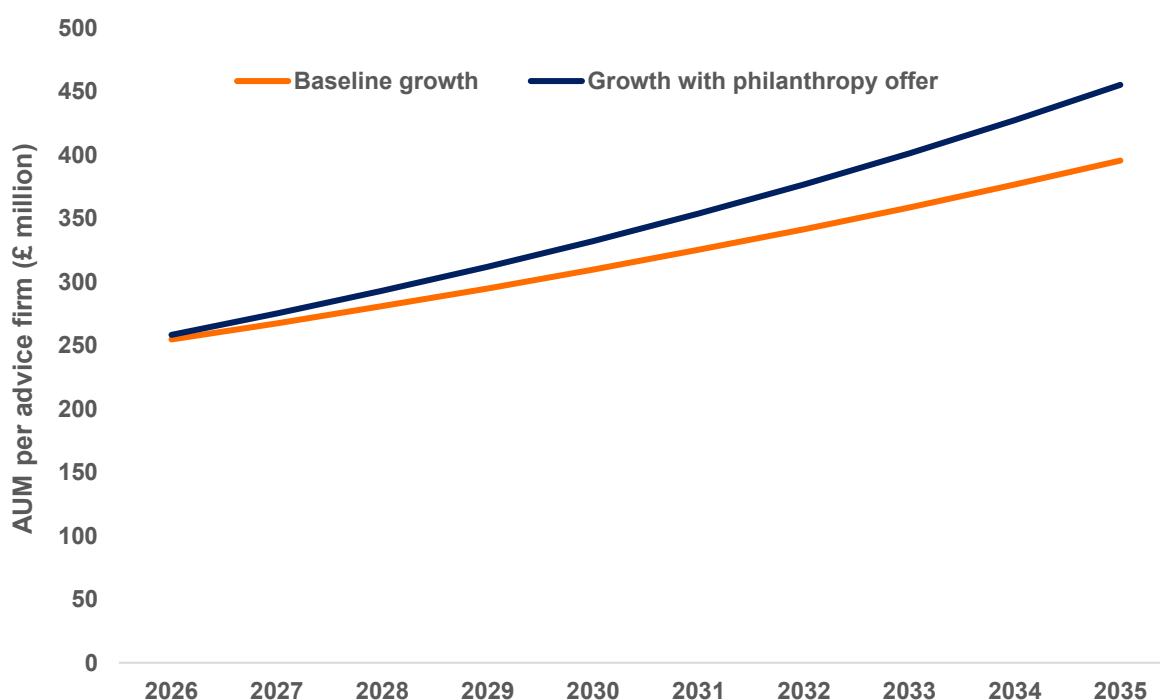
Advice on philanthropy helps advisers grow their AUM. Research from Fidelity which compared the net inflow of assets into firms with a dedicated charitable planning service against firms without found that firms that have a philanthropy offer experienced higher capital inflows and greater organic growth.¹¹ We applied these multipliers to the UK AUM base in Figure 3 below, and found that over time, firms that offer advice on philanthropy are likely to see AUM over 15% greater in value relative to those that do not offer this service.

⁹ 'Ragged patchwork: The need to overcome to the philanthropy knowledge gulf,' Nicole Sykes, Pro Bono Economics, November 2023. [Link](#)

¹⁰ Ibid. The quote has been paraphrased slightly for clarity.

¹¹ On the Leading Edge: Accelerating firm growth with charitable planning, Fidelity. [Link](#)

Figure 3: AUM trajectory for an average advice firm¹² with and without philanthropy advice



Philanthropy helps advice firms deepen relationships with their clients in the long-run. Conversations around legacy giving and intergenerational wealth transfers, for which opportunity for philanthropy is ripe and the risk of attrition is greatest, a comprehensive philanthropy offer helps advice firms gain a competitive edge. Our modelling reveals that offering advice on philanthropy could increase client lifetime value (CLV) – the revenue a firm expects to earn over the course of their relationship with a client - by nearly 25% over a decade.

¹² Estimates relating to the average advice firm are highly sensitive to the mean. More than half of UK AUM is held by just 45 large firms with more than 50 advisers, while smaller firms with just 2-5 advisers control less than a quarter (21%) of AUM. The estimates above are only to illustrate AUM trajectories with and without philanthropy advice.



05 Conclusion

As recommended by the Treasury- appointed, independent, Social Impact Investment Advisory Group as part of their report on how to boost the impact economy, policymakers should ask the FCA to develop a strategy for training financial advisers on philanthropy, including adding it to advisers' continuing professional development, and embedding impact capital options into regulated financial planning conversations.

06 Methodology

Additional donations if the legacy giving model of advice was replicated

To estimate the value of additional donations from improved advice, we:

- Used historic data on legacy giving pre and post the introduction of the Cabinet Office's template to engage clients in conversations around legacy giving and ran a regression that quantified the annual increase in donations since 2013 relative to a trendline without the change.
- We then applied the annual increase in donations from the regression analysis to a bottom-up estimate of donations from high-net-worth individuals, constructed from data on the number of high-net-worth individuals, their mean and median donation levels, and the share of this cohort that report donating to charity.
- To make the realms of legacy giving and all philanthropic donations comparable, we also applied a standard present bias effect from academic evidence. This was done to compensate for the likely underestimation of the increase in donations from improved advice from living donors, as additional donations in the scenario of immediate advice with immediate tax reliefs and "warm glow" impacts are likely to mean that donors donate more. This compares to legacy gifts which are finite by definition.
- Our estimates of donations are conservative given we use a narrow definition of high-net-worth individuals (defined as having investable assets > £1 million). Historically, data on HNW giving has shown significant volatility. Unadvised giving tends to reflect levels of financial confidence, increasing or decreasing significantly in line with market movements. We anticipate that philanthropy advice will contribute to a smoothing effect as decisions will become more planned with specific assets earmarked and managed to support a consistent capacity to give.

Benefits to advice firms from offering advice on philanthropy

To understand the impact of philanthropy advice on firms in the wealth and financial advice sector, we tracked the movement of firm-level “assets under management” (AUM), by:

- First calculating the average value of assets managed by each firm.
- Using Investment Association data, we determined the share of AUM growth directly attributable to market-related factors and net transaction flows. We then projected future growth of UK AUM into 2035 based a seven-year historic trend.
- Using Fidelity’s asset multipliers relating to the provision of philanthropy advice, we estimated how the baseline AUM trajectory would change over the next decade in two scenarios, one where the firm has a comprehensive philanthropy advice offering and another where it does not (the baseline).
- We then calculated revenue at the firm level by combining the estimated AUM for each year and adviser charges as reported by the FCA in their retail intermediaries database. This was calculated for both the baseline scenario and the AUM path with philanthropy advice.
- To create a consistent “present value” basis so that cash flows in 2025, 2030, and 2035 could all be compared and summed meaningfully, we then converted each future year’s cash flow into today’s money by using a standard discount rate.
- Finally, we calculated the Net Present Value (NPV) of the baseline and philanthropy advice scenarios separately by summing the discounted cash flows over 2025–2035. The increase in lifetime client value from offering philanthropy advice is then measured as the difference between these two NPVs.

