

WORLD NEWS: Wealthy fail to find good charity advice

By John Willman in London

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Bankers and financial advisers to the rich and super-rich are failing to give them good advice on how to give their money away, interviews with some of Europe's wealthiest philanthropists have revealed.

Most of the wealthy individuals and families were highly focused on their philanthropy and wanted to contribute towards a particular area or cause of interest to them.

But they complained that it was hard to find qualified independent advisers to help them plan their giving programmes and to select suitable charitable projects.

"More people would get involved if they knew how to do it," said one interviewed in the study carried out by Scorpio Partnership, a wealth management consultancy, for three organisations that promote effective philanthropy: New Philanthropy Capital of the UK, Wise from Switzerland and Germany's Bertelsmann Foundation.

The interviews revealed that many potential philanthropists had a clear idea of what they wanted to achieve and were willing to pay for advice and support. Yet most found their wealth management advisers were not meeting their needs.

One common problem was advice on starting out with philanthropy, where donors wanted guidance on how to structure their giving. Although most wanted to be anonymous, they also wanted feedback to measure the success of their giving.

The majority regarded themselves as strategic philanthropists, looking for "tangible outcomes to their philanthropic endeavours" and "quantitative metrics as a measure for success". Yet they found it hard to find independent bespoke advice to help them form their strategies and evaluate the results.

"Because I have made money does not mean I am good at giving it away," said one. "It is a completely different skill."

The findings were based on 34 interviews conducted in the UK, Switzerland and Germany with ultra-high net worth individuals and family offices set up to manage the wealth of families in the UK, Switzerland and Germany. Their wealth ranged from \$90m (€65m, £45m) to \$2.5bn and they gave away on average 5 per cent of their net worth each year.

The interviewees came from countries including the US, Gulf states and Asia as well as Europe. Around half were new philanthropists, while the rest were from wealthy families with traditions of philanthropy.

The study concludes that advisers need to build their knowledge on philanthropy to provide a better service. It also urges charities to change their marketing to attract results-oriented donors.

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