



News Release

Contacts:

Kim Laughton
Schwab Charitable
415-667-3638

Morrison Shafroth
Communications Strategy Group
720-470-3653

SURVEY REVEALS FINANCIAL ADVISORS WANT MORE CHARITABLE GIVING INFORMATION

While Eight Out of 10 Advisors Talk to Clients About Giving, Many Feel a Lack of Expertise

SAN FRANCISCO, CA, Oct. 28, 2007 — A new survey conducted by Penton Research and sponsored by Schwab Charitable (www.schwabcharitable.org) reveals that while nearly eight out of ten financial advisors are talking with their clients about charitable giving, they are challenged to provide the level of assistance and expertise on this subject that clients desire and are coming to expect.

The July/August survey showed that a perceived lack of expertise was the most common reason advisors cited for not fully discussing charitable giving with clients. Thirty-seven percent of respondents indicated they are concerned with their own level of expertise regarding charitable giving, while 22 percent said clients do not expect to receive charitable giving guidance from them, and therefore it would feel presumptuous to initiate the conversation.

When asked what might encourage financial advisors to discuss charitable giving with their clients more frequently than they currently do, nearly half (47 percent) said that if they received more education and/or training on charitable giving and related tax issues, they would increase charitable giving discussions.

“Charitable planning and giving is integral to wealth management, but it requires a specific base of knowledge,” says Kim Wright-Violich, president of Schwab Charitable. “Advisors increasingly need to have a bench of experts upon which to draw to meet their clients’ needs. It is unrealistic, given the demands on their time, to be subject matter experts on all issues important to their clients’ financial lives. They may not have the answers to all of the questions, but they do need to know where to get them.”

Charitable Giving: A Major Financial and Lifestyle Focus for Americans

Charitable giving has become both a financial and lifestyle focus for a growing number of Americans. More Americans give to charity (70 percent of households) than vote, and with high profile initiatives such as the Bill & Melinda Gates Foundation, the Clinton Global Initiative, and Google.org, giving is likely to continue to grow.

In 2006, U.S. donors gave \$295 billion directly to charitable causes, or about 2.2 percent of GDP, according to Giving USA’s Annual Report on Philanthropy. Wealthy Americans are among the most engaged in philanthropy, giving approximately 8-10 percent of annual income, compared to 2 percent for the average American. In addition, research conducted by Schwab Institutional in July 2007 found that 67 percent of affluent Americans include charitable giving as a goal and 40 percent of those who are retired serve on boards (including non-profit boards). Involvement with charities is increasingly becoming the “post-retirement career.”

(more)

“Americans are generous givers and, for many, philanthropy is as much a part of their lifestyle as their work and family lives,” said Wright-Violich. “Financial advisors can help clients use their wealth in ways that express their values and enhance the sense of fulfillment and richness in their lives. Just think about the level of loyalty a client would feel toward an advisor that helped them achieve that.”

Survey and White Paper Reveal Additional Trends

The Penton/Schwab Charitable survey, and a subsequent white paper, “Opportunities and Obstacles: The role of financial advisors in charitable planning and decision making,” also found:

- Charitable giving discussions are most commonly initiated during the financial planning process (includes estate and tax planning) by both advisors and their clients.
- “Triggering” events, including a stock transfer to a charity, a mention of non-profit work or an invitation to a charity event, enable discussion of charitable planning & giving.
- The majority of advisors have assisted clients with gifts to charity, including donor-advised funds and charitable trusts.
- Advisors and their firms are charitably-minded and perceive an increase in client interest in charitable giving as well.
- Clients expect financial advisors to play an increasingly important role in their charitable planning and giving.

About the Survey

The survey was conducted between July 25, 2007 and Aug. 2, 2007, to select subscribers of Registered Representative magazine. The total population for the study was 318, with 89 identifying themselves as Registered Investment Advisors.

About Schwab Charitable

Schwab Charitable is the name used for the combined programs and services of Schwab Charitable Fund, an independent nonprofit organization, and Charitable Trust Services, a limited liability company owned by Schwab Charitable Fund. The Fund has entered in to service agreements with certain affiliates of The Charles Schwab Corporation. For more information, visit www.schwabcharitable.org.

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