

Fidelity CharitableSM Advice & Giving Survey Executive Summary

Introduction

The 2012 Advice & Giving study is comprised of two surveys, one with 500 financial advisors and the other with 183 wealthy individuals. Market Probe, an independent global market research firm, conducted this year's study.

The advisor survey was fielded online between March 15th and March 29th using the Harris Interactive Financial Advisor Intermediary Panel. Data are weighted to reflect the current distribution of advisors with an average account size of at least \$250,000 among firm types according to FINRA, excluding insurance firms. The advisor survey includes 146 advisors with average client assets of at least \$1 million. The results of this advisor segment are reported in this summary.

The wealthy individual survey was fielded using ReachNow's panel and surveyed online between March 19 and March 23, 2012. Qualifications for wealthy individuals for this survey included:

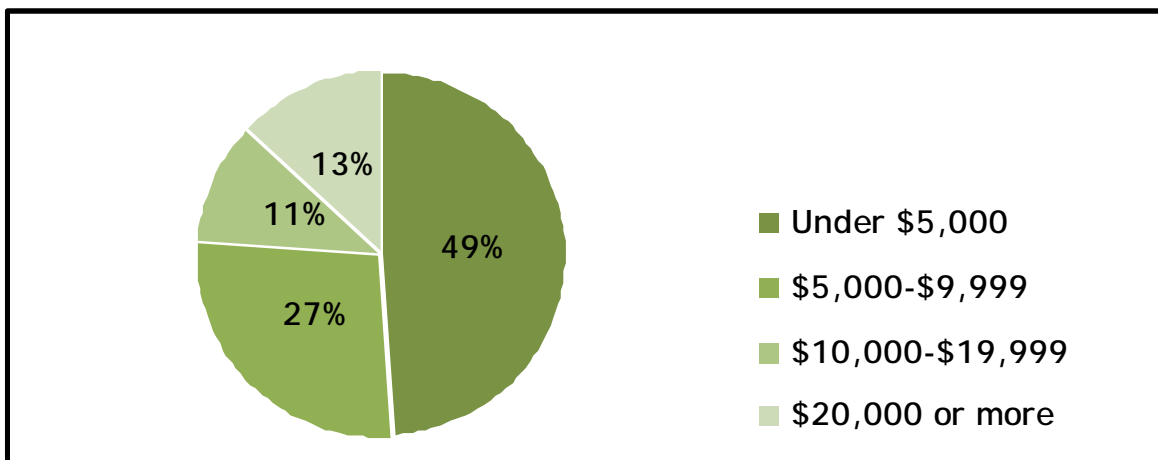
- Working with a paid financial advisor
- Reporting at least \$100,000 in household income
- Having a minimum of \$1 million in investable assets

Survey results may not be representative of all financial advisors or HNWI individual meeting the same criteria for those surveyed for this study.

Wealthy Clients Give More Than Advisors Believe

Nearly all (93%) HNWI individuals survey report making charitable contributions on an annual basis, yet advisors believe only 48% of their client base on average gives annually. Advisors estimated that, on average, 54% of their clients with at least \$1 million in assets gave \$2,500 or more to charity in the past 12 months. In fact, half (51%) of the HNWI individual surveyed report they give at least double that amount – between \$5,000 and \$100,000 or more – to charity each year.

Annual Amount Given by HNWI Individuals



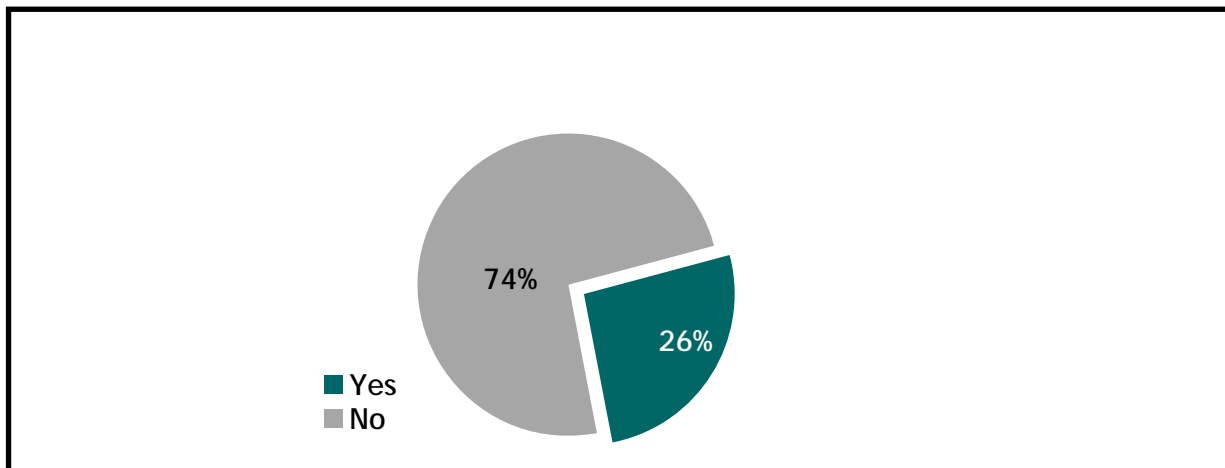
The Value of Charitable Planning Advice

The research found that both clients and advisors benefit from charitable planning discussions.

Value for Clients: One in four HNW individuals responded that charitable advice from advisors has enabled them to give more to charity. Further, HNW individuals who have given more because of advice likely:

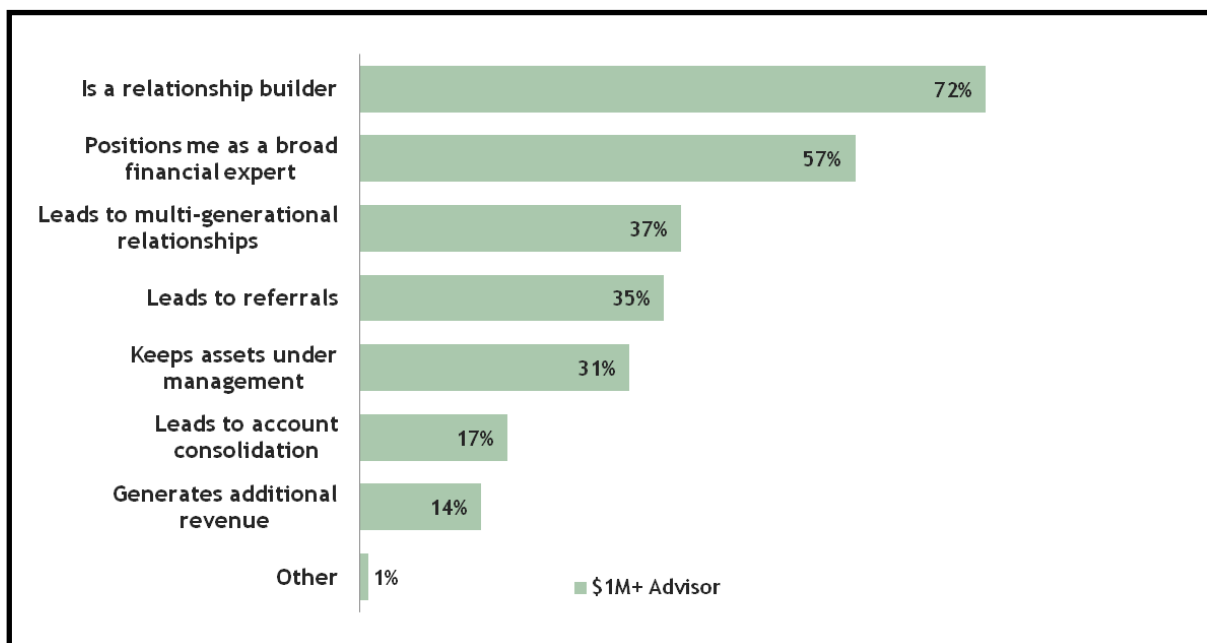
- Have more conversations with advisors about giving
- Are more proactive in initiating giving discussion
- Are more confident in their advisor
- Give more to charity
- Own complex assets
- Are entrepreneurs

HNW Individuals Response to: Has Planning Advice Enabled You to Give More to Charity?



Value for Advisors: Financial advisors who provide charitable giving strategies noted several benefits from providing this service. Top responses included helping build relationships with their clients (72%), positioning the advisor as a broad financial expert (57%) and facilitating multi-generational relationships (37%).

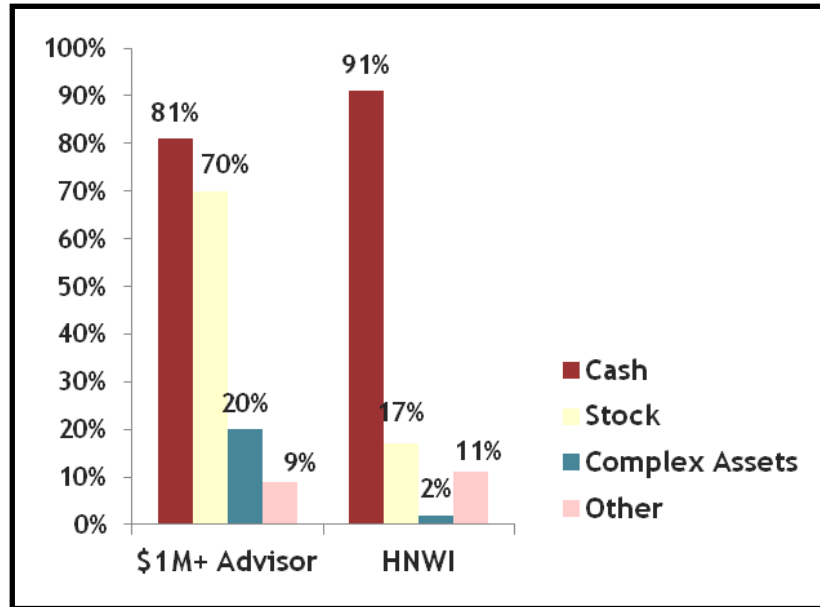
Results of Offering Financial Strategies for Charitable Giving



How HNWI Individuals Donate

HNW individual's charitable contributions are most frequently funded in cash (91%), with stocks providing 17% of funding and complex assets providing 2%. Advisors thought their clients were also donating largely in cash (81%), but put a higher percentage on stocks (70%) and complex asset giving (20%) than the clients reported.

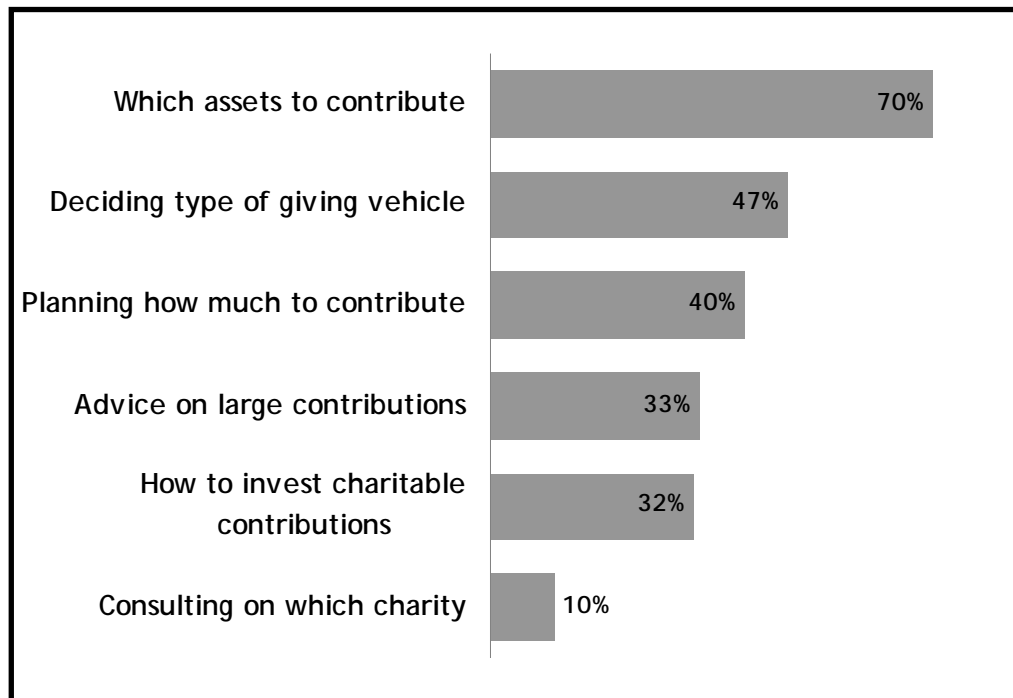
How Charitable Contributions are Funded



More than two-thirds (69%) of HNWI individuals attend charity events. Those who attend make donations with check (63%) or credit card (33%) and only 3% report making a contribution from a donor-advised fund.

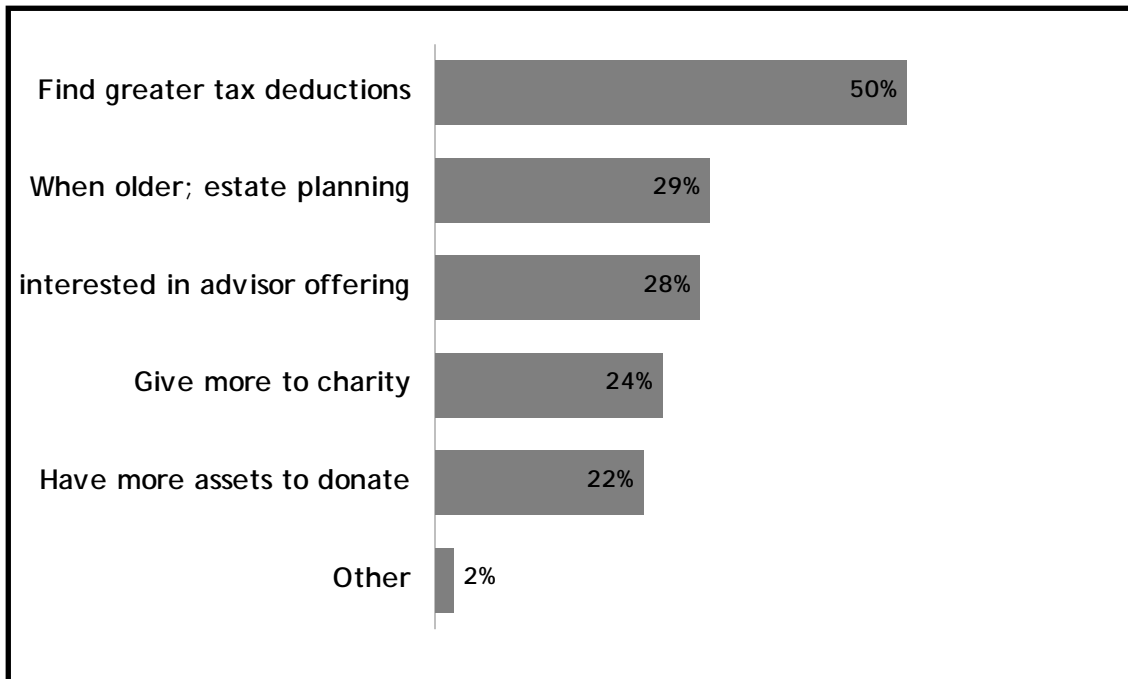
Client Interest in Tactical Advice Presents Opportunities for Advisors

Clients are likely to talk to advisors at a tactical level if the benefits are emphasized to the client. The top two items of interest for HNWI individuals are getting help to understand what assets to contribute (70%) and help with decision making for what giving vehicle to use (47%).



Clients also noted circumstances in which they wanted their advisors to be proactive. Half of the HNW individuals (50%) wanted their advisor to help them find greater tax deductions.

Circumstances in Which HNW Individuals Want Advisors to Be Proactive



Ownership of Complex Assets May be Underestimated

Advisors report 24% of their client base owns complex assets (e.g., private C- and S-Corp stock, restricted stock, limited partnership, real estate); however, one-third (34%) of HNW individuals reporting owning such stock.

The survey also found that only one-third of advisors have facilitated a complex asset donation. Of those (64%) that have not facilitated a complex asset donation, lack of necessary experience was cited most.

Reasons Advisors Have Not Facilitated a Complex Asset Donation

