

Despite tough economy, advisers are still giving

Charitable donations feel good, help to create positive image for clients and aid communities

As soon as he heard that 13-year-old Margaret Hurt was in danger of losing the horse she had been riding since becoming sick with leukemia two years ago, **Preston Byers** agreed to donate the money to help her buy Hoochie. *“Every kid dreams of having a horse, and how often do you have a chance to make it happen?” said Mr. Byers, founder of ClearBridge Wealth Management. “This has been one of my proudest moments here at the firm.”*

Mr. Byers, who had already made a donation to the Make-A-Wish Foundation when the charity asked him to pitch in to help save Hoochie, is not alone.

Despite the lackluster economy, advisory firms remain committed to donating to charities. An online *InvestmentNews* survey late last month of more than 1,000 financial planners, advisers and brokers found that 84.6% of firms made charitable donations in 2009. Of those that donated, 79% gave the same amount or more than the previous year; just 21.1% gave less.

Of those respondents that said their firms had made a charitable donation, 28% said they gave more than \$20,000, while 30% gave between \$5,000 and \$19,999, and 42% gave less than \$5,000.

Better yet, most firms plan to give again this year. Eighty-five percent of respondents said they intend to make a charitable donation in 2010. And in terms of dollar value, nearly 50% of those firms said they plan to give the same amount, while 45% said they'll likely give more.

It's no surprise that advisory firms are committed to charitable giving, even in a down economy, said Lon Dolber, president and chief executive of American Portfolios, a consulting firm to advisers. This year, Mr. Dolber's firm used most of the \$20,000 it would have spent on a party to donate to non-profit groups.



Helping out: Preston Byers (right) donated the funds to buy a horse, "Hoochie," for leukemia patient Margaret Hurt.

“The advisers notice what we're doing, and it filters to their communities,” he said. “If everyone thinks social responsibility is important, it hits a chord with everyone.”

In Mr. Byers' case, he earmarks \$25,000 each year for specific causes, instead of spending that money on marketing for the firm, which manages \$120 million in assets. He was approached by Make-A-Wish about buying the horse last fall.

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The pitch was straightforward. After being diagnosed with leukemia at 11, Ms. Hurt began visiting the Equestrian Reserve in Alpharetta, Ga., to ride Hoochie. Even when she was too sick from the chemotherapy treatments, she visited the horse every day.

“She'd come to the barn on these cold miserable days, and she'd lost almost 25% of her body weight,” said Donna Romeu, owner of the equestrian facility. “You never saw anyone so pale. She'd come and just want to be in the barn.”

Ms. Romeu was leasing Hoochie, a five-year-old American quarter horse, for one year, and at the end of the lease, the owners planned to sell her. As that deadline approached, Margaret's health improved, and she was able to ride Hoochie again.

That's when the Make-A-Wish Foundation approached Mr. Byers about buying the horse.

Mr. Byers said he was thrilled to see Ms. Hurt's dream become a reality, and his colleagues were also there when he presented her with Hoochie.

His clients also seem to appreciate his efforts, he said.

“Sure it is good for business. But we don't do it for that reason; we do it because we care about the cause and the people lives it touches. Our clients appreciate and support in our charitable efforts as well.”

Industry experts say that when advisers donate to charitable organizations in their community, it helps improve relationships with clients. It can even help them get new clients. But advisers must be sincere.

“Advisers have to want to do this from their heart,” said Maureen Wilke, founder of consulting firm Wilke & Associates Inc. “Clients will pick up on it right away if they're doing it for business.”