

By Shelly Banjo
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NEW YORK (Dow Jones)--Results-minded philanthropists are increasingly turning to their financial advisers for help choosing the highest performing nonprofits to direct their donations.

With many advisers already giving advice on investments, estate planning, taxes and even where to purchase a car, providing expertise in a client's particular area of charitable interest can be challenge.

To help advisers answer these questions for their clients, organizations and research firms are rolling out services such as philanthropic portfolio analysis, social impact measurement reports and information exchange networks to help advisers drive investors to charities that have garnered proven results.

Cambridge, Mass.-based nonprofit Root Cause is launching a new social impact research subscription service designed for wealth management firms, family offices and law firms. Backed by a \$300,000 grant from the William and Flora Hewlett Foundation, Root Cause is offering five advisory firms a free service for one year during their initial launch to gather feedback from financial advisers.

Modeled after private sector equity research, Root Cause will provide subscribers with customized research reports to help advisers counsel clients who know they want to make an impact in a particular social issue area on how to best allocate their donation dollars.

For instance, the organization's first report on early childhood education, or school readiness, in the state of Massachusetts will contain an analysis of existing funding from government agencies and private foundations and identify what gaps exist where individual givers can step in and make the biggest impact. The report will also identify the top-performing nonprofits in the state successfully tackling this issue to provide donors with choices on where to give.

"If a client says I'm interested in supporting school readiness, do you know where I can go? The adviser can be prepared with an overview report. It's an area of differentiation and shows the client that the adviser is prepared to handle their questions," says Colette Stanzler, director of social impact research at Root Cause.

Similar to assessing an investor's financial portfolio, Root Cause will also provide clients with a philanthropic portfolio analysis to evaluate how their philanthropic funds are allocated, risk management and strategies to meet their goals.

Separately, Duke University, the Robert Wood Johnson Foundation and Growth Philanthropy Network recently announced a new 150-member-driven Social Impact Exchange to drive philanthropic funders and their advisers to the most effective social programs.

Through a web-based investment platform, investment fair and business plan competition, the group aims to bring together funders and practitioners to identify, study and fund large expansions of proven social purpose organizations. The Exchange looks to develop investment standards, transparent information and performance reporting and create better methods to connect nonprofits with donors, public-private partnerships and funder groups.

"It's not easy for a funder to learn about effective programs and help them grow. Financing the regional or national expansion of top-performing organizations often takes more dollars than any one funder can afford," says Alex Rossides, president and co-founder of the Growth Philanthropy Network, a nonprofit that matches donors with successful, expanding charities.

"The exchange will create a framework for funders to make better decisions and work collaboratively with other philanthropists and family foundations," he says.

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