

Family Philanthropy

Have you considered how your charitable giving might bring your family together? Some people worry that discussing their philanthropy with the next generation might engender some hard feelings, such as “You’re giving away my inheritance.” However, philanthropy can be about more than giving money away. Consider these possible goals: establishing or continuing a tradition of giving, uniting your family around a common purpose, engaging busy young families in meaningful (and scheduled) activities, providing bonding experiences for families spread out geographically, teaching wealth management principles, and inspiring the next generation to develop a concern for the less fortunate. It can be a significant challenge to pass on your values of personal commitment, involvement, and contribution to younger generations that seem to have a reputation of self-centeredness. If nothing else, sharing practical lessons in the eventual rewards of selflessness can truly be priceless.

It helps to have a well-considered plan that includes lots of communication. Structured philanthropy can empower your family members by offering them significant responsibility for activities that are important to you and them. Legal structures such as family foundations, donor advised funds, and charitable trusts could allow you to fulfill some of the goals mentioned above.

So what are these significant responsibilities you could help your family embrace? How about: charitable mission strategy development, foundation governance, compliance policy and controls, administration, investment strategy and monitoring, grant-making expertise, and community issues awareness? While this might seem a daunting list, your family members can start slowly and gradually ease into more responsibilities as familiarity and expertise grows. For example, while grandchildren are young, these things can be introduced but hired out through corporate trust departments, banks, investment companies, or wealth managers. As they mature, develop talents, and embrace their personal role in the family’s giving, they can be given more tasks and responsibilities. As you witness their increasing competency, you can gradually decrease your direct influence in the family’s decisions.

Many financial services companies have Philanthropic Management departments staffed with experts that would gladly assist you in evaluating your personal goals and designing an appropriate plan for your family. Here in Tucson, we have a free resource called the *Center for Planned Giving* that is associated with the *Community Foundation for Southern Arizona* that might also be a great place for you to start. Professionals on the ICS Planned Giving Advisory Council are also available to provide guidance to ICS donors considering estate planning and charitable giving options.

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July 2011