

Presentation to STEP Israel Philanthropic Giving and the HNW family June 2018

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Motivations for Giving

- Collective evaluation of motives for giving and family values
- Examples include giving back, making a lasting impact, meeting urgent needs, creating a family legacy
- How will the family participate (eg as a board member, through sponsorship, events, as an investor etc)?
- Is sustainability or immediate relief more important?
- Are specific causes important or general charitable objects?

Some reasons for giving

“When I first started making a lot of money, I really became frustrated with the fact that all I did was write check after check to this or that charity without really feeling like it was part of me. At a certain point, you want to feel that connection“ - **Oprah Winfrey**

“We started our foundation because we believe we have a real opportunity to to help advance equity around the world to make sure that, no matter where a person is born, he or she has the chance to live a healthy, productive life“ - **Melinda Gates**

Creating a mission or purpose statement

- Why is the family engaging in philanthropy and what results does it expect to see?
- Two crucial components:
 - Indication of problem that requires change
 - Indication of change in status

Theory of change

- **What** does the family want to change?
- **How** will that change occur?
- Role of research in identifying theories of change
- Theory of change being a set of ideas about the mechanism by which change will occur

Defining the strategy

- **How** to accomplish the family's philanthropic mission and the change identified?
- Supporting innovation or proven results?
- Funding smaller or more established organisations
- Grant making or direct support
- Impact investment

Implementing the strategy

- Choosing organisations that align with the family's **mission, goals** and **approach**
- Research and due diligence on the organisation's programs and their approach
- Communication with the organisations
- Ongoing monitoring of grants
- Different types of funding model: one off grants vs regular grants
- Will the organisation become dependent on this family's giving?

Role of the family

- Family funded or seeking grants from the public
- Role of the board: professional/family mix
- How to integrate the core values of the family
- How much of the family's wealth to give
- How long is the giving intended to last
- Regular funding or endowment

Types of vehicle

- Foundations, trusts, companies
- Relevance of jurisdiction
- Attitude to privacy and disclosure
- Level of regulation
- Relevance of tax

Administration

- Will the charity have its own “office“?
- Keeping everything inhouse vs outsourcing
- Do the grants need to be monitored?
- Will there be a fundraising function?
- Investing vs making grants vs lending

Role of the adviser

- Advice on potential vehicles for giving (private foundation, public foundation, donor advised funds etc)
- Support on creating the relevant vehicle
- Guidance on drawing up a mission statement and devising strategy
- Discussions on best practice and governance
- Introductions and networking
- Ongoing support on implementing the strategy

Conclusions

- Importance of “giving“ to HNW families
- Importance of defining and continuing core family values
- Involvement of key family members
- Creating the family legacy