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THE POWER OF THE MATCH: STRATEGIC PHILANTHROPY AS A CALL TO ACTION

By: Steven Abernathy

“Think of giving not only as a duty but as a privilege.”

– John Rockefeller

Strategic Philanthropy (SP) has increased in recent decades--particularly among families who wish to leave behind a legacy. As more dynastic families opt to make a greater impact with their fortunes, the old way of

passing down assets is evolving in a few ways.

The Giving Pledge, <https://givingpledge.org/>, started by Bill Gates and Warren Buffett, began recruiting members in 2010. As

of May 2019, 204 individuals and couples are participating. These ultra-high net worth (UHNW) individuals and families have agreed to devote more than half their wealth to charitable and philanthropic causes during their lifetime, or, in



their will to address the world's most immediate and dire challenges globally. While there is no shortage of worthy organizations, one effective way to make a sustained impact is to set up Matching Grants. These can not only change the future for a deserving organization, but encourage small donors to give more knowing their money will be matched.

At present, charities have some audacious goals including everything from eradicating malaria (Gates Foundation), to helping schools buy enough books to ensure students can learn (Dalio Foundation). These dramatic improvements to our society and planet focus on what government(s) are incapable of solving, or, are too slow to solve. When an UHNW donor offers a dollar-for-dollar match to any non-profit or charity, their impact could create long-term change. This highly inclusive model also allows small donors to strengthen their ties to the cause. When people know their donation(s) might be not only matched by one but possibly multiple dollars, this encourages a high level of engagement to the cause when their check is "magically multiplied."

Additionally, the organization may be imbued with resources they did not have before. For example, if a small non-profit, perhaps a family-founded organization dedicated to funding research for a specific rare cancer, does not have a dedicated Development Team and the infrastructure to make calls, hold the events, and develop the fundraising contacts needed for the match, the recipient organization is likely to become incredibly engaged as for every dollar raised, they stand

to gain 50%-300% (or more) on top of those initial raises. This effort can work for small amounts; however, it may also include amounts of up to \$100,000,000 or more.

When matching gifts are structured over time into an organization's fundraising efforts, a family's legacy and impact can go beyond writing a large check. The matching is an opportunity, should the family (or their philanthropic arm) want it, to create a meaningful story about how they are spending their fortune for the greater good. In addition, when a family company's business mission is infused with its philanthropic mission, employees are engaged, motivated, and committed to making a difference that goes beyond writing checks. The Estee Lauder Companies does this extremely well: the Breast Cancer Research Foundation (BCRF) offers matching at various times throughout the year--employees and donors are participants in the Foundation's efforts to find a cure.

However, not everyone has an international, established company and longtime foundation as a starting point. While the larger the matching program the better, cause, passion, and working in service to the good is lasting. It can literally change an organization's impact, position, and public perception for decades to come.

According to Wealth-X, both high net worth (HNW) and UHNW families named philanthropy as their second-highest interest outside business. 56.9% of the world's UHNW individuals were involved in philanthropy in 2018 and 36.4% of the 22.4 million HNW population donated to charity. ➤

When considering the design of a Strategically Philanthropic matching plan, there may be many questions. Do we tie our family name to these efforts publicly? Is it better to remain anonymous? How can the next generation continue our charitable work in the face of the changing business landscape? What are the tax implications of the donation(s)?

We look forward to hearing your questions and ideas.

Steven Abernathy counsels affluent families on multi-generational wealth management strategies. This includes: asset protection, wealth management, estate and tax planning, and Heritage Planning. He can be reached at sabernathy@abbygroup.com or 212-293-3469.

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