

Donald Trump and the lessons of individual philanthropy

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Brian Luster and Steven Abernathy of the Abernathy Group II Family Office, look at how business mogul Donald Trump has allowed uniqueness to flourish among his children – and the philanthropic legacy this individualism has created

A common philanthropic mission can unite a family and create meaningful change in the world. But how does a family, consisting of many generations, personalities and individuals with different values remain passionate about the cause? Take Donald Trump and his children. Among them are: a presidential hopeful, a hunter, a modern Orthodox Jew and an aspiring pop star. Yet, the Trumps are living proof that it's possible for individuals within a family to be quite different, yet, for a philanthropic legacy to flourish. What is the recipe for this success?

First, the family must determine their shared purpose. What is the reason they will stand united? If a personal connection doesn't resonate for the second generation, they are not going to be motivated to continue to support it. Heirs who are encouraged to continue in the footsteps of the family leader will only continue their support if the mission is also significant in their estimation. Multiple generations of the Trump family consistently demonstrated public support for St. Jude Children's Hospital which cares for children with cancer and other life-threatening diseases as well as supporting *research to find cures*. Donald's son, Eric, helms the Eric Trump Foundation, which was established in 2006. According to the Chronicle of Philanthropy, the Foundation donated \$20 million to the hospital for the 2015 gift year. (And, the winner of season 4 of *Celebrity Apprentice*, John Rich, also supported St. Jude's Children's Hospital by raising nearly a million dollars. While no relation to the Trump family, his affiliation with the charity brought it to the attention of viewers every week for the season's duration—publicity win for the Trump family.)

Second, family leaders need to consistently model the engagement they want to live on. Marcia Dunn of the Associated Press wrote: “. . . *Trump has given to the Ronald Reagan Foundation and the Clinton Foundation, and has made donations to charities associated with former major league baseball manager Joe Torre, television personality Larry King and professional golf legend Arnold Palmer.*” While as a GOP presidential candidate Trump's style is not everyone's cup of tea, he has been as outspoken and unabashed about philanthropy as he is about all his other opinions, for much of his life writing checks to people on both sides of the aisle. While that may change, he has demonstrated generosity across a relatively wide

spectrum of causes and ideas.

Third, heirs are well-advised to have practical, hands-on experience before given full agency. Using a family foundation, trust, or donor advised fund to provide pre-inheritance experiences for heirs is one of the benchmarks used by successful affluent families. We recommend heirs get involved and gain experience before full stewardship of any charitable endeavor is taken. Heirs need to know, for example, how to determine where a target recipient organization gets its funding, what it spends its money on, and what percent of its budget goes towards administrative costs compared to its intended cause.

Before taking on any philanthropic endeavor as a tool to foster multi-generational unity, a family is wise to be aware of how much time will be required for the endeavor to be successful. Writing a few checks is a vastly different exercise than running a multi-tiered fully operational non-profit. Families may choose to operate their giving endeavors in a very public way, like the Trump family's support of St. Jude's, or, perhaps they want to be less public about their charity, i.e., Donald Trump's donation to Gay Men's Health Crisis, as recently reported by Business Insider.com.[i] A family name can bring tremendous recognition and support to a cause. However, if an area of interest is something the family wishes to keep out of the public eye, there are various structures to support a cause—quietly—including anonymous donations.

Tremendous benefits maybe reaped from adding the right philanthropic component to a multi-generational wealth preservation strategy. Reducing taxes to support a meaningful cause, enhancing the family legacy and uniting multiple generations to work in service are certainly advantage enough to consider family philanthropy in long term planning. As Winston Churchill said, "We make a living by what we get. We make a life by what we give."

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