

Restarting Your Family's Charitable Engine

 westwoodgroup.com/insight/restarting-your-family-s-charitable-engine/



It's been said that philanthropy begins at home — and often at a very young age! Who remembers dropping coins in an offering plate or volunteering at a local charity in grade school?

These activities were often encouraged by immediate or extended family, and the sentiment may have continued through work on high school service projects and fund-raising events. Eventually, however, life can overtake charitable inclinations as the responsibilities of adulthood move front and center. Fortunately, those early experiences may resurrect themselves for many people later in life, and that's when the true joy of philanthropy can flourish.

A lifetime of financial success often generates more assets than needed to fund a family's lifestyle, so many turn their attention toward forming a lasting legacy. While it may initially feel like starting from scratch, going back to childhood interests may offer a point of departure for the planned journey. What are some steps to take to re-start the charitable engine? Realizing that every family is unique in its interests, here a few suggestions:

Decide who should be involved.

Will you alone make the decisions? Or, will you involve/solicit the input of other family members or friends? If you create a private foundation, who will serve on the board, now and in the future?

2

Set up a strategy for giving.

This could be a very simple verbal understanding or a well-documented system, and it should address issues such as the following:

- Who decides upon areas of interest?
- What type of giving is preferred, i.e., capital vs. operating, proven vs. start-up programs?
- What are guidelines for making gifts?
- How will you monitor and evaluate results?

3

Identify assets available for philanthropic giving.

Assets exist in many forms, each with pros and cons when it comes to giving, so it's appropriate to think through issues such as the following:

- For families holding low cost-basis stock, making gifts of stock, either directly to a charity or through a charitable trust, may be a tax-advantaged method of giving.
- Even for outright cash gifts, there may be benefits from using a structure such as a donor-advised fund or a private foundation to provide for flexibility in funding grants over multiple years.

4

Set up an administrative structure.

There will be ongoing administrative responsibilities tied to your giving plans, so you will want to determine the extent to which you want to be involved in this part of the process. You may want to consider professional advisors who can help keep things running smoothly.

5

Go change the world.

This is self-explanatory!

After investing a lifetime in accumulating and managing wealth, it is sometimes surprising to gain so much personal benefit and satisfaction from reinvesting hard-earned funds into projects with an intangible return. Westwood is well equipped to discuss the benefits of a charitable giving plan to support your family's legacy — and to generate results that reach far beyond the horizon you might have seen as a child!

The information contained herein represents the views of Westwood Holdings Group, Inc. at a specific point in time and is based on information believed to be reliable. No representation or warranty is made concerning the accuracy or completeness of any data compiled herein. Any statements non-factual in nature constitute only current opinion, which is subject to change. Any statements concerning financial market trends are based on current market conditions, which will fluctuate. Past performance is not indicative of future results. All information provided herein is for informational purposes only and is not intended to be, and should not be interpreted as, an offer, solicitation, or recommendation to buy or sell or otherwise invest in any of the securities/sectors/countries that may be mentioned.