

Chester County COMMUNITY FOUNDATION



INFORMATION FOR ATTORNEYS, ACCOUNTANTS AND FINANCIAL PLANNERS

FAMILY PHILANTHROPY

Helping clients and their families fulfill their charitable goals will strengthen your relationship and extend your reach to the next generation. With a deep understanding of local needs, community foundations are an ideal resource for family giving.

Just as parents can bequeath their wealth to their children, they can also pass down a legacy of philanthropy and community service. Creating donor advised funds for children at the Community Foundation is an excellent way to start building that tradition.

"Setting up a donor advised fund for the children is a powerful way for families to gather around an activity that will contribute to community-building," says David M. Frees, III, Esq., Community Foundation Board member and Chester County attorney. "Philanthropy can become a connective tissue of the family structure."

An invaluable partner in this group effort is the Community Foundation. It can transform a young person's fledgling interests into lasting charitable behavior. By talking to your clients about family philanthropy at the Community Foundation, you can expand your offerings and develop a strong relationship with the next generation.

Introducing Young People to Philanthropy

Donor advised funds offer families a meaningful way to talk about community responsibility "in terms that aren't just parents preaching to children," according to Beth Harper Briglia, Vice President for Donor Services. "We have a family fund where the children were 11 and 13 when the parents established a donor advised fund. We get together regularly to talk about how important it is to give back and look outside your own needs. It creates a good avenue for dialogue about rather sensitive topics."

For some families, philanthropy begins even earlier. "With one of our donors, the grandmother gives grant checks to her grandkids, starting when they're in elementary school. Each child has to bring their grant ideas to the holiday table and explain why they would like to make the grant to that nonprofit," Briglia explains.



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The Advisor's Role

Some advisors may be hesitant to raise the question of family philanthropy with their clients. "But the benefit to the advisor is that the relationship in a comprehensive family plan will continue through the generations," Frees says. It is also an opportunity for advisors to share their expertise. "These are big, thorny, difficult issues that people have to wrestle with, and the professional advisor has unusual insight into the questions and some of the answers," Frees says.

When starting the discussion about family philanthropy, you can guide and shape your client's thinking by asking a range of questions:

- What are your charitable objectives? Do you want to pass those goals on to your children?
- How old are your children? What is the level of responsibility you would like the children to have? How can those responsibilities grow and change over time?
- What, if any, type of administrative work is your family willing to handle?
- What are your hobbies, interests, and passions? What areas of charitable opportunity do you feel are most important to your community?

Many families find that starting a donor advised fund at the Community Foundation—as opposed to creating a family foundation—can be the easiest and most effective means to put their charitable goals in action.

Still, Frees points out, misperceptions about community foundations may persist among some professionals. "Many advisors don't understand that the Community Foundation is a neutral type of giving vehicle for a family, and not an end in itself," he says. "They think that if they bring a Community Foundation into the discussion, then they are promoting a specific nonprofit or cause. In reality, by working with the Community Foundation they are opening the doors for their clients to consider grants to all types of charities across the United States."

The Benefits of Community Foundations

The Community Foundation offers three major benefits to donor families.

- **Expertise:** With deep knowledge of local charities, the Community Foundation can identify the giving opportunities that best suit a family's interests.
- **Structure:** The Community Foundation provides an established framework for the giving process.
- **Simplicity:** Families don't need to worry about incorporating or filing tax returns or applying to the IRS for tax-exempt status.

Community foundations are also well-equipped to accommodate the ever-changing interests and complicated schedules of children and teenagers. "The children's interest in recommending grants may come and go, especially in the teenage years," Briglia says. "But that's another role of the Community Foundation. If we don't hear from them for a while, we contact them to ask, 'Have you thought about your fund?' We try to keep it in the back of their mind." With the youngest donors, the community foundation's local know-how becomes especially important. "The child might say something like, 'What about animals?'" Briglia explains. It's then up to the Community Foundation to recommend local animal shelters, equestrian programs, wildlife groups, and humane societies with a good reputation."

The First Step to Lifelong Giving

Family philanthropy "gets the children engaged in finding their passions," Frees enthuses. "At a young age, many haven't found passions yet; they've found things that they're interested in that may grow into passions. It's an evolutionary process."

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