

NEW MASTERS OF WEALTH:

Engaging Wealth Managers in Your Fundraising Efforts

Elizabeth Roma, Assistant Director, Research, The Helen Brown Group
Angie Stapleton, Research Associate, The Helen Brown Group

"Giving away lots of money is especially hard for donors who are gunning to make systemic changes in society – and aren't interested in tossing big chunks of wealth overboard by writing nine-figure checks to Harvard or the Met. If you want to have that deeper kind of influence with your money, you need a strong vision and strategy; you need to find the right leverage points and identify the best people to invest in.

Few major philanthropists can do this alone. They need help....

"...Major philanthropists aren't just empowering themselves; they are empowering those who work for them – people who suddenly find themselves in charge of big resources that can be used to make things happen. These new agents of wealth have a unique kind of power, insulated from the whims of voters or shareholders, even as they wield influence on a par with some elected officials and corporate CEOs."

- David Callahan, *The Givers: Wealth, Power and Philanthropy In A New Gilded Age*

RIPPED FROM THE HEADLINES... Since October!

Paradise Papers Shine Light on Where the Elite Keep Their Money

By MICHAEL FORSYTHE NOV. 5, 2017

Basquiat's 'Red Skull,' Sold at Christie's in London for \$21.5 M, Will Fund New Charter Schools in New Jersey and Miami

BY Nate Freeman POSTED 10/12/17 5:05 PM

Some of the World's Top Billionaires Are Pooling Their Fortunes for a New Philanthropic Venture

By **Natasha Bach** November 15, 2017

Armani to Transfer Stake in Fashion Firm to Foundation

OCTOBER 25, 2017

■ November 16, 2017 6:00 AM CST

Pleasing the Rich to Give to the Poor

● Hedge fund managers face a big tax deadline. One charity is here to help.

By Katherine Burton and Peggy Collins

Resource: <http://philanthropynewsdigest.org/news/armani-to-transfer-stake-in-fashion-firm-to-foundation>

Resource: <https://www.nytimes.com/2017/11/05/world/paradise-papers.html>

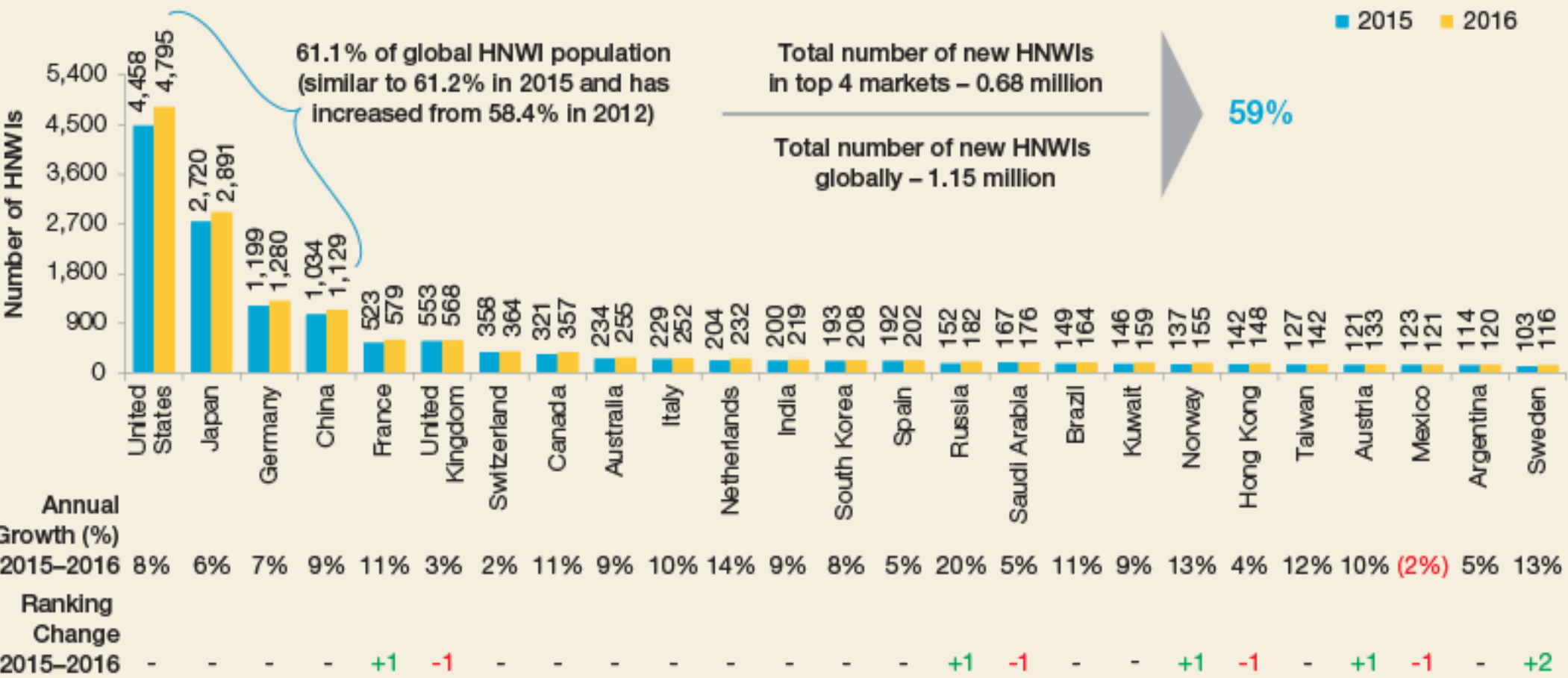
Resource: <http://fortune.com/2017/11/15/bill-gates-melinda-rockefeller-skoll-wadhwani-chandler-co-impact/>

Resource: <http://www.artnews.com/2017/10/12/basquiats-red-skull-sold-at-christies-in-london-for-21-5-m-will-fund-new-charter-schools-in-new-jersey-and-miami/>

Resource: <https://www.bloomberg.com/news/articles/2017-11-16/hedge-funds-tax-bill-on-200-billion-good-news-for-robin-hood>

LARGEST HNWI POPULATIONS, 2015-2016

(Thousands)



Note: Chart numbers and quoted percentages may not add up due to rounding
Resource: Capgemini Financial Services Analysis, 2017; World Wealth Report 2017, Capgemini

Net Worth of Top 10 Billionaires and Comparable GDP Values of Countries

in billion U.S. dollars, 2016

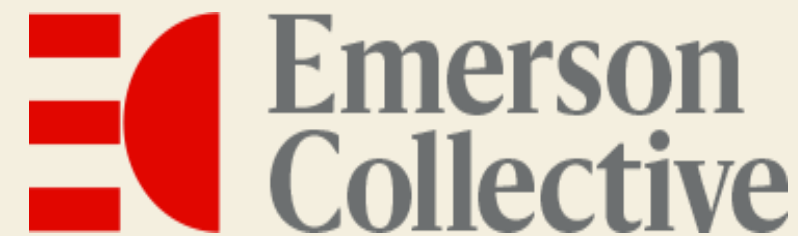


"A good wealth manager... has compliance in mind all the time, and is very conservative; he sees the job as protecting clients' assets."

- Brooke Harrington, *Capital Without Borders: Wealth Managers and the One Percent*

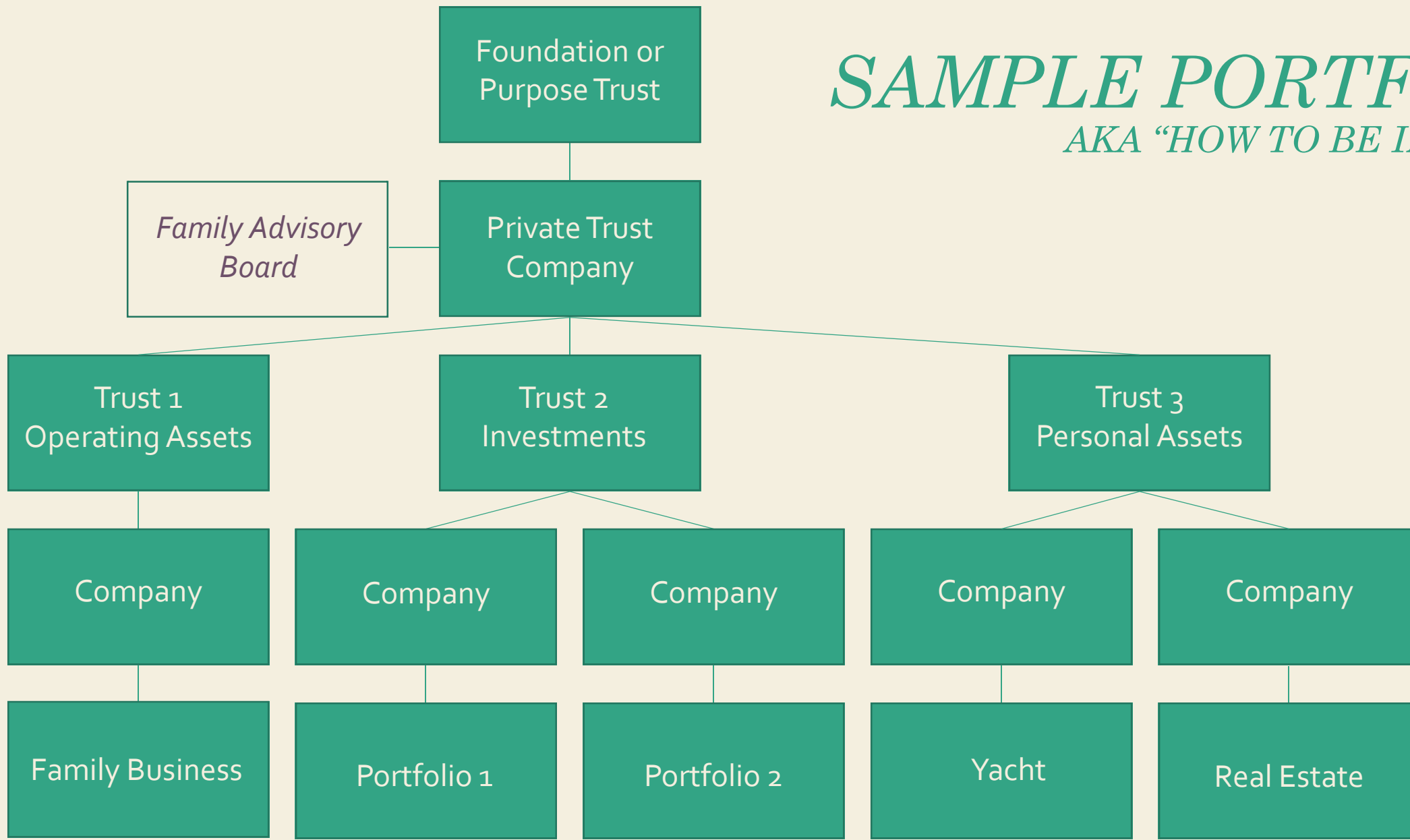
The Only Three Wealth Structures You Need To Remember:

TRUSTS FOUNDATIONS CORPORATIONS



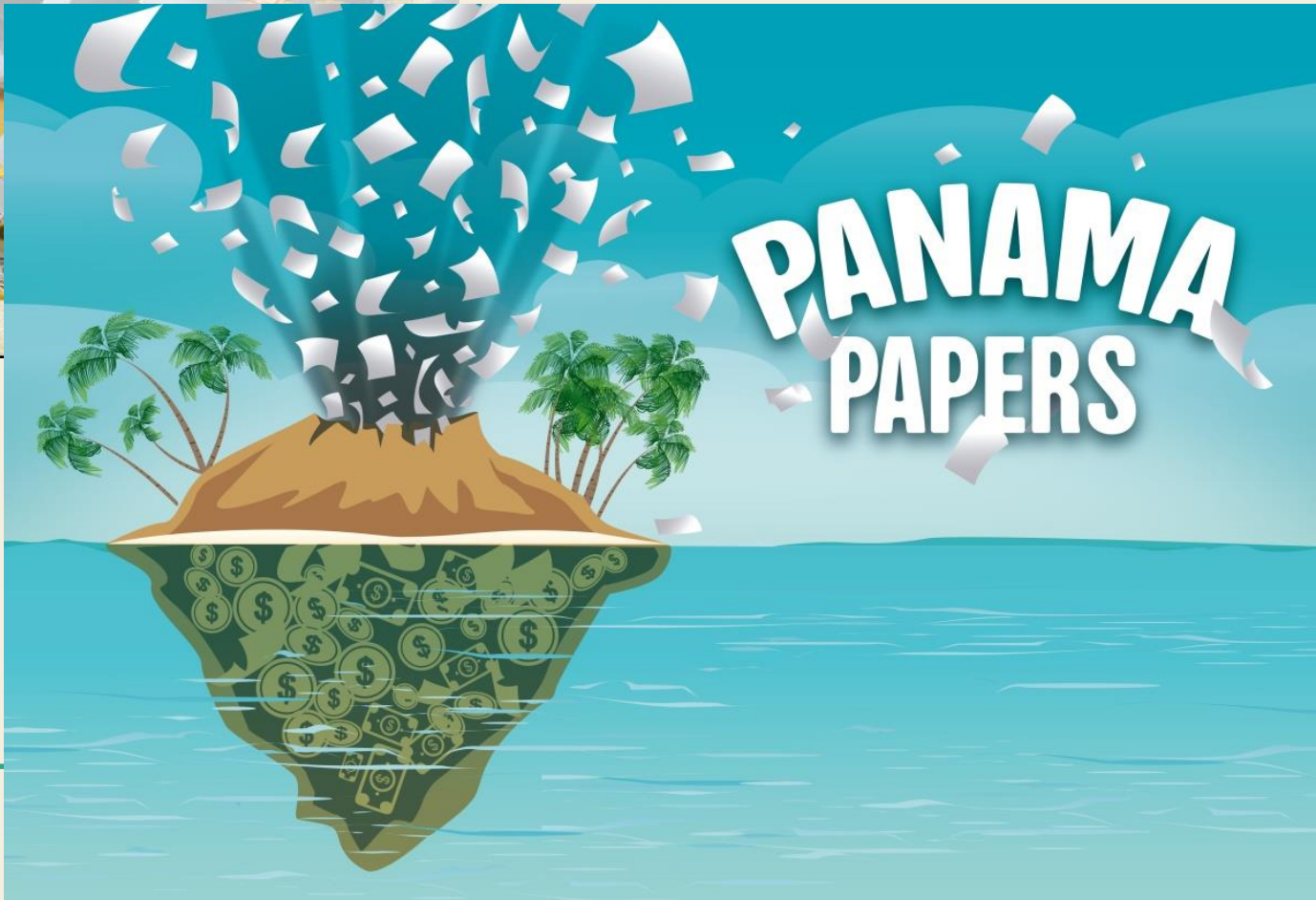
SAMPLE PORTFOLIO

AKA “HOW TO BE INVISIBLE”





PARADISE PAPERS



PANAMA PAPERS

LOCATIONS IN OFFSHORE TAX JURISDICTIONS

When you hear "tax haven" you probably picture a small island with great weather and accommodating tax and banking systems. While you wouldn't be entirely wrong, you'd only be seeing part of the picture. The IMF identifies over 60 'offshore financial centres' around the world, some of which you might find surprising...



Grant Thornton

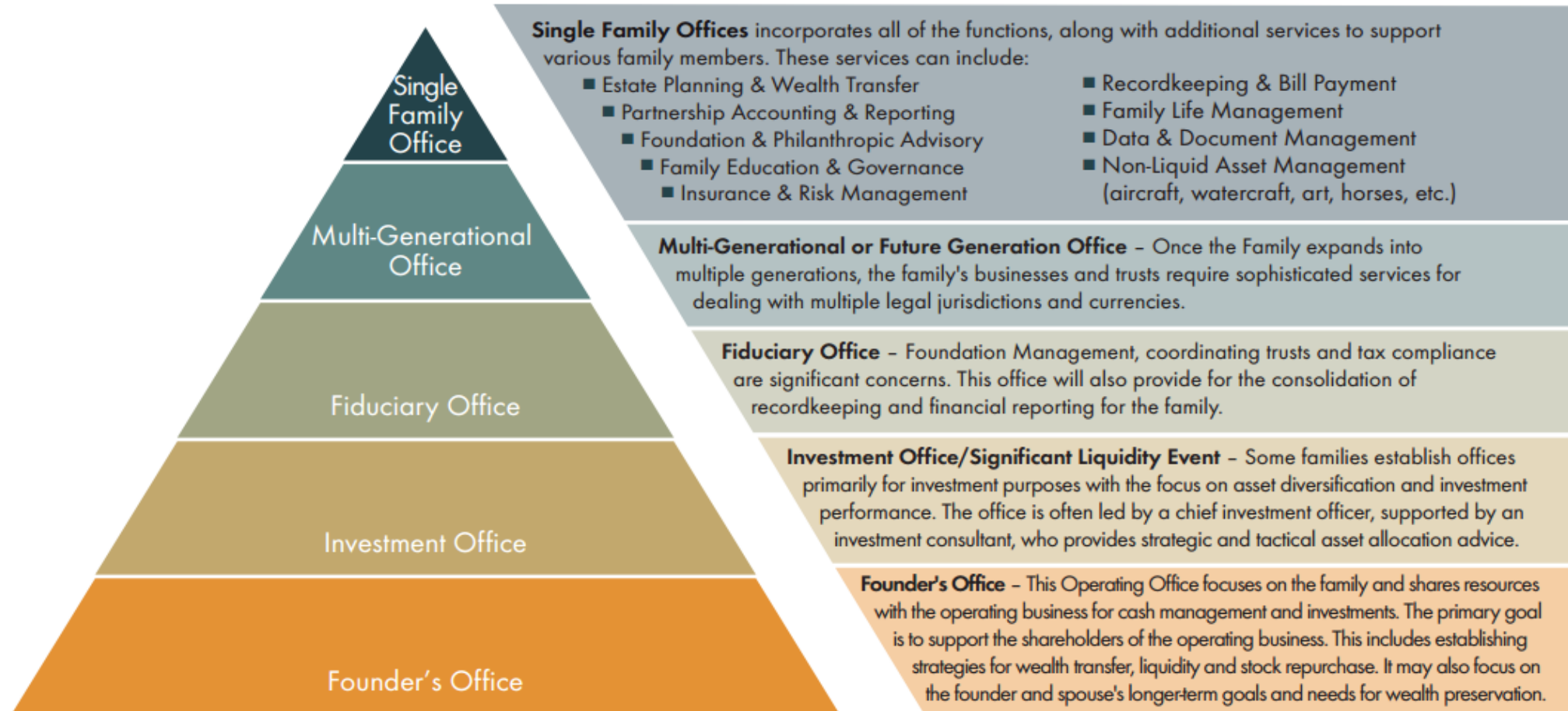
COUNTRY

CITY

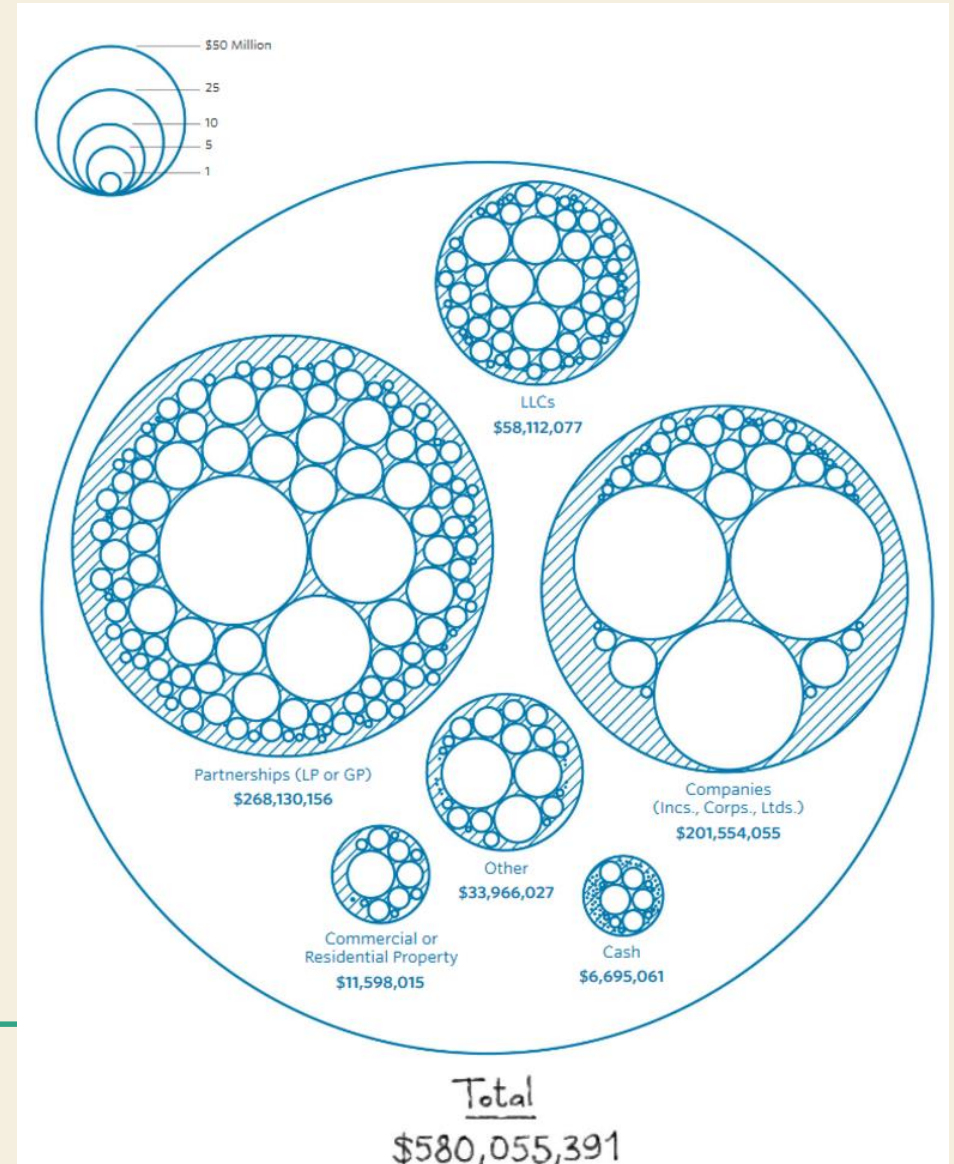
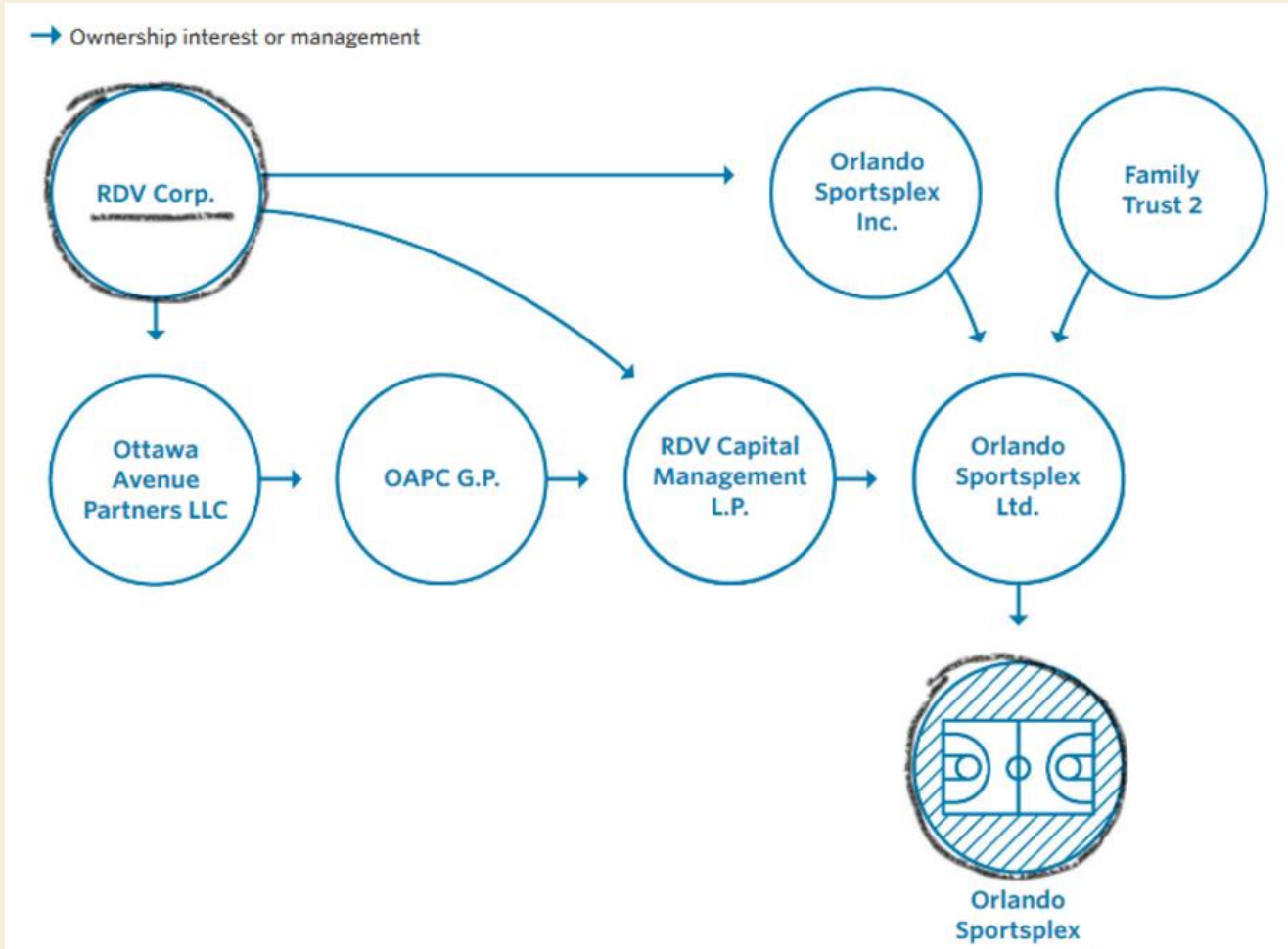
ISLAND/POLITICAL REGION



FAMILY OFFICE



FAMILY OFFICES: A Peek Inside...



MULTI-FAMILY OFFICES

Bloomberg



The Richest Family Offices



Richest Family Offices

Firms with greatest year-over-year growth = rank

Firm name Location(s)	Number of families	Assets under advisement (In billions) ¹	YOY % change
1. HSBC Private Wealth Solutions (Hong Kong)	340	\$ 137.3	+11
2. Northern Trust (Chicago)	3,457	112.0	+23 9
3. Bessemer Trust (New York)	>2,200	77.9	+25 8
4. BNY Mellon Wealth Management (New York)	400	76.0	+18
5. Pictet (Geneva)	>50	57.3	0
6. UBS Global Family Office (Zurich, London, Singapore, Hong Kong, NY)	NA	47.5	+27 ² 5
7. CTC Consulting Harris MyCFO (BMO Financial) (Chicago)	312	35.0	+6
8. Abbot Downing (Wells Fargo) (Minneapolis)	594	32.2	+5
9. U.S. Trust (Bank of America) (New York)	162	31.1	+5
10. Wilmington Trust (M&T Bank) (Wilmington, Delaware)	436	24.6	-23
11. Hawthorn (PNC Financial) (Philadelphia)	>580	23.1	+8
Rockefeller & Co. (New York)	259	23.1	+10
13. Glenmede (Philadelphia)	211	21.4	+7
14. Atlantic Trust (Invesco) (Atlanta)	2,296	19.5	+9
15. GenSpring Family Offices (Affiliate Of Suntrust Banks) (Jupiter, Fla.)	442	15.8	-5

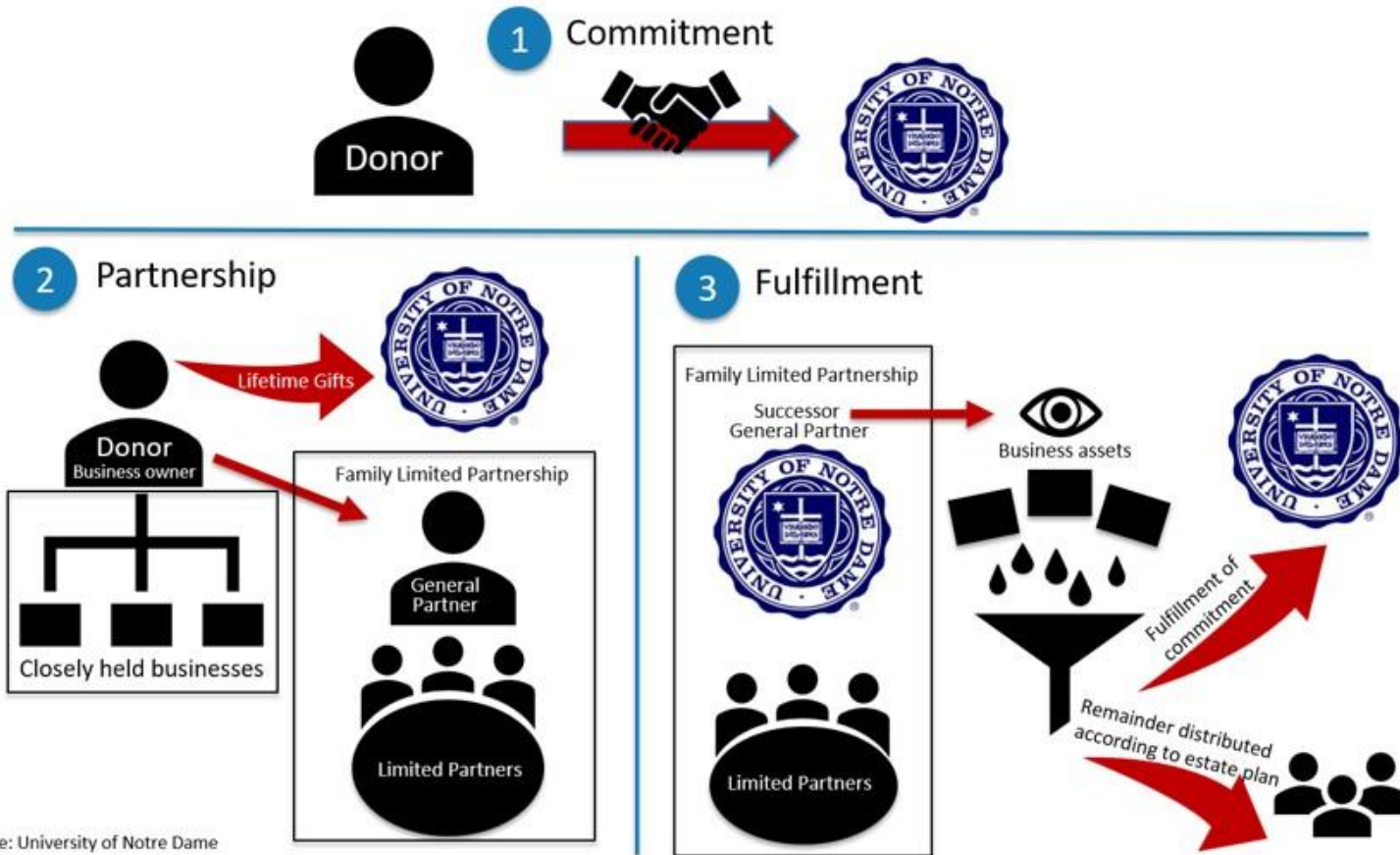
"Fidelity Charitable Gift Fund, the nonprofit spinoff of big asset-management company Fidelity Investments, knocked United Way Worldwide out of the No. 1 spot in this year's Philanthropy 400, The Chronicle's annual ranking of charities that raise the most from private sources....."

"With \$15 billion in assets under management, Fidelity Charitable awarded more than \$3 billion in grants to nonprofits last year, more than double the total from just four years ago. If this trajectory continues, it could soon eclipse the Gates Foundation as America's biggest grant maker."

- The Chronicle on Philanthropy

\$100M GIFT TO NOTRE DAME

Philanthropic Succession Partnership



Source: University of Notre Dame

How It Works

1. Charitable commitment made by donor
2. Family Limited Partnership created or modified to control business assets and include Notre Dame in successor governance
3. Upon donor's death, Notre Dame named General Partner of FLP for valuation, liquidation and distribution of FLP interests
4. Commitment to Notre Dame fulfilled; remainder to family heirs

Benefits

- Flexible structure that allows for lifetime and legacy giving
- Objective, capable oversight of distribution of business assets from estate
- Incentive to maximize valuation of business assets
- Helps smooth transfer of business and family wealth

CHARTING A NEW PATH

Sold for \$165 million

Creating Art for Justice Fund

Funding Criminal Justice Reform

Stewarded by the Arts Community

Source: <https://www.nytimes.com/2017/06/11/arts/design/agnes-gund-sells-a-lichtenstein-to-start-criminal-justice-fund.html>



PHILANTHROPIC ADVISORY FIRMS



- Develop charitable mission
- Establish grantmaking strategy
- Identify & evaluate nonprofit organizations
- Involve children or other family members or advisors
- Facilitate family meetings about philanthropy
- Assess progress or evaluate impact
- Manage their charitable giving activities
- Advise or coach donors

PHILANTHROPIC BANDWAGONS

News / May 11, 2015 | New York, NY

Measures for Justice Receives \$3.1 Million From Pershing Square Foundation to Develop a New Way of Tracking Criminal Justice System Performance



NEW YORK, May 11, 2015 /PRNewswire-USNewswire/ -- As a nationwide, bi-partisan push is underway to reform the broken criminal justice system, The Pershing Square Foundation announced today a \$3.1 million grant in support of Measures for Justice (MFJ), the first non-profit organization to use 'big data' to track and compare the performance of county level criminal justice systems across the country.

Distinct to MFJ's work is that it collects and analyzes data on the entire criminal justice system from beginning to end—the police, victims, defendants, public defenders, prosecutors, judges, and convicted offenders. MFJ recognizes that data become meaningful when culled from not one but multiple areas of the justice system. The result is a set of measures designed to gauge performance in categories such as public safety, fiscal responsibility, and fairness – all on the county level.



FORD
FOUNDATION



Supported by the John D. and Catherine T.
MacArthur Foundation

THE
WILLIAM H. DONNER
FOUNDATION, INC.

PHILANTHROPIC MENTORING

Formal and informal
Grooming next generation
Giving Collaboratives

Who are the philanthropic leaders
and mentors at your organization
and/or in your community?



GIVING CIRCLES

The State of Giving Circles Today: Overview of New Research Findings From A Three-Part Study,
Released November 2017

This overview offers initial insights for ten key findings:

1. GCs have tripled in number since 2007.
2. GCs have granted up to \$1.29 billion.
3. Women are the majority of GC members.
4. GCs engage a diverse range of donors.
5. Funding remains largely local.
6. GC donors are motivated by a desire to “give back.”
7. Donors join GCs with a goal of “giving better.”
8. GCs are more connected – to each other and to the philanthropic sector.
9. GC hosts seek to grow a culture of philanthropy.
10. Covering costs is a challenge.

COMMUNITY FOUNDATIONS

Wealth Manager Outreach

Philanthropic Advisory Services

Blurring Regional Lines

Gathering Place for Philanthropists

Professional Advisors Committee

This committee counsels the Boston Foundation as we establish, develop and maintain strong working relationships with the members of Greater Boston's advisor community. Additionally, the Committee provides its members with opportunities to exchange charitable giving ideas, learn about new issues in philanthropy and establish new relationships with other advisors.

We are grateful to the following current members for their contributions to this important Committee:

Sean Apgar

Partner, Director of Portfolio & Wealth Advisory
BBR Partners LLC

Steven M. Burke

Director
McLane Middleton

Alice D. Burley

Director
SCS Financial Services, LLC

Hillary Burr

Principal
Wolf & Company, P.C.

Cameron Casey

Partner
Ropes & Gray

Pamela A. Murray

Managing Director
BNY Mellon Wealth Management

Jennifer Christian Murtie

Chief Operating Officer
Pathstone Federal Street

Suma V. Nair

Director
Goulston & Storrs PC

Adrienne M. Penta, J.D., PAC Chair

Senior Vice President
Brown Brothers Harriman

Rebecca R. Pouliot

Managing Director
RINET Company, LLC

"The majority of frontline nonprofit organisations have a long way to go here, too. They need to first be willing to partner up. They need to get savvy on how to offer packaged solutions to wealth managers for clients in their own language. They need to be better at presenting themselves and at communicating impact in general."

- *Juliet Cockram Agnew, Partner and Head of Philanthropy at I.G. Advisors
via "Awaken the giant: Wealth managers should do more to unlock philanthropy," @lliance, August 2017*

FINDING CONNECTIONS

Starting with a prospect...

- Form 990s
 - Foundation staff and board, particularly non-family
 - Highest-paid contractors
 - All contact information: addresses, emails, phone numbers
 - Gifts to donor advised funds
- SEC Form 4
 - Read the footnotes! How is everything being held?
 - All contact information: addresses, emails, phone numbers
- LinkedIn Prospecting
 - Finding family office staff on LinkedIn
 - Naming conventions for trusts, hedge funds, etc.



FINDING CONNECTIONS

Starting with a wealth manager...

- Database search for wealth advisors
 - Search by title: wealth manager, philanthropic advisor, financial advisor, managing partner
 - Company search: family offices, multi-family offices, philanthropic advisory firms, the big banks, companies representing UHNWI interests, high-end real estate
- Prospecting for a Wealth Manager's Clients
 - Search names, firms and addresses in your foundation database
 - Search names, firms and addresses in SEC searches
- Prospect through wealth manager's LinkedIn Connections
- Prospect and cultivate wealth managers!

FRIENDLY TIPS

- Train your Gift Processing officers to notice gifts made by family offices or through wealth managers, philanthropic advisory firms, DAFs, etc.
 - Have a way to code advisors in your database.
 - Get to know your Planned Giving officers!
 - Understand wealth vehicles and tax implications and note them in your profiles or in conversations.
 - Offer analysis on your search results, including observations on liquidity, assets vs net worth, social/philanthropic connections, etc.
 - Encourage DOs to be creative in asks, making them DONOR-CENTERED and appealing to wealth managers.
 - Creative thinking and contextual understanding are essential in this new era of giving!
-

RESOURCES

- *The Givers: Wealth, Power, and Philanthropy in a New Gilded Age*, by David Callahan
 - *Capital Without Borders: Wealth Managers and the One Percent*, by Brooke Harrington
 - *The Family Office Book: Investing Capital for the Ultra-Affluent*, by Richard C. Wilson
 - *Secrecy World: Inside the Panama Papers Investigation of Illicit Money Networks and the Global Elite*, by Jake Bernstein
 - Inside Philanthropy
 - The Chronicle of Philanthropy
 - Nonprofit Quarterly
 - Stanford Social Innovation Review
 - HBG Resource Library
 - HistPhil
-

WHO TO FOLLOW

- Philanthropy Advisors: Rockefeller Philanthropy Advisors, Bridgespan, Foundation Search
 - Banks: UBS, US Trust Company
 - Wealth Reports: Capgemini, Knight Frank, Wealth-X
 - Family Offices: Family Office Exchange, Russ Allen Prince (*Forbes*)
 - News Outlets: *Financial Times*, *The Economist*, *Bloomberg*, *New York Times*, *WSJ*, *The Guardian*
 - Trade Magazines: Institutional Investor, Alpha
 - Local Interest: Community Foundations & Giving Federations, Philanthropists, Peer Organizations, Local Publications/Lifestyle Magazines, Local Business Journals
 - Prominent Funders, Philanthropists, Giving Collectives, and NPO Leaders Relevant to Your Work!
-

*LET'S
DISCUSS*



THANK YOU!

Continue the Conversation:

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