

BUILDING FAMILY PHILANTHROPY THROUGH PRIVATE FOUNDATIONS

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I've noticed a trend in our estate planning practice – an increasing interest in establishing private non-operating foundations. This is interesting given the advantage that donor-advised funds provide over foundations, most notably the reduced administrative burdens on a family who opt for donor-advised funds over foundations. There are also extremely well run donor-advised funds to pick from, funds with great track records and high customer satisfaction ratings. So what is the reasoning? I think it stems from a desire of a parent to teach philanthropy to their children, grandchildren, and possibly great-grandchildren. Family members are typically on the board of directors of the foundation so they are forced to come together and make decisions about how grants are made. The hope is having family members convening in one place and spending time discussing charitable gifts will provide a springboard for other charitable giving. Even though the foundation document typically provides family members with fairly easy methods of terminating the foundation, at least a vehicle is in place for family philanthropy that can last generations.

MEET THE TEAM



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