

Bat Bill or Super Gates: What Kind of Philanthropist Are You?

Martial Paris WISE Philanthropic Advisors (www.wise.net/index_en.php)

The role of advisors is essential in helping to support individuals and their families deal with a range of issues including if and how to get involved or enhance their philanthropic giving and/ or social investment.

This is even more relevant as indicated in a recent study Family Foundation Giving Trends 2014 Report 6th Edition of the Annual Report on Private Giving by UK Family Foundations (www.acf.org.uk) which reinforced the importance of family foundations. Additionally The World Wealth Report 2014 www.worldwealthreport.com shows that creating social impact is important to 92% of high net worth individuals and this is done by investing to achieve a social impact, philanthropy and volunteering.

Many studies have defined the various types of philanthropists and philanthropic activities. They show that philanthropists have diverse motivations and that there are many ways to perform philanthropy.

The Avengers Are Back

We could oppose two models inspired by the comics of our youth: Batman and Superman, or rather, Bat Bill and Super Gates.

On one side, a dark knight: A super-hero without supernatural powers, he must find help to compensate this lacks. He thus develops his own technology and relies on outside help (Alfred, and especially Robin), and sometimes on institutions (Police Chief Gordon).

On the other side, we have iron man: a superhero with supernatural powers (strength, vision, speed, flight), a quasi semi-god who doesn't need anyone to save the planet.

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In other words, there are two different philanthropic approaches: Bat Bill, who favors a strategic approach, is surrounded with advisors, relies on partners, and supports existing projects rather than new structures that are often redundant.

Super Gates' approach is less inclusive: he wrestles with a challenge, creates and supports his own initiatives, and contributes with his own skills and part of his wealth.



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Is HNWI philanthropy as stereotypical?

Our experience is more nuanced, and specifically shows that philanthropists seek the following: social impact, commitment, flexibility and advice.

1. Social impact: a leading trend in recent years, social impact means that the donor wants to know precisely how his money is used and what the social impact is. Philanthropists do not support a sole cause anymore; they want to know the difference they make. To give is to choose; the measure of social impact helps philanthropists make decisions among the many solicitations they get.
2. Personal commitment: philanthropists don't want to be perceived as piggy banks or check-signing machines. They want to get involved and sometimes involve other family members. This commitment is expressed in various ways: visits to organizations and their beneficiaries, sitting on boards, or support in fundraising.
3. Flexibility: Philanthropists want flexibility in their support. This begs for a strategic, long-term, and cycle-based approach to support projects. New vehicles like the Donor-Advised Fund offer flexible tools and can be easily adapted as experience grows.
4. Philanthropic advice: besides impact and personal commitment, there is growing demand for philanthropic advising to be more inclusive and engage other family members. The transmission of values is key here. Philanthropic advisors can help define strategies so that the impact is increased and the aspirations of various family members are met. This strategic approach is always balanced out by choices made with the heart.

There are a large range of advisors, because philanthropy is transversal: financial advisors when it comes to making money available; legal advisors if a foundation or another structure is established.

Philanthropy is motivated by many different reasons, some very intimate, which is why we can speak of philanthropies. Philanthropy relies on individuals or families that evolve with time, and make their philanthropy evolve as well.

This evolution has consequences on the strategy. Experience has shown that families can often say what moves them, but have more difficulty defining clearly what they want to do with their donation. Decision-

making is not always rational; it is often a balance between heart and reason.

Those who advise families must understand change theory and favor a midterm approach that allows each family member to get involved according to interest and availability. This time-frame allows to learn from the first commitments and to analyze the social impact from the beginning.

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Philanthropic advisors have to remain modest: families who have problems will not see them resolved only through philanthropy, but philanthropy can be a unifying force. Our experience shows that many advantages can be earned from a well-thought generosity. It allows for the transmission of key values for the Seniors Gen, and enables the upcoming generation (Next Gen) to take part in strategies and decision-making. It strengthens the ties and quality of the time spent together; sometimes, it also inspire a calling among some family members.

In conclusion, philanthropies are diverse, and more numerous than super-heroes. The challenge is to find the costume that will be the best fit.