



Global Trends and Strategic Time Horizons in Family Philanthropy 2020

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Forewords



Dear Reader,

Across the globe, family philanthropy constitutes a rich and dynamic mosaic of legacies, giving cultures, approaches, motivations, and structures. And for each family, philanthropy is a passionate and personal journey. Families in the 21st century are engaging much earlier, and with much deeper involvement, in their commitment to improve lives, create opportunity, and protect the planet. To achieve this, family philanthropies around the world are seriously considering innovative practices, tools, and approaches to maximize the impact they seek. This includes thoughtful reflections on what time horizons—or giving timeframes—are best suited for their philanthropic mission and vision.

Driven by our mission to help donors around the world create thoughtful and effective philanthropy, Rockefeller Philanthropy Advisors partnered with Campden Wealth to conduct a one-of-a-kind exploration of the inner workings, trends, practices, and challenges of family philanthropy globally. As part of this research, we examined the many dimensions of strategic time horizons in family giving, which hold profound implications for approaches, operations, resource allocation, issue areas, and relationships with the greater ecosystem of beneficiaries and partners.

Through the findings and insights from this study on strategic time horizons, we hope to create resources for funders that advance the field and practice of philanthropy. We are grateful to The Atlantic Philanthropies for their continued support of and contributions to this work, and to our partners at Campden Wealth. We hope you will find this report illuminating and helpful for navigating the nuances of family giving, engaging in peer learning, as well as discovering new ideas, practices, and approaches that can help philanthropies around the world become more and effective in building a better shared future for everyone.

Sincerely,

Melissa A. Berman, Ph.D.

President and CEO, Rockefeller Philanthropy Advisors

Melissa Berman



Dear Reader,

I am delighted to present the "Global Trends and Strategic Time Horizons in Family Philanthropy 2020" report.

During a time of heightened economic and geopolitical turbulence, which is also spurring calls to action about rising social inequality and deepening environmental problems, it is crucial to have information about the issues influential stakeholders are concerned about and the strategies they are adopting in order to tackle the related challenges.

The present study is based on information provided by 201 families of significant wealth that are engaged in philanthropic giving and that represent 28 countries across the globe. Some of these families' philanthropic legacies stretch back centuries, while others are relative newcomers to the practice. Collectively, their giving over the last 12 months totalled \$2.4 billion. Such giving can have considerable impact on society.

The study places a special focus on time horizons in philanthropy. Traditionally, families engage in philanthropy without setting an endpoint to their contributions. Increasingly, however, as this report uncovers, families have adopted a time-limited approach and concentrated their donations over shorter periods.

We hope that this report will help family philanthropists across the world evaluate their giving and the strategic approaches available to them. We also hope that it will help the wider giving community to uncover synergies and coordinate activities.

Many thanks to all the families and philanthropic staff who generously shared their insights, and to Rockefeller Philanthropy Advisors for partnering with us on this important study.

Yours faithfully,

Dominic Samuelson

Chief Executive Officer, Campden Wealth

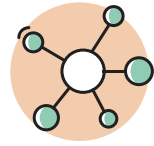
Dominic Samuelson

Executive summary



Giving vehicles

The most popular vehicles for giving are family foundations (64%), followed by direct donations to nonprofit organizations/charities (45%), donor advised funds (16%), and corporate/business foundations (15%).



Reasons for giving

The most common reasons for giving include a desire to give back to society (75%), an interest in creating social change (55%), putting values into action (50%), and addressing social inequality (47%).



Causes supported

Education is the number one area families give to globally, constituting 29% of the average philanthropic portfolio, followed by health (14%) and art, culture, and sports (10%).



Strategic time horizons in philanthropy: awareness and adoption

Generally, respondents were familiar with both the in-perpetuity (89%) and time-limited (84%) philanthropic timeframes. However, the former model was twice as likely to be adopted (62%) as the latter one (32%). Still, there are indications that the popularity of the time-limited model is on the rise, with the number of those who have chosen it growing by nearly two-thirds since 2000.



Key drivers of strategic time horizon choice

The key motivations for adopting a time-limited approach are: a desire to see the impact of giving during a donor's lifetime (30%), to narrow philanthropic focus (23%), and to transfer more of a founding donor's wealth to good causes sooner rather than later (17%). The key motivations for adopting an in-perpetuity approach are related to its ability to: provide sustained and long-term support to address persistent challenges (71%); strengthen a family's purpose and values (56%), and have greater impact on beneficiaries over multiple generations (41%).



The next generation

It is common for the next generation to be involved in their families' philanthropy, especially among those engaged in in-perpetuity giving. For those families, members of the next generation often serve on boards (54%) or make site visits (34%). Families that adopt a time-limited strategy most often involve the next generation in grantmaking (28%).



Decision-making

Strategic decision-making power tends to lie with the family. Family heads or founders are the key decision-makers in 60% of cases, followed by other family members (48%). Europe aligns with this global average, while in the United States, other family members tend to hold the most decision-making authority (65%), followed by founding donors (54%), as well as trustees (29%). In Asia-Pacific, family heads or founders dominate strategic decision-making (62%), followed by trustees (57%), and other family members (31%).

1. Introduction

1.1 Methodology

1.2 Overview of participants

1. Introduction

Transformations in technology, politics, the economy, and culture continue to present opportunities but also challenges. As globalization advances and economies grow, people are becoming more interconnected. However, we also see growing risks from climate change, financial downturns, rising inequality, populism, and nationalism.

In this context, it is not a coincidence that, over the last three decades, philanthropic giving has expanded. As the global economy has grown, so has the number of ultra high-net-worth (UHNW) individuals, and many of them view philanthropy as a way to address acute social and environmental issues.

This report, produced by Rockefeller Philanthropy Advisors and Campden Wealth, is an attempt to capture current and emerging trends in the philanthropic giving of UHNW individuals and families. In particular, it aims to explore the reasons and channels through which they engage in philanthropy, with a focus on strategic time horizons in giving.

1.1 Methodology

Campden Wealth and Rockefeller Philanthropy Advisors carried out a mixed-method, quantitative and qualitative, research study. Between February and June 2019, a total of 201 private/family philanthropists from 28 countries, each with a net wealth of at least \$100 million, took part in a survey. In addition, 29 semistructured interviews were conducted with UHNW philanthropists or their senior staff across the globe. Quotes from these interviews used within the main body of this report are anonymized in order to maintain the confidentiality of research participants. This report also features four case studies based on extended interviews. Here, the participants elected to disclose their identities to better describe the organizations they represent.

As this study is concerned solely with family philanthropy, various well-established foundations which fall beyond the scope of the research were not surveyed. Additionally, for the purpose of this research, the term "time-limited philanthropy" can apply to a foundation as a whole or major programs and initiatives.

Research limitations

Sampling: The geographic composition of the philanthropists surveyed is not wholly representative. This research received input from a greater number of participants from the United States, and to a lesser extent Europe. To compensate, various regional data cuts have been added.

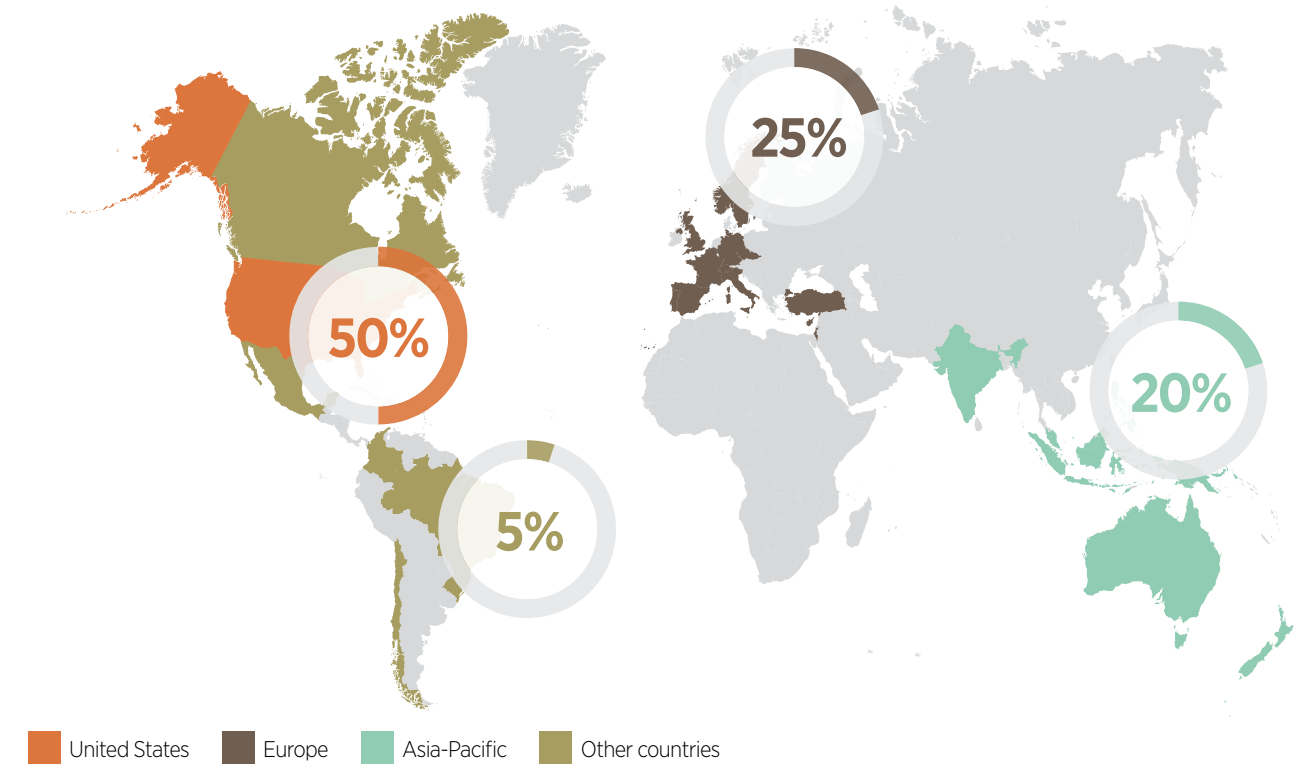
Additionally, the sample for Asia-Pacific and Europe does not include all the countries within these regions, nor a representative mix of respondents amongst the countries included. For these reasons, the findings should be viewed as merely indicative of the philanthropic landscapes regionally.

Self-selection: The philanthropists who participated in the research did so on a voluntary basis, which created a self-selection bias likely favoring those in the community who are most engaged in philanthropy. Furthermore, since the focus of the research is on strategic time horizons in philanthropy, the results may be disproportionately representative of family philanthropists who are more knowledgeable about this topic. Consequently, the findings do not necessarily reflect the giving patterns for the wealth community as a whole.

1.2 Overview of participants

The largest proportion of participants in the survey came from the United States (50%), followed by Europe (25%), Asia-Pacific (20%), and six other countries across the world (5.0%) (figure 1.1).

Figure 1.1: Regional breakdown of family/private philanthropists

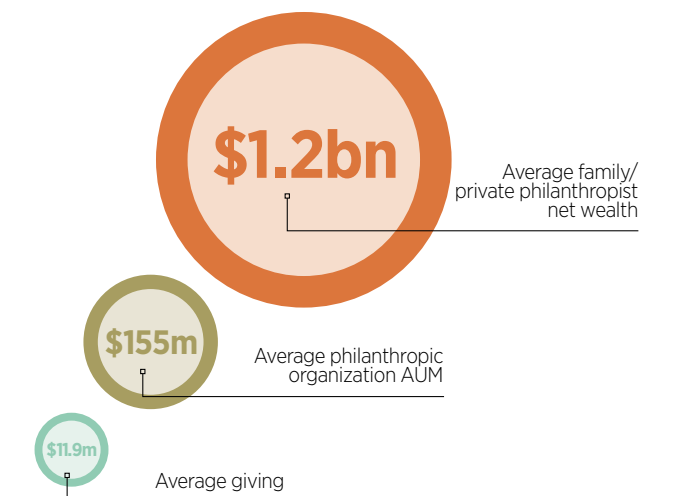


* At different points of our analysis we will focus on the Asia-Pacific region independently from the rest of the world. However, for the purpose of this study, the category "rest of the world" includes Asia-Pacific. Note: Figures may not sum to 100% due to rounding.

The average net wealth of the families and private philanthropists surveyed stood at \$1.2 billion, while the average assets under management (AUM) of the associated philanthropic organizations was \$155 million.

Furthermore, over the last 12 months, the philanthropists gave an average of \$12 million each to various causes (figure 1.2).

Figure 1.2: Average family/private philanthropist net wealth (USD), average philanthropic organization's AUM (USD), average giving in the last 12 months



Definitions

Philanthropy: The voluntary act of giving by an individual or a group to promote the common good. Philanthropic giving supports a variety of activities, such as research, medicine, education, and the arts, as well as a plethora of causes, such as poverty alleviation and climate change.

Strategic time horizons: The period of time associated with the philanthropic activity. Some philanthropists adopt an in-perpetuity time horizon, whereas others engage in time-limited philanthropy.

In-perpetuity horizon: Refers to the use of a vehicle, such as a foundation, which has no envisioned endpoint or is not subject to termination. Some in-perpetuity organizations might, however, implement specific time-limited projects or programs.

Time-limited horizon: Refers to the completion of a philanthropic activity within a specific timeframe; also known as spend-down, spend-out, or "giving while living" approaches.