

# GETTING MORE OUT OF BEING PHILANTHROPIC

According to panellists at the Hubbis Asian Family Wealth Forum 2014 in Singapore in November, the main way to ensure philanthropy plays a strategic part of wealth planning and achieves real benefits for the intended recipients is by taking more of a business-like approach.

## PANEL MEMBERS

**SUSAN SY**  
UBS

**BRITTA PFISTER**  
Rothschild Trust

**LEE WONG**  
Coutts

**MARCUS HINKLEY**  
Collas Crill

Philanthropy is an increasingly important aspect of the overall wealth planning process, connected to preserving family values while also achieving something positive externally.

However, to ensure people get out of their giving what they expect and also what does genuine good for the individual cause, it is more and more common to see a structured and professional approach

within the region, said panellists at the Hubbis Asian Family Wealth Forum 2014 in Singapore in November.

## DRIVERS FOR GIVING

While education was a primary driver for philanthropy among Asian clients around two years ago, the focus has shifted to the environment, health care and social entrepreneurship, as well as social investing.

This shows the importance of an individual's passions and concerns as a motivator for their philanthropic efforts, says Lee Wong, head of wealth planning for Coutts in South-east Asia.

"It is all about what clients feel strongly about," she says. "They have frustrations



## PANEL DISCUSSION

in relation to what happens in the world and goals in terms of what they want to improve.”

There is also a clear trend of clients focusing on development strategies which reflect their value systems, she adds.

“Today we see clients going out and looking for projects,” says Wong. “Sustainability and accountability are important to them. They look for projects with measurable benchmarks, and especially a social outcome.”

Along the lines of values, family legacy planning has become a strong motivating factor for philanthropy, too.

According to Susan Sy, executive director, philanthropy and values-based investing, for UBS in South Asia, many families use

SUSAN SY

UBS



### MORE BUSINESS-LIKE AND ACCOUNTABLE

One of the aspects of giving which needs to be kept under watch, however,

relates to the fact there is a lot of misuse of philanthropy, along with non-accountability.

This can happen, explains Britta Pfister, head of wealth planning for Rothschild Trust in Asia Pacific, when trusted parties abuse their rights and funds can get dwindled away.

Wong also says she has seen some horror stories over the past few years, where organisations have not been accountable. As a result, she welcomes a more business-like approach, in terms of clients applying

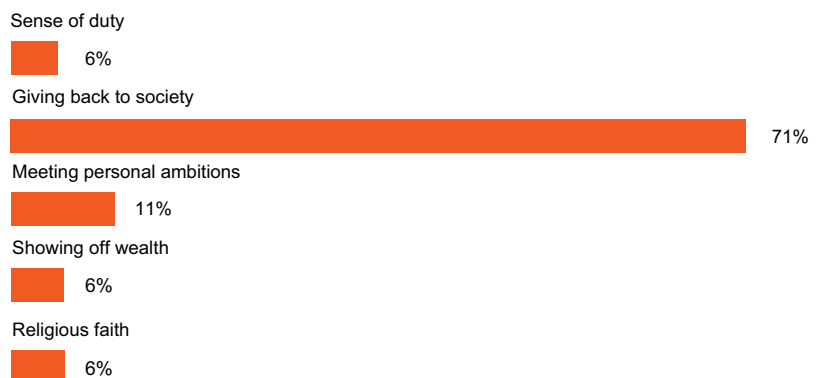
“ Sustainability and accountability are important to clients. They look for projects with measurable benchmarks, and especially a social outcome ”

philanthropy as an effective tool as part of their overall wealth planning.

“They want to get the second generation involved as part of the transfer of family values which they have built,” she explains, “so they use philanthropy as a basis to get family members involved.”

But it is also important as part of efforts to tie philanthropy to family values to communicate these objectives to the next generation – for instance, keeping families together via family occasions and remembering what it means to be part of the family.

### WHAT IS THE MAIN DRIVER OF PHILANTHROPY AMONG ASIAN CLIENTS?



Source: Hubbis Asian Family Wealth Forum 2014

**BRITTA PFISTER**

Rothschild Trust



the business acumen and discipline which led to their personal success.

“We are finding these principles are entering the due diligence process with philanthropy,” says Wong. For example, the focus is on getting the right information from the potential recipient to assess if that is the right organisation to work with.

This is an example of the service offering which clients of the UBS Optimus Foundation get, explains Sy – due diligence, background checks, project implementation, monitoring of how the money is spent, and reporting.

In line with the emphasis on due diligence, more time is being dedicated to the

research process so that clients can understand the cause they are passionate about.

They can then determine how to address any gaps given the challenges identified.

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As a result, says Wong, rather than rushing in to a project, a clear strategy is required first, at the outset, also involving

people who are more experienced in that sector. “This all minimises the chances of something going wrong.”

According to Sy, advisers really need to understand what the client wants to do, as

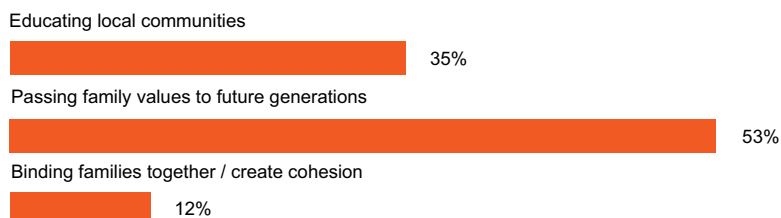
well as how to plan and help them achieve that.

From the perspective of Marcus Hinkley, group partner, private client, in the Singapore office of Collas Crill, he has set up a lot of charitable structures.

Some of the drivers for these include tax planning, he explains, as well as creditor protection.

He has also see a heightened trend in corporate philanthropy over the past 18 to 24 months, given the importance of corporate social responsibility initiatives.

### WHAT IS THE MAIN GOAL OF PHILANTHROPY AMONG ASIAN CLIENTS?



Source: Hubbis Asian Family Wealth Forum 2014

LEE WONG

Coutts



## HOW CAN CLIENTS GET THE MOST OUT OF THEIR PHILANTHROPIC EFFORTS?

Have an initial vision (which is documented)

0%

Involve all family members

13%

Professionalise the giving process

87%

Link company goals with personal aims of giving

0%

Source: Hubbis Asian Family Wealth Forum 2014

## MARCUS HINKLEY

Collas Crill



## CORE TO WEALTH PLANNING

The concept of philanthropy cannot be tackled in isolation of the overall transition of wealth in the first place.

As a tool which can help individuals and families to achieve their planning goals, it is all about giving back and doing good, explains Pfister.

Decisions need to therefore be made about which shape and form this should take.

At the same time, there is a need to professionalise the giving process, adds Sy.

This is being done by spending time understanding in more detail why people give and how they do so.

Where professionalisation is necessary, one of the advantages is creating a legitimacy and solid foundation of governance, adds Hinkley.

Another is the ability for each client to assess whether they are able to make a positive difference to the community, says Sy, by creating real solutions which help that cause. ■