

THOUGHTS ON PHILANTHROPY

What options are currently available to me to leverage my philanthropic goals?

Rob Inches: The nine most common opportunities are, 1) Traditional Philanthropy - support for all good causes, 2) Grant Making - review and support worthy organizations with clear needs and hoped for outcomes, 3) Pay for Performance - social impact bonds, 4) Income-Share Agreements - an innovative alternative to student loans, 5) Foundation Funded Venture Capital - foundations that have specific objectives gift part of their 5% required giving to venture capital that supports a clearly aligned goal, 6) Building Legacy Impact Vehicles - purpose driven communities of practice, 7) Private Placement Variable Annuity - an interim investment vehicle allowing capital to grow tax free until such time as the donor decides to gift to their foundation tax free at a point in time in the future, 8) Venture Philanthropy - a creative, higher-risk approach to achieving greater scale and more impactful outcomes, or 9) Family Trusts - have varying degrees of flexibility around philanthropic giving.

How can I be most impactful with regard to societal needs or challenges I am passionate about?

RI: Some of the best approaches to being impactful include, providing lead charitable contributions that meaningfully advance the goals of the charity, matching gifts, which have demonstrated success in energizing campaigns and leveraging the gifts of others, and be a consistent and reliable supporter of the charities you most want to support. Consider well-structured impact investments that target and measure specific societal or environmental outcomes.

Can impact investing support my philanthropic goals?

RI: Impact investing is not an asset class in itself, but rather a theme that can be applied across them. However, many impact opportunities take the form of alternatives such as private equity, debt, or pay for performance programs. The risk-return profile varies across investment vehicles and there are a wide range of opportunities that prioritize impact and return in different ways. Many impact investments have distinct return profiles that actually provide diversification from traditional asset classes.

What questions should I be considering if I'm looking to create change in a specialty area or region?

RI: How do you want to have impact? Who are the influencers? Do you want to align with others or do you want to be the catalyst? Do you want your name associated with a particular organization? If so, what responsibility do you have? How much due diligence should you do?

How can I create outcomes with a specific project or fund organizations whose missions are aligned with my own?

RI: Impact investments can be project specific, with opportunities to fund individual projects that measure and report success using a pre-determined set of outcomes. For example, a pay for performance project in healthcare can compare metrics from current baseline outcomes with expected improvements from the new program (e.g., lives saved or measurable patient improvements). The ability to effectively analyze and determine the exact improvements with data analytics allows investors/supporters of the project a potentially improved rate of return. These investment structures can range from loans, to equity, to recoverable grants.

Are there opportunities to achieve tax and societal benefits from real estate investments?

RI: Yes! Qualified Opportunity Zones and Commercial PACE Loans have the potential to provide tax and societal benefits.

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Rob has written on alternatives to fixed income, redefining growth and value investing, the impact of innovation on investment decisions and ensuring a successful family legacy. Rob's experience gives him a perspective on all aspects of family legacy planning with an emphasis on investing.

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