

## Values and philanthropy services

**73% of family firms believe that their culture and values are stronger than those in other types of businesses.**

— PwC's 2014-2015 US Family Business Survey

For a family business like yours, values are the connective tissue — the source of your success, your commitment, and your legacy. They bring power to a business, helping to assure cohesion, resolve conflicts and strengthen resolve — through the natural act of passing on a legacy.

To help you put your values into action our advisors can:

- Pinpointing the core values of your family business
- Identify opportunities to strengthen your values throughout your organization
- Suggest ways that can make your values work for you in every arena that is important to you

For many family businesses responsible ownership comes naturally, so giving back yields substantial dividends — inside and outside your business. Family philanthropy is an excellent way to teach the next generation about financial stewardship and represents a positive, tangible spreading of your family's values into the world.

### Create impact with your philanthropy

#### An idea to consider

##### Donor-advised fund



##### What Anne gives

Stock with a fair market value of \$50,000



Donor-advised fund



##### What Anne gives

Income tax deduction of \$50,000

*PwC's 2014 Guide to Tax and Wealth Management*

### How we can help you

- Assisting in the development of your philanthropy road map
- Helping you assess the full spectrum of opportunities
- Reviewing investment portfolio allocations
- Analyzing the impact against your philanthropic goals



## How we have helped others

### Planning for charitable commitments while increasing heirs' stake in the family business

Our client was the senior shareholder of a family owned S Corporation. He wanted help in planning for large charitable commitments while simultaneously focusing on succession issues with his children, who ran the family business. He wanted to find a tax effective way to dilute his ownership interest in the business while increasing his children's ownership percentage; but he also wanted to create the liquidity needed to manage his charitable commitments.

### Tax solutions that work for you

We looked at the problem from every conceivable angle and determined that a partial tax free liquidation of the S Corporation stock would provide a tax outcome that yielded more cash to the senior shareholder — and fund his charitable commitments. Our approach allowed him to make his contributions to charity in cash, reducing the senior shareholder's stock holdings while increasing his children's stock ownership percentage.

### Making family involvement in philanthropy a success

Members of a family business — senior and the next generation alike — had individual interests in philanthropy. However, while their involvement in philanthropic activities mirrored the family business' values, it was only to a limited extent and there were no common giving principles at work.

### The importance of giving back

Recognizing the importance of "giving back", and the ways in which such activities truly strengthened the bonds between family members, the family council decided to create a more structured approach to the family's philanthropic efforts.

We helped the family council come to agreement on a common set of philanthropic goals and singled out which types of investments would best serve the needs of their charitable work. We also analyzed the members' existing philanthropic projects and integrated them into the new overall framework.

### Making the investments work effectively

Finally, we offered advice on which structures we thought would ensure that their philanthropic investments would be controlled effectively and helped create a simple mechanism to regularly evaluate their investments.

## Create impact with your philanthropy

### An idea to consider

#### Charitable lead trust



\$1 million  
nongrantor  
charitable  
lead trust

Trust funds  
scholarship

Amount subject  
to gift tax \$242,000

7% annual value of trust's assets is paid for 20 years

Year 20



Remaining assets  
pass to children

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