



Philanthropic Estate Planning

By Janet Nava Bandera

Does Your Family Mission Statement Encourage Giving?

The past decade has been one of the most affluent in history. If we could shrink the earth's population to a village of precisely one hundred people, with all the existing human ratios the same, it would look something like the following: 57 Asians; 21 Europeans; 14 from the Western Hemisphere; eight Africans; 52 would be female; 48 would be male; six people would possess 59 percent of the entire world's wealth and all six would be from the United States. One would be near death, one would be near birth, one (yes, only one) would have a college education and one would own a computer.¹

Think of what these statistics mean for our children. A computer in their home, let alone their bedroom, means that our children are among the very elite of the world.² How our children learn to deal with this affluence and what they do with it is largely in our hands.

Is it Nature or Nurture?

If charitable intent were something that we either had or didn't have, it would be something that was genetic and it couldn't be changed. We would say that a person is charitably inclined or he isn't. But that isn't how it works. Charitable intent is a *learned* experience that is based on the environment to which you have been exposed. If charitable giving was something your family did or it was something that other significant people in your life did, you are likely to have learned it and likely to practice it to some degree.³

Family Mission Statement

That's where a Family Mission Statement comes in. The Family Mission Statement is designed to help parents identify their values and transfer those values to subsequent generations. A Family Mission Statement may be particularly important when we are not here

to influence our children or grandchildren. One of the key components of a Family Mission Statement for many affluent clients is charitable giving and volunteerism.

Charitable Giving Helps Children and Young Adults to Grow

Erik Erikson, a psychoanalyst, identified eight developmental stages that we pass through during our lives. Philanthropy can play an important role in many of these stages. As early as age three, children begin to develop the ability to feel empathy for others. By age six, children want and need to feel useful. Philanthropy helps build a sense of empathy and accomplishment—"I'm helping others"—while counteracting a potential sense of superiority or privilege.⁴ And in the teenage years, philanthropy helps them know who they are and identify their social roles. Helping others, and the internal sense of satisfaction that comes from offering that help with joy and respect for those receiving it, helps children learn to master life successfully. By giving of themselves and their time, they find a positive and fulfilling answer to the question, "Who am I without my family's money?" Equally important, it provides teenagers with an activity that can be shared with the entire family.

Janet Nava Bandera, J.D., is the Managing Principal of the Bandera Law Firm, P.C. Ms. Bandera is engaged in the practice of law specializing in estate planning, charitable giving and asset protection for high-net-worth individuals. She serves on the Board of several charitable organizations and is a regular speaker for local and national financial planning firms. She can be reached in St. Louis, Missouri at (314) 691-4386 and in Lake Ozark, Missouri at (573) 365-9779 or at www.banderalawfirm.com.

Philanthropy Adds Meaning to Life

Philanthropy also helps us navigate the adult developmental stages. Erickson identified three development stages that we pass through in adulthood. In young adulthood we either seek love and companionship or become isolated from others. In middle adulthood we are either productive, performing meaningful work and possibly raising a family, or we become stagnant and inactive. In the final stage of adulthood, we try to make sense out of our life, either seeing our life as a meaningful whole or despairing at goals we never achieved and questions that were never answered.⁵

The Opposite View: Check Writing vs. Giving

Some are skeptical, however, voicing the opinion that “if individuals are responsible, it’s for other reasons, not because they gave away money that they didn’t earn” and that “giving money away at an early age tends to breed not responsibility but an unattractive self-importance, a false sense of significance that stunts personal development in the shade of a larger (and appropriated) family identity.”⁶ These skeptics believe that rather than giving away their parent’s money, children learn more from giving their time.

Getting Children Involved in Volunteering

If you watch a child, you will see that “helping” is a natural instinct. The results may not always be good, but the intention was. It does not require organized programs to learn the value of self giving. Children as young as five can be involved in individual projects such as the following:

- Making holiday greetings cards and artwork for senior citizens who live in a nearby nursing home
- Participating in the up-keep of a road or park
- Collecting stuffed animals to donate to children in a homeless shelter
- Making bird houses for a nursing home or shelter
- Visiting a nursing home as a group, making presentations that could include singing, playing games or story telling by seniors or by students
- Holding a food drive for the homeless
- Adopting an elder: write letters, share projects, visit or assist with utility bills through fundraisers
- Sponsoring an aluminum-can drive to raise money to plant trees in a park
- Adopting a project: a portion of a river, stream, highway, beach, park trail or zoo animal
- Fund raising for a zoo and raising awareness of endangered animals

- Collecting clothes, toys and shoes for needy countries
- Starting a community garden
- Read-a-thon projects: reading to younger children. Students can also get sponsored to read books and use the money raised to buy books for a library or to help underprivileged children.⁷

Getting and Keeping Young Adults Involved

Getting teenagers involved in volunteerism can be challenging. Experience shows that young people quickly become dissatisfied with service experiences when they are not actively involved. However, you should not underestimate the potential of young people to come up with good ideas on their own and to shoulder responsibility for carrying them out. In the words of General George Patton, “Never tell people how to do things. Tell them what to do and they will surprise you with their ingenuity.”⁸

One community foundation runs a program called Youth in Philanthropy, which consists of volunteers from local high schools. Each group is responsible for allocating \$5,000 to community organizations. With the support of a teacher/advisor, the group in each school develops priorities and an assessment process that includes on-site visits to agencies they select that reflect their priorities and interests. Following their research and discussions, they reach agreement on recommendations for the distribution of the funds. The highlight is a check presentation. Each group explains the process they developed, what they learned, how they made their decisions and their rationale for specific amounts. In addition to the students and their advisors, board members and family members are also invited. Agency representatives attend to receive their checks.⁹

The Value of Volunteerism

According to a 1993 Search Institute Study,¹⁰ young people who engage in two hours of service per week are half as likely to engage in high risk behavior such as fights, truancy, smoking, drinking and drug use. Just two hours of service a week bolsters resiliency, improves self-esteem, increases personal responsibility and connects young people to others. As a result of volunteer efforts, teens report the following:

- Doing better in school or improving grades
- Developing new career goals
- Learning about career options
- Learning how to respect others
- Understanding people who are different

- Developing leadership skills
- Understanding the qualities of good citizenship
- Learning how to solve community problems¹¹

Conclusion

Money is a tool that helps us enjoy a full life, provides us with opportunities to give back to the community and makes it possible to treasure moments with our family. We

can help to determine what our children learn and whether and how they give back to the world community.

I encourage anyone with an interest in learning how to help the parents and grandparents of affluent children formulate their Family Mission Statement to read the book *SILVER SPOON KIDS* by Eileen and James Gallo. It is available at Amazon Books, and the Gallo's Web site is www.galloinstitute.com.

ENDNOTES

- ¹ Excerpt from an article on the Internet attributed to Phillip M. Harter of the Stanford University School of Medicine.
- ² Eileen and Jon Gallo, *SILVER SPOON KIDS* (2002)
- ³ James E. Reynolds, *Social Capital and Philanthropy*, 1996 Los Altos Community Foundation, www.losaltoscf.org/part2.html.
- ⁴ Eileen Gallo, *Philanthropy, September 11 and Family*, J. FIN. PLAN., www.fpanet.org/journal/articles/2002.
- ⁵ *Id.*
- ⁶ Heather R. Higgins, Director of The Randolph Foundation in New York, www.philanthropyroundtable.org/magazines/1998/july/higgins.html.
- ⁷ Points of Light Foundation, www.1-800-volunteer.org/learn/youth/project_ideas.jsp.

- ⁸ Dr. Anne C. Petersen, *Supporting Youth to Create the Future*, Keynote Address at the Indiana University Center for Philanthropy; Indianapolis, Indiana; August 23, 2002, www.wkkf.org/Programming.
- ⁹ Tony Myers, principle gifts officer at the Southern Alberta Institute of Technology. CCAE 10th Anniversary Good Question, www.ccaecanada.org/ensembleAnniv3.htm.
- ¹⁰ The Search Institute is an independent nonprofit organization whose mission is to provide leadership, knowledge and resources to promote healthy children, youth and communities, www.search-institute.org.
- ¹¹ Independent Sector Study 1996, PHILANTHROPY J. (2002), www.philanthropyjournal.org.

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