

Newsletter

SymAsia Philanthropy Advisory

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CEO's Message

Time flies. As we busied ourselves with all the COVID-19 developments and adjustments, we find ourselves already more than halfway through 2021.

While many of us began the year with a hope that the newly minted coronavirus vaccines would take us back to "life as we knew it", we are all beginning to recognize that the old normal is gone and we, collectively, need to eke out a new normal. How that looks like – whether in work or in our personal lives – will evolve from how we listen to and support each other as we emerge from this global health and economic crisis.

One of the biggest areas of need that has surfaced from the pandemic is mental health. Before the virus struck, mental health was already an emerging need in philanthropy; now the incidences of depression, stress, anxiety, substance abuse and other psychological problems have risen sharply all across Asia. Besides supporting our donors as they step up and step in to bridge the gaps, SymAsia Foundation is also organizing events in October to shine a spotlight on this critical social issue. We hope you will join us then.

On a more personal level, we continue to journey with our clients and their families as they undergo intergenerational wealth transfer and seek to build legacy. Our webinar on "Family Philanthropy: Passing on the Philanthropy Torch, From One Generation to Another" saw a high level of audience engagement, as clients resonated with the open sharing by our speakers. As we ran out of time at the webinar, our panelists – prominent philanthropists James Chen, Victor Hartono and Mary Ann Tsao – very kindly agreed to answer the audience's questions offline. We have compiled their responses here in the hope that you will continue to benefit from and be inspired by their experience and insights.

As always, please feel free to reach out to us, we would love to hear about your philanthropy aspirations and challenges. Let us learn together and do philanthropy better together!

With best wishes,

Q & A from “Family Philanthropy: Passing on the Philanthropy Torch, From One Generation to Another” webinar

Speakers



Dr. Mary Ann Tsao
Chairperson and
Founding Director,
Tsao Ng Yu Shun
Foundation



Victor Rachmat Hartono
Chief Operating
Officer, PT. Djarum &
President Director,
Djarum Foundation



James Chen
Chairman, Chen
Yet-Sen Family
Foundation & Founder,
Vision for a Nation
and Clearly

The sharing from our speakers at the “Family Philanthropy: Passing on the Philanthropy Torch, From One Generation to Another” webinar continued after the event. Well-established philanthropists James Chen, Victor Hartono and Mary Ann Tsao kindly responded to the following audience questions and we share their replies below in alphabetical order:

All philanthropic foundations are supposed to be non-profit, which means that funds must be injected into the foundations regularly. As the foundations get bigger, does it mean that the founders will have to keep injecting more money into the foundations, or do you manage the foundations in such a way that the foundations would be able to fund themselves after a while?

James: If the founder/family provides for an endowment that can generate sufficient income to cover spending by the foundation, then it can be self-sustainable. Notable examples would include The Wellcome Trust in the UK and Rockefeller and Ford foundations in the US.

Victor: We will continue to fund Djarum Foundation ourselves from the extra money that we can spare to help others. The funds will vary from year to year and we do not have any intention to manage the foundation as an entity or an endowment.

Mary Ann: How much funding a foundation wishes to give from its own source versus others would depend on how the foundation is run as well as the philosophy of the foundation. For grant-making foundations, the giving is limited to the amount of money that is available. It can be an annual gift or it can be the Return On Investment of an endowment. For multi-year grants, the cash flow would have to be managed and included in the giving budget. In this situation, sustainability is easier to manage.

For operational foundations that run their own programs, sustainability is indeed an issue. Staff costs will increase year on year and programs will grow over time, requiring more funds unless the operational programs are all on a project basis with a short-term (1-3 years) commitment. In this case, the funds can be applied to new projects that are within the amount of money available.

For my grandmother’s operational foundation on ageing (Tsao Foundation creates innovative health and social care services), family funds account for only 1/6 of our annual budget. It primarily funds corporate overheads, with the balance of the funding being derived from government grants and subsidies, revenue from programs and services, collaboration with other foundations, donations from well-wishers (as a general principle, we don’t publicly fundraise), etc.

Q & A from “Family Philanthropy: Passing on the Philanthropy Torch, From One Generation to Another” webinar

Have you thought about the issue of succession planning? If so, can you share a little of your initiatives and strategy to engage the younger generation in your families?

James: Our family mantra is “to whom much is given, from whom much is expected”, with privilege comes responsibility. My wife and I not only “talk the talk, we walk the walk”, meaning that while we have been drilling into our children the family mantra since they could hear us as young children, growing up, they have also seen us actively and deeply engaging in the struggles and successes of our philanthropic journeys, trying to make a difference in early childhood literacy and vision correction.

Victor: Djarum Foundation was set up in such a way that to be sustainable, the corporate itself has to have strong business so that the operations can fund the foundation. Our operations have to be viable in the long run to be able to fund the foundation. My cousins and I try to start exposing our children to what we do for philanthropy so that they can continue what has been going on for three generations. For example, for our tree-planting program, Djarum Foundation plans and executes programs and my nephew will sit in on the discussions and follow the planning process and even helps in the tree planting. I have also arranged for my nephew to intern for The Nature Conservancy so that we can learn from the experts.

Mary Ann: We think about succession in different ways. For my grandmother’s operational foundation on ageing that is already established, we are engaging the next generation at the board level, hoping that one of them will eventually take over the chairmanship.

At the family foundation level, we are organizing it in such a way that the next generation can also access the funds (albeit in smaller amounts) so that they can start to make some grants of their own under the guidance of the more experienced family members and the professional CEO.



Do you include spouses in the decision-making or on your board? Is it advisable?

James: This is part of any family’s policy whether spouses are in-laws or out-laws. There is no right and wrong, but a function of family values. While our family is cautious in involving spouses in operating business and family office decision-making, we encourage spouses to engage actively in family philanthropy to deepen mutual understanding and trust relationships amongst family members (family cultural capital) and as opportunities to communicate and apply family values.

Victor: We do not include spouses but we do not rule this out.

Mary Ann: I don’t see any reason not to involve spouses.

Do you broadcast the good work done by the foundations or do you work quietly?

James: While the values and norms of some cultures, including Chinese, traditionally frown on broadcasting charitable good works, in the case of innovative and effective philanthropy, if the reason for broadcasting is not for self-aggrandizement or ulterior motives but to share innovative best practices or new proven high-impact models for replication or scale-up, then broadcasting the good work is a leveraging opportunity for even greater impact through learning and inspiration for other philanthropists.

Victor: Once we have accomplished something big, we will talk about it. We do not like to talk about our work that have not yet yielded any results. For instance, Djarum Foundation supports Indonesian badminton and we typically publish the accomplishments after the competitions.

Mary Ann: My family is quite low-key and we generally like to fly under the radar. However, my grandmother’s foundation also advocates for change at societal and government levels (such as for mindset and/or policy change), so in that regard, it is important to talk about the issues and solutions. Publicizing the work also helps to attract like-minded people from whom we can learn, collaborate and seek opportunities.

On July 23, 2021, the UN General Assembly approved its first-ever resolution on vision, calling on its 193 member nations to ensure access to eye care for everyone in their countries which would contribute to a global effort to help at least 1.1 billion people with vision impairment who currently lack eye services by 2030. This is a campaign that James, founder of the Clearly campaign to promote global vision, has campaigned for the past 18 years. Congratulations on this significant milestone!

The Role of Philanthropy in Supporting Mental Health



Across the world, in just these past 2 years, public awareness of mental health issues has soared and mental health organizations have seen an overwhelming demand for services. The Organization for Economic Cooperation and Development (OECD), an international organization that works to improve policies and lives, carried out research on the mental health impact of the pandemic. It found that mental ill-health weighs heavily on societies and economies; the economic burden of mental ill-health can rise to up to 4% of GDP, and those with mental illness have poorer educational and work outcomes than those in good mental health.

In Singapore, persons in recovery (PIRs) from mental health conditions continue to face significant challenges in employment. According to the latest Singapore Mental Health Study (2016), the rate of unemployment among those with at least one mental disorder was 8.3% compared to the 4.8% unemployment rate in those without mental illness. In addition, data from the National Council of Social Service (NCSS) revealed that job sustainability is one of the challenges faced by persons with mental health conditions. This could be due to various reasons such as stigma and lack of job readiness.

To support persons in recovery, one of our donors, C Plus V Foundation, is giving towards a program that seeks to improve their employment retention outcomes through job training and support from social service agencies, the placement agency and employers. This program is adopting an innovative philanthropic model, where the donor receives a payout from outcome funders should the program achieve the desired outcomes. These payouts can then be recycled into other philanthropic projects. Besides improving job retention for persons in recovery, this program also hopes to establish if there is appetite for such non-traditional giving methods among philanthropists.

As a philanthropist, how can I help? This October, SymAsia will be organizing events for donors keen to gain insight into the ways in which donors can help fund mental health recovery and wellness. We look forward to sharing more details with you soon. Please approach your Relationship Manager if you would like more information.



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