PHILANTHROPY | 19 SEP, 2022

Intergenerational wealth transfer to increase philanthropic contributions

As the lines between investments and impact blur, new wealth owners want their philanthropic activities aligned with their business mission, says Credit Suisse's Dawn Tan.

BY **NITHYA SUBRAMANIAN**

The Covid-19 pandemic has seen the wealthy increasing their contributions to philanthropy, but with trillions of dollars set to be transferred to the next generation, this is only expected to rise further

In the last year, SymAsia Foundation, a platform established by Credit Suisse in Singapore that supports wealthy clients in their philanthropy, has seen clients' donations to their foundations increase by 35%, with disbursements rising by 49%. Simultaneously, there was a 33% increase in the number of foundations it serves.

'With the intergenerational wealth transfer, there is a definite shift in how the younger generation view philanthropy as they are more socially conscious and want to bring purpose to wealth,' said Dawn Tan (pictured above), vice president, philanthropic advisory, Asia Pacific, Credit Suisse and deputy chief executive officer, SymAsia.

'They are redefining philanthropy in several ways, through their lifestyle and business.'

Thomas Ang, director, global head of family office services, Credit Suisse Hong Kong branch, said that because of the generational transition, the need to do good had become important. 'Traditionally family offices have been related to making money, but we increasingly see the need to bridge the gap (between growing wealth and giving).'

Tan added that while new wealth owners might be moving beyond merely signing cheques, even though grant making remains a basic component of philanthropy, they were keen on sharing their expertise and network. 'They want their philanthropic activities aligned with their business mission,' she said.

Philanthropy has always been a part of legacy building but the giving is only going to increase in Asia as wealth moves across generations. Ang said that this was visible in the growing number of foundations that were being set up by organisations such as SymAsia.

ESG investing and philanthropy

With ESG investments gaining ground among wealthy families, Tan said that there was a need to have more clarity around it and how Asians understood it.

Ang (pictured above) said that despite the greenwashing scandals, ESG was here to stay, even as the lines between investments and impact blur. 'While clients should continue to be proponents of ESG, they must also be outcome driven,' he said.

Hence, new wealth owners in the region should not delineate their capital into discrete pools for investments and philanthropy, but should apply a social impact lens across their assets, including their businesses, they said.

Family offices that have been investing in private equity and venture capital are now engaging in 'moonshot philanthropy', which is the concept of funding high-risk, out-of-the-box ideas to identify scalable solutions for today's societal and climate challenges.

Expansion of donor base

In recent years, with more family offices coming to Singapore and the spread of Covid-19 infections, SymAsia has seen its donor base becoming more globalised. Among the new foundations set up since the pandemic, two-thirds of them have non-Singaporean donors. While the overall rate of giving had grown, the proportion of giving towards Singapore had dipped, given the more globalised client-donor profile, it said.

Tan added that during the pandemic, contributions towards healthcare, research and frontline staff had been at the forefront. But the giving had moved from traditional causes such as bursaries, scholarships, professorship, low-income families to more niche areas, such as helping people with special needs or disabilities, mental health service, animal welfare and so on. Even within education, previously a lot of support had gone into universities, but now it was towards early education, after-school care and similar causes.

Related News

Credit Suisse to tap start-up wealth for building family office business

Citi: Families must be prepared to face a decade of turbulence

Credit Suisse: NextGen philanthropists focus on impact

Latest News