

The philanthropic services of the financial centre

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Geneva's private banks, independent asset managers, *family offices*, lawyers and fiduciaries offer their clients structured philanthropic services. These services include advice on the objectives and strategy of the commitment, the establishment and administration of foundations, the management of foundation assets, the selection and monitoring of projects, the evaluation of the effect of the support given and coordination with partners.

Several institutions have created umbrella foundations, which allow donors to set up a fund under the aegis of an existing foundation without creating their own structure, thereby reducing costs and simplifying governance.¹ These foundations offer a suitable solution for donors whose means do not justify a foundation of their own, or who wish to benefit from the expertise of an established structure.

Philanthropic advice has become professionalised. It draws on methods of project evaluation, on knowledge of partner organisations, on an understanding of sectoral issues — health, education, the environment — and on coordination with the actors of International Geneva. The proximity of the international organisations and the non-governmental organisations is an advantage for Geneva philanthropists: they can meet the actors, visit the projects and join global initiatives.

Philanthropy forms part of families' estate planning. It makes it possible to pass on values to the next generations, to bring family members together around a common project, to dedicate part of the family wealth to chosen causes and to benefit from tax advantages. The *family offices*, whose role Part E described, often coordinate this dimension.

Worked example. A Geneva family decides to devote CHF 20 million to a public-benefit foundation dedicated to education in West Africa. If the capital is invested at a return of 3 per cent, the foundation has CHF 600,000 a year available for its projects without drawing on its capital. The initial

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donation is deductible from the founders' income within the statutory limits, while the foundation's assets escape inheritance duties. If the family prefers to distribute the capital over ten years, it can support projects to the extent of CHF 2 million a year. The figures are fictitious.

1 Notes

1. Lombard Odier, press release of 9 June 2023: the Fondation Philanthropia, an umbrella foundation created in 2008 by the partners of Lombard Odier, has hosted more than 40 sheltered funds, received CHF 138 million and distributed CHF 75 million through some 1,300 grants to more than 400 organisations (humanitarian and social around 50%, education 25%, medical research 15%, sustainable development 11%); chaired by Denis Pittet, managing partner. Swiss Philanthropy Foundation (swissphilanthropy.ch): independent umbrella foundation established in Geneva in 2006. ↩

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