

ADDING VALUE

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phi·lan·thro·py

/fəˈlanθrəpi/

noun

the desire to promote the welfare of others, expressed especially by the generous donation of money to good causes.

synonyms: benevolence, generosity, humanitarianism, public-spiritedness, altruism, social conscience, charity, charitableness, brotherly love, fellow feeling, magnanimity, munificence, liberality, largesse, openhandedness, bountifulness, beneficence, unselfishness, humanity, kindness, kindheartedness, compassion

historical; almsgiving

"a family noted for its philanthropy"

THE PITTSBURGH FOUNDATION

We are fortunate in our city to have an organization that helps citizens make an impact with their charitable giving, while maximizing tax benefits at the same time. The Pittsburgh Foundation (TPF) has nearly 70 years of experience and more than 1,800 funds for people who share a passion for giving and a deep commitment to making this community better. Donors with The Pittsburgh Foundation have made a difference by:

- Supporting the arts
- Furthering education
- Performing cutting-edge research
- Helping animals
- Giving to the poor
- Conserving the environment
- Caring for the aged and neglected
- Providing services to youths and families
- Aiding our veterans

In addition, The Pittsburgh Foundation publishes twice annually a "Wish Book" and provides individuals and families a unique opportunity to make a difference by purchasing tangible items of \$2,500 or less that are much needed by nonprofit organizations. If anyone needs any ideas for donations, this is a great place to start.

I recently met with the Senior Development officer, Kate McKenzie, at The Pittsburgh Foundation, to learn how the organization works and to discuss opportunities our clients have for charitable giving. Some of the questions and answers we discussed are as follows:

KW: What type of foundation is The Pittsburgh Foundation, and why is it a good option for clients to consult regarding their charitable giving?

KM: The Pittsburgh Foundation is the community foundation for the Greater Pittsburgh area. For more than 70 years, donors have trusted us to set up individual, named funds under our umbrella. We work with

ADDING VALUE is mailed and posted on our website quarterly to our clients and friends. The intent of this publication is to share some of our more interesting views and research.

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them and their investment advisors to create a philanthropic plan that distributes grant dollars out to the causes donors care about most in their community, either during or after their lifetimes. The Pittsburgh Foundation is a great fit for individuals who are interested in thoughtful grant-making, philanthropic planning and tax-efficient strategies to create a fund that will grow and support their charitable intent forever.

KW: Are there tax benefits of working with the Foundation?

KM: Because the Foundation is a 501(c)(3) nonprofit, donors who start a fund with us receive an immediate, up-front tax deduction. Once the fund is established, each donor works with a dedicated donor services representative who assists them in identifying their charitable interests and works on a philanthropic plan that captures the goals of the donors. Think of that person as your philanthropic concierge. There are several fund types that are available to donors. The most popular fund is the donor-advised fund, which gives the donors flexibility to support many organizations during their lifetime, and the possibility to involve their children as successor-advisors to the fund. We also offer scholarship funds, for those who would like to honor or memorialize a loved one by supporting education, and designated funds, for donors who would like to direct all their grant-making to a specific organization.

KW: Can you describe what you mean by “high-touch philanthropic services” for your donors?

KM: It’s that concierge idea I mentioned earlier. We are there to work alongside our donors and their trusted advisors every step of the way. To start, establishing the donor’s philanthropic values is important. We utilize our Center for Philanthropy to facilitate multi-generational, values-based conversations with families to identify what type of change they’d like to see in their community, or in the world. We are also equipped to connect donors and their families with the nonprofit community, which could translate into volunteer opportunities, customized site visits or grant-making opportunities that match their interests. We also host numerous education events throughout the year where donors can learn more about the pressing needs in our community, and how they might help make an impact.

KW: What types of organizations can donors support through the Foundation?

KM: Donors can make grants from their fund at The Pittsburgh Foundation to contribute to any nonprofit that is in good standing with the IRS. Our donors can be certain that their money will follow their intent, as we conduct due diligence before we distribute the funds to the grantee. Donors can make a grant to any nonprofit based domestically, or to an international organization that maintains a U.S. presence.

KW: What is the process to start a fund at the Foundation?

KM: A fund can be set up in as little as 48 hours. The first step would be for the client to contact a team member at Wright Associates, who would then introduce them to The Pittsburgh Foundation for a planning meeting. The process works best when the donor, advisor and The Pittsburgh Foundation are at the planning table together to assure that the client receives the maximum benefits from the advisor’s expertise in tax planning and from our experience establishing meaningful grant-making opportunities that matches their family’s values. Since Wright Associates is an approved third-party investment manager, clients will be able to continue to use your investment management services to grow the charitable fund they establish at The Pittsburgh Foundation. It’s a seamless process that is easy for the donor. And, it’s incredibly rewarding. There’s nothing quite like seeing a family come together to make a difference.

KW: What types of specific funds are available at The Pittsburgh Foundation?

KM: Several types of funds are available, but these are the most popular:

Donor Advised Funds:

- Allow donors to recommend grants to specific nonprofit organizations in the community, throughout the United States and other parts of the world.
- The original donor may determine what the purpose of the fund will be after the donor's death, or may appoint future advisors who will advise on its distribution annually.

Board Designated Funds:

- Allow donors to specify eligible, tax-exempt nonprofit organization(s) to receive annual grants in perpetuity.
- Should the organization(s) cease to exist after the donor's death, the Foundation will honor the donor's original intent by making grants to an existing organization with the same mission or purpose.

Scholarship Funds:

- Benefit students locally and throughout the United States.
- Elementary, high school, college, graduate or technical school students.
- Donors may choose the type of assistance they would like to provide, i.e. tuition, the purchase of school-related equipment and supplies, etc.

KW: Are donors able to use their Required Minimum Distribution (RMD) from their IRA to establish a fund at The Pittsburgh Foundation and receive tax benefits?

KM: The IRS has put regulations in place that does not allow required minimum distributions from an IRA to be given directly to a donor advised fund. With that being said, there are other types of funds that can be established with RMDs. Scholarships and Board designated funds are two of these, and give the donor the option of either supporting a student in their academic endeavors, or an organization who will receive all of the fund's grant-making dollars. If the donor seeks to establish a donor advised fund and wants to use RMD dollars, there is an option for the donor to take the distribution themselves, pay the tax on the required minimum distribution, then take the charitable deduction on their tax return to offset the tax.

KW: Two clients of our firm have established funds with the Pittsburgh Foundation. Wright Associates has been approved as an Investment Advisor in the TPF platform. Can you explain this process?

KM: Our Investment Committee, which is appointed by the Foundation's Board of Directors, is charged with designing, administering and monitoring the results of these investment programs and fiscal policies. At regular intervals, the Foundation's Investment Committee evaluates the performance of the portfolio and the component investment managers relative to stipulated benchmarks and against national peer institutions. Our investment goal is to maximize total return in any combination of its income or capital appreciation components. We believe this approach provides the fewest constraints on our investment managers and therefore, puts us in a better position to demand superior investment performance results. This means that any type of fund that you create with TPF will continue to be managed by Wright Associates.

To learn more about the programs at TPF, visit www.pittsburghfoundation.org or call us.

ANNOUNCEMENTS

2017 is off to a busy start!

We are going to accomplish (or have accomplished) the following in the first half of the year:

1. Adjust our investment expectations to a Trump Presidency.



2. Welcome Harrison Robert Wright, Adam's second son, on 3/1/17 at 12:42 am, weighing in at 6 lbs. and 20 ½ inches.

3. Congratulate Daniel Bartosh on 3/14/17 for passing the CFP examination. Daniel hopes to become a CFP practitioner in mid-2017 after completing the necessary paperwork and final approval process. With this announcement, we continue our tradition of being well-educated with 4 MBA's, 3 CFA's and 1 CFP!



4. Marry our second son, Alec Wright, to the love of his life, Kelly McCauley on 4/22/17.



5. Move our office at the end of May to our newly designed space in Mt. Lebanon, PA (more on this development later).
6. Journey to China during the month of June to review for ourselves the developments in this rapidly changing economy. (A Disney documentary "Born in China" will be released on Earth Day (4/22/17) that highlights the area we are visiting. The scenery is monumental; the animals delightful.)



WHEW!

Sincerely,

Kathleen S. Wright, CFA
A. Gregory Lintner, CFA
Adam K. Wright, CFA
Daniel J. Bartosh