

College Donor

QUARTERLY

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Cultivating Philanthropic Values in Your Children

by Rebecca Richards, Program Manager

When philanthropists give to colleges and universities, their generosity communicates the enduring value of education to the next generation. Yet, donors are often at a loss for how effectively to involve family members, especially children, in the giving process. Here are some principles to help navigate potentially fraught conversations about philanthropy. They are likely to be especially helpful for protecting donor intent in gifts to higher education.

Know your long-term goals.

Decisions regarding the vehicle for your philanthropy, such as whether to give through a donor-advised fund or a family foundation, are consequential. They should only be made after you clarify, in consultation with your family, your philanthropic values and establish your objectives. Choosing the right giving vehicle depends on whether you want giving decisions to be made collectively or ultimately for your children to develop their own approaches to philanthropy. These goals may change as your children

grow and express new levels of interest in charitable endeavors, but forming first a clear sense of your ideal can help you make important decisions that will shape the future of your philanthropy.

Communicate clear expectations.

Including family members in making significant financial decisions is complicated, and philanthropy is no exception. Be as upfront as possible about your plans. Your family members should know whether you are delegating decision-making power or simply asking advice. Do you want them to have control over gifts once you step away? If you have set up a charitable trust, your family should understand decision rights, timeframes for stepping away, and the practical side of required payouts and financial structures. The practice of routine, honest conversations can mitigate conflict from unmet or unrealistic expectations.

Set an intentional example. "Charity begins at home" is a cliché that holds

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FAR is a program of the
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INTELLIGENT COLLEGE GIVING. The Fund for Academic Renewal serves alumni and college donors who aim to support a renewal of the highest standards on college campuses through targeted philanthropy.

FAR IN THE FIELD: Heterodox Academy Conference

In June, FAR Program Coordinator Emily Rees attended Heterodox Academy's 2022 conference, "Renewing Spaces of Knowledge and Trust," in Denver, Colorado. Heterodox Academy (HxA) is a nonpartisan nonprofit with a mission to improve the quality of research and education by promoting open inquiry, viewpoint diversity, and constructive disagreement in institutions of higher learning. The conference drew over 500 attendees and featured more than 30 sessions on topics such as building public trust, defending academic freedom, and disagreeing constructively.

Jonathan Haidt, Thomas Cooley Professor of Ethical Leadership at New York University and cofounder of

Heterodox Academy, opened the conference by addressing the very real challenges facing higher education and how to overcome them. He remarked, "Either we're in discover mode or defend mode. You simply can't do education when students are in defend mode. Anything we do to put people in discover mode will save our academy."

By collaborating with free speech-minded organizations like Heterodox Academy, as well as with concerned alumni and donors, ACTA is working to reverse these alarming trends and strengthen higher education's commitment to free speech and open discourse. 🌱



FAR Program Coordinator Emily Rees with ACTA colleagues Steven McGuire and Kyle Beltramini at HxA conference in Denver.

Oasis Profile: Cornell University's Chesterton House

ACTA's Fund for Academic Renewal is pleased to announce that Cornell University's Chesterton House is now an Oasis of Excellence. Chesterton House has a two-acre residential where more than 40 full-time Cornell students live, dine, and study in the Christian tradition.

In 2000, Karl Johnson—a 1989 Cornell graduate who went on to pursue graduate studies—founded the center as a resource room with 1,000 texts. He sought to help make the "intellectual resources of the historic Christian faith more accessible to students." Dr. Johnson, with help from other Christian scholars, shortly began hosting events and discussion groups.

In 2014, generous donors Susan and Greg Gianforte provided a \$1 million gift for the purchase and renovation

of a residential facility, which include separate men and women's residencies. In this college-like community, students can integrate their intellectual growth with their religious faith among similarly committed peers, despite a complete

Christian tradition and its critics, a course which is open to Cornell students more broadly.

Jamie Chong, who graduated from the program in 2012, said, "Chesterton House discussions helped shape my learning and worldview while navigating my way through college—the questions we asked, how we answered them, and the resources we referenced are all still active, practical, and integral parts of my life. I'm so thankful to pray for and support this ministry."

“The questions we asked, how we answered them, and the resources we referenced are still active, practical, and integral parts of my life.”

— Jamie Chong, Chesterton House Alumna

spread of ideological viewpoints, religious traditions, and academic interests.

Throughout the year, the Chesterton House provides programming for the entire campus with numerous special events, lectures, and social gatherings. The program recently began a one-year guided introduction to the classical

Chesterton House is led by Executive Director Vivek Mathew. Initially educated in computer science and employed in quantitative finance on Wall Street, Dr. Mathew obtained his M.Div. from Princeton Theological Seminary in 2011 and his Ph.D. in Philosophy from Cornell University in 2019. 🌱

Consider Giving Through a Donor-Advised Fund

In 2021, donor-advised funds (DAFs) distributed \$39 billion dollars to charitable causes, 29% of which went to education, according to the Giving USA Foundation. DAFs offer potential advantages for higher education donors, including greater flexibility and ease of set-up and use.

Donor-advised funds allow donors to receive an immediate tax deduction when they deposit funds, but funds remain in a charitable savings account to grow, through investment and interest, until donors elect to make a gift. Philanthropists can set up a donor-advised fund in a matter of minutes, using cash, stocks, or other investments, and there is no annual payout rate, in contrast to the 5% payout the IRS requires of foundations.

Once contributions are deposited into a donor-advised fund, the donor loses legal ownership, and the funds can only be used for charitable purposes. Losing legal ownership means donors can only “advise” or make a recommendation of which charity they would like the funds to support. In almost all cases, DAFs will make the donation. However, DAFs do maintain the right to refuse a donor’s request, like a ticket for a charity event that the donor wants to attend or donations to organizations that are not 501(c)(3)s like political campaigns or crowdfunding efforts.

Typically, donors can choose a name for their DAF just as they would for a private foundation. DAFs can be particularly helpful for donors who value privacy because, unlike private foundations, gifts from a DAF can remain completely anonymous. Each giving vehicle has its pros and cons. Private foundations require more time and effort to establish, but donors giving through a private foundation retain full legal control of their giving. DAFs simplify the process and do not require an annual 5% payout. Although there has been discussion in Congress to mandate minimum DAF distributions, there are currently no federal regulations for DAF payouts.

The advantages of donor-advised funds—immediate tax deduction, flexible payment schedule, no annual payout requirement, and anonymity—make it a giving vehicle worthy of consideration. 🌿

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true. By practicing generosity early on, your children can see how giving touches daily life. From donating lightly used toys or clothing to volunteering at a local nonprofit, there are many creative ways to give as a family that do not require a financial investment. Receiving a fundraising request is a chance to discuss what you believe is worth supporting and how. It is also a time to listen to what other members of the family see as pressing issues in the world. Regular giving teaches by example that generosity is a part of a life well lived, something that donors know well.

Include family in college giving. Strong family support is especially important when it comes to protecting donor intent in higher education philanthropy, which often entails more permanent, endowed gifts. Discussing philanthropy with people who know your values can help you define your goals. Family members can also monitor the use of funds and push back if the university violates your original intent.

Signing a check is simple; the conversations leading up to that point are more often not. Although finances

can be a difficult topic for many families, with practice, these conversations can create a culture of generosity and respect that keeps on giving. 🌿



*“Did I just give, or did I give wisely?
That is the question.”*

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Intelligent College Giving



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About FAR

A program of the American Council of Trustees and Alumni, the **Fund for Academic Renewal** (FAR) serves alumni and college donors who aim to support a renewal of the highest standards on college campuses through targeted philanthropy.

With access to a network of on-campus contacts, FAR assists donors in maximizing the impact of their investment by helping them craft gift agreements that are carefully tailored to achieve their goals. FAR has guided over \$180 million in gifts since 2016. Because every gift is different, FAR offers personalized guidance for individuals at every giving level.

Thanks to a generous grant from the Diana Davis Spencer Foundation, FAR provides these services, including legal consultation from Arnold & Porter LLP, at no cost to donors.



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