Philanthropy Impact

Inspiring Philanthropy and Investing for Impact

MAGAZINE

DOES STRUCTURE MATTER? RETHINKING THE ARCHITECTURE OF GIVING AND IMPACT INVESTING

Understanding the building blocks of modern philanthropy and impact investing: trusts, foundations, donor-advised funds, operating charities, as well as investing for impact

THE FIRST ISSUE OF A FOUR-PART SERIES



EDITORIAL – DECIDE WHAT YOU WANT YOUR WEALTH TO DO FIRST, CHOOSE THE VEHICLE LAST



THE STRUCTURE BEFORE THE STRUCTURE: WHY TRUST IS THE FIRST ARCHITECTURE OF GIVING



THE 95% QUESTION: DOES STRUCTURE MATTER? YES – BUT NOT IN THE WAY WE KEEP DISCUSSING IT



THE CONFIDENCE TO GIVE: WHY STRUCTURE SHOULD FOLLOW PURPOSE

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Get the questions right, and the vehicle often chooses itself



Editorial – Decide What You Want Your Wealth to do First, Choose the Vehicle Last
John Pepin – Philanthropy Impact
What happens when a team switches off the very equipment it was funded to run, and everything works better? John Pepin opens this issue with that surprising story from Malawi. Then he asks the question that runs through all the articles: does structure matter? His answer is yes, but rarely in the way we expect. He draws on six trends reshaping philanthropy, from an $83 trillion wealth transfer to a striking gap in advice. From them he makes a case that the vehicle should be the last decision, not the first. Advisors, families and Boards will come away with one question to ask before any other: what do you want your wealth to do, what is it for?



The Structure Before the Structure: Why Trust Is the First Architecture of Giving
Elizabeth Baitson BEM – High Net Connect
As a mathematician, Elizabeth Baitson is naturally drawn to structure, but she argues that a less visible one comes first: the architecture of intention, shared language, relationships and trust. Recounting an introduction between a founder and an investor who used the same word, impact, for very different ambitions, she shows how partnerships falter when the transaction is designed before the relationship. Shared vocabulary, she warns, does not mean shared meaning, and trust does not replace due diligence but makes it usable. Her advice is to begin one question earlier: what are we trying to preserve, enable and pass on, and do we all mean the same thing?



The 95% Question: Does structure matter? Yes – but not in the way we keep discussing it
Gina Miller – SCM Direct and MoneyShe
Drawing on thirty years in investment management and a decade running a family foundation, Gina Miller reduces the structural choice to three questions: who controls it, how long it lasts and whether you fund the work or do it yourself. Her sharper challenge is about the endowment: what is the other 95% of the money doing? She notes that tax relief is given in full up front while UK foundations face no payout rule, and that Butler-Sloss has removed the excuse for misaligned portfolios. Seven practical suggestions follow, from trialling a DAF and aligning investments with purpose to publishing payout rates.



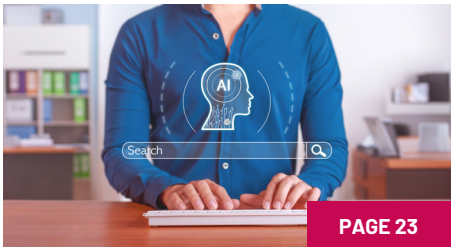
The Confidence to Give: Why Structure Should Follow Purpose
Isabelle Montague-Johnstone – Barclays Private Bank
'Do I need a foundation?' is often a donor's first question. Isabelle Montague-Johnstone argues it should come second, after clarity about purpose, values, ambition and how involved the donor wants to be. Barclays' research, The Modern Philanthropist, found that 84% of high-net-worth individuals want more advice on structuring their giving, yet only 40% feel confident about giving effectively. Good advice, she suggests, starts with the individual rather than the vehicle and builds the confidence to take a thoughtful first step, recognising that priorities will change over time. Structure then becomes an enabler of the giving rather than its starting point.



The Chance to Shape the Future: Why the Next Generation of Wealth Cannot Afford Its Parents' Patience
Alexander Rhodes – Mishcon de Reya
With one of the largest wealth transfers in history under way and inequality at record levels, Alexander Rhodes argues that private capital has a rare chance, and a pressing reason, to act now. Drawing on Carnegie's Gospel of Wealth, the Rockefellers' high-risk bets and Julius Rosenwald, who wrote a sunset clause into his foundation, he makes the case for deploying capital at scale and with real appetite for risk, rather than letting it compound quietly across generations. The main barrier, he argues, is execution rather than intent: families need trusted structures, clear priorities and frameworks that create urgency rather than delay.



When structure shapes behaviour: the human consequences of how we organise family giving
Catherine Grum
Catherine Grum asks advisers to look beyond legal form, tax and governance to a different question: what behaviours, relationships and experiences will this structure create? Treating the family as a system of relationships, information flows and incentives, she argues that introducing a structure is an intervention, not simply a way of holding assets. A vehicle built for prudent stewardship can quietly limit younger members' chance to practise decision-making, or create the appearance of participation without its substance. She urges families and advisers to revisit structures over time and ask what they are producing, and what they have taught the people inside them.



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What AI Search Says About a Foundation, and the Family Behind It

Tony McChrystal – Pavesen

Grantees, journalists and prospective partners increasingly ask AI assistants about a foundation rather than visiting its website, and the answers often link the giving to the founder, the business and any old disputes. Tony McChrystal shows how choices made when a vehicle is set up, together with what public registers such as the Charity Commission's already disclose, shape what strangers are told. Some families find their philanthropy is the most visible thing about them; others find it hidden behind an old story. He urges advisers to raise visibility early, so families can weigh it against discretion deliberately rather than discover it by accident.


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Who holds the keys? Crypto giving is a governance question before it is a technology one

Hashim Ruan – Helius Network

Hashim Ruan argues that with cryptoassets, whoever holds the private key controls the funds, whatever the governing document says, which makes the receiving structure more important than the coin. He compares three routes: a charity holding assets directly, an intermediary converting them to sterling within a day, and a DAF or foundation handling conversion and due diligence once on behalf of several charities. For those that hold digital assets, he sets out practical controls, from multi-signature wallets matched to the trustee quorum and separated keys to conversion policies and provenance checks, and explains how tax treatment should shape the route a donor chooses.


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Does Blended Capital Need a Blended Architecture?

Sarah Haile – Walgate

Sarah Haile notes that many families now want to combine grants, impact investment, concessionary lending and their own networks and expertise, yet the traditional charitable trust is poorly suited to this blended approach. Since Butler-Sloss, trustees may weigh non-financial factors but are not obliged to. She compares non-charitable alternatives, including family investment companies with an impact mandate and community interest companies, and weighs their flexibility against lost tax reliefs and public accountability. Her conclusion is that a group of vehicles, each matched to a form of capital, often achieves more than a single structure. Nine practical questions for families follow.



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Blended Finance is Not Neutral: Designing Capital around the Problem

Christopher Burke – WMC Africa

Christopher Burke warns that blended finance can repeat development aid's oldest flaw: letting the supply of capital, rather than need on the ground, decide what gets funded. Requirements for revenue, traceable data, measurable outcomes and an exit route are legitimate, but they create an 'investability bias' that can exclude smallholders and capable local organisations where need is greatest. He sets out a practical test for philanthropists, trustees and advisers: what problem is being solved, which risks philanthropy should absorb, and whether private capital improves sustainability or has become the goal itself. Start with the problem, he concludes, then design the capital around it.



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Donor Agency and the Architecture of Giving: Why Structure Must Serve Purpose

Ted Hart

Ted Hart argues that the real question is not which vehicle is most sophisticated, but what it enables and what responsibilities come with it. He proposes four tests for any philanthropic structure: who can participate, what agency the donor has, who is accountable and what evidence shows that charitable purposes are being advanced. Distinguishing legal control from philanthropic influence in donor-advised funds, he urges advisers to start with the donor's purpose and to evaluate providers' real capabilities rather than assume them. He also reminds them that charities must be ready to receive and steward DAF grants for the whole architecture to work.

PHILANTHROPY IMPACT

Philanthropy Impact is the only organisation in the UK working exclusively at the intersection of wealth advisory, philanthropy, and impact investing and it has been doing so for 27 years. A WealthBriefing Wealth for Good Thought Leadership Award winner, its mission is to increase the flow of capital for good, enhancing the impact economy.

It is not a membership organisation that runs marketing campaigns. It is a system-change platform building the knowledge, confidence, networks, and culture that enable professional advisors across private client, wealth management, private banking, tax, and legal sectors to have richer, values-based conversations with their HNW and UHNW clients. Every interaction - a training completed, a convening joined, a framework applied - moves an advisor closer to the confident, purpose-led practice their clients demand and their regulator expects.

Through CPD-accredited, CISI-endorsed training including its Purpose-Driven Advising micro-credential, sector-defining research on Gen Z, Millennials, and Women of Wealth expectations, a rich programme of thought leadership, events, podcasts, and publications, and its 23 Impact platform, Philanthropy Impact provides the tools, insight, and ecosystem connections that transform technical advice into meaningful client partnerships. Working with Philanthropy Impact enables firms to reach new clients, retain meaningful relationships across generations, and reinforce their reputation as advisors genuinely committed to matching clients' values, goals, and ambitions.

Beyond advisors, it serves as a trusted convener across the full spectrum of capital connecting philanthropists, impact investors, trusts and foundations, and charities and social enterprises with the people, networks, and resources that turn intent into action.

The cumulative effect is measurable. Firms offering philanthropic and impact investment advisory services achieve six times the median assets under management, three times the organic growth, and 1.3 times more new money than those that do not (Fidelity Charitable Research). Its member ecosystem represents between £1 and £3 trillion in client assets globally, with an 89% membership renewal rate and 39% year-on-year growth in new members.

For professional advisors seeking to close the capability gap, and for wealth holders who want their capital to reflect their values, Philanthropy Impact provides the knowledge, networks, and frameworks to move from intent to impact.

Centre of Excellence

- Training for professional wealth and finance advisors: bespoke CPD Certified and CISI Endorsed training courses including eLearning and in person training, providing training across the spectrum of capital from impact investing to philanthropy designed to enhance an advisor's ability to support their clients on their values-based journey.
- 23 Impact: The new platform to enable online networking opportunities.
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- Podcasts: focused on philanthropy, impact investing, and sustainability.
- Training for major donor and corporate fundraisers: bespoke CPD self-certified training for high-value fundraisers working with (U)HNWI, to help them understand the role of their professional advisors and to strengthen professional relationships that will transform their fundraising.

Publications and Research

- Developing our 'body of knowledge'
- How-to best practice guides
- Technical content and analysis
- Market research nd case studies
- Philanthropy Impact Magazine

Philanthropy Impact Public Affairs

- Advocacy: lobbying for policies and regulations that encourage philanthropic giving and impact investment
- Engagement with government and key policy stakeholders

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The purpose of the magazine is to share information about philanthropy and impact investment in a domestic and international context. We welcome articles and other forms of contribution, and we reserve the right to amend them.

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Philanthropy Impact

Inspiring Philanthropy and Investing for Impact



Philanthropy Impact is a membership organisation committed to fostering collaboration across philanthropy, social investment, ESG, and impact sectors, amplifying capital flow for social good.

COME AND JOIN PHILANTHROPY IMPACT TODAY:

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Philanthropy Impact offers guidance to support your clients through the challenges faced in their philanthropy and impact/ESG investment journey.

We offer a programme of training and educational events.

We support your team to ensure you are offering your clients a high quality service for philanthropy and impact/ ESG investment advice to help them achieve their goals and ambitions.

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Philanthropy Impact members automatically receive our online magazine subscription and are able to access information from many of our partners at a discounted rate.

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We give you a space to share your best practice experience, innovations and learnings with others in the network.

OUR REACH

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- **6,500+** active on our contact list
- **15,700+** CEO connections on LinkedIn
- **11,000+** connections on PI LinkedIn page
- Over **50 countries** across Europe, Asia, North America and Latin America

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Get in touch with the team today to learn more:

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START WITH WHY

OUR EXPERTS TALK STRUCTURE AND WHY A DONOR'S INTENTIONS ARE ALWAYS PARAMOUNT

BY THE PI TEAM

Capital should be designed around the problem, not the problem reshaped to fit the capital

ASK WHAT YOUR WEALTH SHOULD DO, AND THE VEHICLE OFTEN CHOOSES ITSELF

Ask a family how they intend to give and the answer is usually a vehicle: a trust, a foundation, a donor-advised fund. The articles in this opening part argue that this is the last question, not the first. Before anyone signs a deed, there are harder and more revealing questions to answer. What is the giving for? Who is involved? How long should it last? Who really holds control, and what will the structure ask of the people inside it?

Elizabeth Baitson begins one step earlier still, with the 'structure before the structure': the shared intention, language and trust without which even a perfectly drafted vehicle falters. Gina Miller asks what the other 95 per cent of a foundation's capital is doing while the grants programme takes the attention, and Isabelle Montague-Johnstone makes the case for purpose before structure. Alexander Rhodes adds urgency, arguing that the next generation of wealth cannot afford its parents' patience, while Catherine Grum shows how structures quietly shape family behaviour, for better and worse.

Other contributors turn to risks that are easy to overlook at the outset: how AI search will describe a foundation and the family behind it, who holds the keys when the gift is cryptoassets, and whether blended capital needs more than one vehicle to do its work. Christopher Burke warns that capital should be designed around the problem, not the problem reshaped to fit the capital. Ted Hart closes the part with four tests that any structure should pass.

Together, these pieces offer a practical toolkit for donors, families, trustees and their advisers, whether they are setting up a first vehicle or reviewing one that has been in place for decades. Structure matters enormously, but only once the right questions have been asked. Get those right, and the choice of vehicle often makes itself.



FORTY-ONE ARTICLES, ONE QUESTION: DOES STRUCTURE MATTER? THE ANSWER IS YES, BUT RARELY IN THE WAY WE EXPECT.

EDITORIAL

DECIDE WHAT YOU WANT YOUR WEALTH TO DO FIRST, CHOOSE THE VEHICLE LAST

JOHN PEPIN – EDITOR AND CHIEF EXECUTIVE PHILANTHROPY IMPACT

Switch it off: the best decision nobody planned

In Malawi, a social enterprise was running a solar-powered chill plant for women tomato farmers. For two years it worked. Then the main supermarket buyer pulled out, local traders began collecting almost daily, and warm fruit in the cold store started to grow mould. So the team tried something nobody had written into the plan. They switched the refrigeration off. The tomatoes were fine.

As John Chettleborough of Practical Action tells it, that better answer was found only because the funding allowed people on the ground to adapt. I keep returning to that story, because it captures what every contributor to this issue is telling us: we spend a great deal of time choosing the equipment, and far less asking whether it fits the problem.

OUR ARGUMENT

Does structure matter? Emphatically, yes, but not in the way the conversation usually goes. The trust, the foundation, the donor-advised fund and the impact investment fund all matter enormously, but they are the last decision, not the first. Structure is everything between a person's intention and the change they hope to see: the questions asked before a vehicle is chosen, the people inside it, and the terms on which money finally reaches those it is meant to help. Get those right and the vehicle often chooses itself.

THE LANDSCAPE: SIX TRENDS RESHAPING PHILANTHROPY AND IMPACT INVESTING

Six trends shape the ground on which every vehicle now stands.

- The great wealth transfer. UBS estimates that $83 trillion will change hands over the next 20 to 25 years, much of it to women, and a new generation will meet significant wealth for the first time. Many heirs will choose their own advisors rather than inherit their parents'.
- Fewer donors, larger gifts. UK high-net-worth giving reached an estimated £11.3 billion in 2024, yet the share of UK adults who give has fallen from 69% to 55% in under a decade. Philanthropy is becoming more concentrated, which raises the stakes on how the few structure what they give.
- Giving goes structured. In the US, 78% of wealthy donors now use at least one structured giving vehicle, up from 43% in 2018, according to The Philanthropic Initiative. In the UK, a quarter of high-net-worth individuals already have a donor-advised fund, and UK donor-advised funds hold a record £3.1 billion. Vehicles have never been easier to set up, which is exactly why the vehicle should not be the first question.
- Giving and investing converge. The global impact investing market is estimated at $1.57 trillion and the UK market at £76.8 billion, and a new generation weighs risk, return and impact across the whole balance sheet. The appetite is real but not unconditional, and several of our contributors test it below.
- From control to trust. The evidence for unrestricted, multi-year funding keeps growing, even as younger donors ask for proof of impact before making large gifts. Holding trust and evidence together is now part of the craft.
- The advice gap. Eighty-one per cent of wealthy UK donors want their adviser to raise philanthropy; only a third say it has happened. And Grace England cites research showing 42% of advisors find impact-first investing too complex, against just 6% of the wealthy clients they serve.



WHY NOW

Each of these trends ends at the same practical question: which structure? Demand is running ahead of advice, and that gap is where this issue lives. Our answer is that it is the right question, asked at the wrong time.

VALUES FIRST: WHAT CLIENTS NEED AND WHAT THE REGULATOR EXPECTS

For advisors, a values-led approach is no longer a soft extra. It is what clients are asking for, and it is increasingly how a firm shows it is meeting its regulatory obligations. Advisors who lead with what the client wants their wealth to do, rather than with a product or a vehicle, are answering the same question this issue asks.

The FCA's Consumer Duty, in force since July 2023, requires firms to act in good faith, avoid foreseeable harm and enable clients to pursue their financial objectives. For a client who wants their wealth to do good, those objectives include their philanthropic and impact goals. An adviser who never asks about them risks recommending a structure or a portfolio that does not fit, and will find it hard to show the outcome was a good one. The FCA is consulting on the Duty's scope and proportionality, but the obligation to deliver good outcomes is not going away. Four practical steps manage the risk:

- Ask and record. Capture a client's values, giving intentions and impact preferences in the fact-find alongside risk appetite and capacity for loss, and record it when a client chooses not to engage.
- Explain the trade-offs. Be clear about return, cost, liquidity, control and impact, so that the client understands what each vehicle or investment can and cannot do.
- Evidence the fit. Link every recommendation back to the client's stated purpose, and test value: a foundation, a trust and a donor-advised fund carry very different costs and burdens.
- Check the claims and know your limits. Under the FCA's anti-greenwashing rule, impact claims must be fair, clear and not misleading, so look through to the underlying holdings. Where a question goes beyond your expertise, bring in a specialist.



JOHN PEPIN – CHIEF EXECUTIVE, PHILANTHROPY IMPACT

John Pepin has over 20 years' experience as a social entrepreneurial consultant working internationally with charities, social enterprises, infrastructure support organisations and professional associations. He spent over 15 years as a Chief Executive of a variety of Canadian and UK charities/ social enterprises/ associations.

He is Chief Executive, Philanthropy Impact. Philanthropy Impact is a capacity building non-profit organisation at the intersection between philanthropy, social investment, and impact investment. Its mission is to increase the flow of capital for good.

It achieves mission by building the will and capacity of professional advisors (private client advisors, wealth management, private banking, tax and legal sectors) to support their (U)HNW private clients on their philanthropic and impact investment journey.

Its means for realising our vision includes thought leadership and sharing intelligence, events, CPD Certified CISI Endorsed training, 23 Impact, podcasts, bespoke networking opportunities, campaigning, publications including a magazine, and resources for advisors and other stakeholders.

Its stakeholders also include philanthropists, impact investors, trusts and foundations, and charities and social enterprises.

Customer centricity, in other words, starts with the same question as good philanthropy: what does this person actually want?

WHAT OUR CONTRIBUTORS FOUND

Three threads stood out for me.

- First, the most important structure is often invisible. Elizabeth Baitson calls it 'the structure before the structure': shared intention and trust. Catherine Grum shows how a vehicle can quietly teach the next generation to watch rather than decide.
- Second, giving and investing are no longer separate conversations. Gina Miller asks the uncomfortable question:





if a foundation's grants express its values, what is the other 95% of its capital saying? Sarah Haile asks whether families blending grants, loans and impact investment need more than one vehicle, Christopher Burke warns that blended finance must be designed around the problem rather than investors' requirements, and Grace England argues that a long-standing tax relief for investing in underserved communities is impact investing's best-kept secret.

- Third, the terms on which money arrives matter as much as the amount. Sarah Rank found that of 442 studies of grant-making over 30 years, only 83 asked grantees what they thought, and Myriam Vander Elst sets out the evidence that unrestricted, multi-year funding builds stronger organisations.

GIVING AND IMPACT INVESTING, SIDE BY SIDE

Our contributors show, again and again, how philanthropic capital can do the work of investment, through blended finance, recoverable grants and mission-aligned endowments. The natural next step is the reverse: investment capital doing the work of philanthropy. Impact investing is now a market of some $1.57 trillion globally and £76.8 billion in the UK, and it deserves the same place in the conversation, and the same priority, as a gift, a trust or a donor-advised fund. Grace England's piece shows it can be more accessible than many assume. When we ask what someone wants their wealth to do, giving and investing are both answers, and the best advice lays them side by side. That is a conversation I warmly encourage every advisor to have, and one we look forward to exploring further in a future issue.

YOUR GUIDE TO THIS AND THE OTHER FOUR PARTS

Part 1, Start with Why, gathers the questions that should come before any vehicle. Part 2, New Money, New Ways, looks at who is giving now and how, from donor-advised funds and collective giving to the penny at the till. Part 3, Where the Money Lands, follows the money to the charities and communities it is meant to serve.

MY INVITATION: BEFORE YOUR NEXT CONVERSATION WITH A CLIENT, A FAMILY OR A BOARD, RESIST THE URGE TO START WITH THE VEHICLE.

Please don't skip Part 4, Structure in Action. Its case histories include Krystal EO, which uses philanthropic capital to place profitable businesses permanently in employee ownership; Acumen's blended capital bringing electricity to the hardest-to-reach; a university in Argentina that ran its first capital campaign in ten months with no donor base; and Kenneth Ferguson's model for philanthropy as a bridge to public funding. It closes with a warning: Alain Joaris revisits the collapse of Kids Company, days after a £3 million emergency grant.

A QUESTION TO TAKE WITH YOU

If one thread runs through every page, it is this: structure is a means, not an end. It exists to serve people.

My invitation: before your next conversation with a client, a family or a board, resist the urge to start with the vehicle. Start instead with the question every structure in this issue must answer, whether the money is given or invested: what do you want your wealth to do? Then listen carefully. You may find, like that team in Malawi, that the best thing you can do is switch something off.

My thanks to every contributor. ■

A FOUNDER MAY THINK IN TERMS OF EXECUTION AND PROTECTING THE INTEGRITY OF AN ORIGINAL VISION. AN INVESTOR MAY IMMEDIATELY SEE SCALABILITY, SUSTAINABILITY AND RETURN.



THE STRUCTURE BEFORE THE STRUCTURE

ELIZABETH BAITSON BEM – WWW.HIGHNETCONNECT.CO.UK

Why trust is the first architecture of giving

As a mathematician, I am naturally drawn to structure. Structure gives us boundaries, clarifies responsibility and helps us understand what can move, where decisions sit and what happens when circumstances change.

So when we ask whether structure matters in modern philanthropy and impact investing, the answer is obvious: of course it does. A trust is not a foundation. A foundation is not a donor advised fund. A grant is not an impact investment. Governance, taxation, control, succession, reporting and regulation all change according to the vehicle chosen.

But through my work bringing together founders, investors, family offices, philanthropists, charities and professional advisers, I have become increasingly interested in something that happens before any of those decisions are made.

There is a structure before the structure. It is the architecture of intention, shared language, relationships, capacity and trust. If that architecture is weak, even an impeccably designed vehicle can struggle to deliver what everyone hoped it would create.

SHARED WORDS, DIFFERENT MEANINGS

I saw this clearly in an introduction I once made between a founder and an investor. On paper, the connection made sense. Both cared about impact. Both had experience, resources and serious intent. But they were using the same word to describe two different ambitions.

The founder was deeply committed to creating meaningful change for a tightly defined demographic. The investor saw the potential for a much broader reach and began offering ideas about how the project might expand. To the founder, that breadth risked diluting the original mission. To the investor, the narrowness risked limiting the scale of the opportunity.

Neither position was inherently wrong. The problem was that the difference had not been explored before the conversation became transactional.

Very quickly, two people who potentially had much to offer each other were talking at each other rather than to each other. The founder was understandably protective of the project. The investor was trying to contribute from a wider frame. The exchange became less about discovering what they could build together and more about each party explaining the world as they already saw it.

They had begun designing the transaction before designing the relationship.

That experience reinforced something I now notice repeatedly. Shared vocabulary does not necessarily mean shared meaning. Words such as impact, legacy, scale, stewardship, responsibility and success can sound like common ground while concealing very different assumptions underneath.

This matters because people naturally listen through the filter of their own mission. A charity may be intensely focused on the community it exists to serve. A founder may think in terms of execution and protecting the integrity of an original vision. An investor may immediately see scalability, sustainability and return. A lawyer or wealth adviser may be listening for governance, suitability and risk.

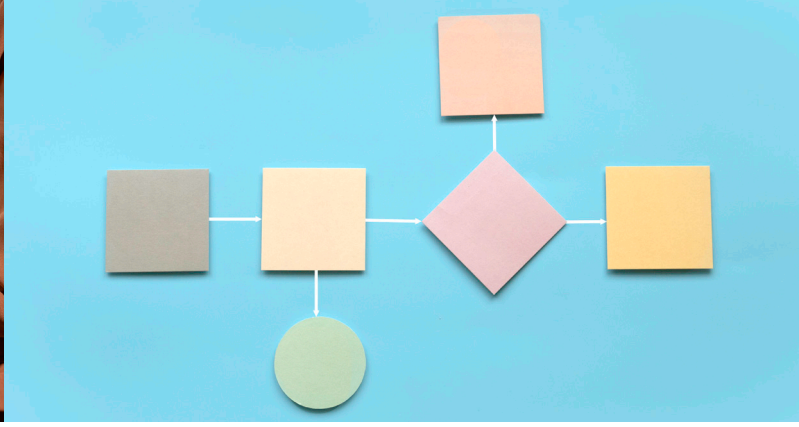
None of those perspectives is the problem. The danger appears when each participant becomes so fluent in their own language that they stop recognising the value being expressed in somebody else's.

FIELD INTEGRITY AND COMPATIBLE CAPACITY

This is why I have become interested in what I think of as field integrity: the quality of the relational environment that exists between people before formal structures are placed around them.

A field with integrity does not require everyone to agree. It requires enough trust, clarity and mutual regard for disagreement to be useful rather than destabilising. It allows different ambitions, capacities and perspectives to remain in conversation without one automatically overriding the other.





Capacity is important here, and I do not mean financial capacity alone. Strong partnerships do not require identical capacities, but they do require compatible ones. Can both parties listen? Can they remain curious when priorities differ? Can they communicate disagreement without immediately defending territory? Can they tolerate a different definition of impact long enough to discover whether the two definitions can coexist?

A mismatch in financial capacity is usually easy to identify. A mismatch in relational capacity is much harder to see, yet over time it can become just as consequential. If one party is ready for expansion while another is still protecting the original vision, that matters. If one sees the relationship primarily as a transaction while the other expects ongoing collaboration, that matters too. Eventually, those differences find their way into governance.

This is where the apparently soft questions become extremely practical. Relationships become governance. Values become investment criteria. Trust becomes delegated authority. Intentions become mandates. Family dynamics become succession planning.

FIVE QUESTIONS BEFORE STRUCTURE

Professional advisers therefore have an opportunity to begin one step earlier. Before asking which vehicle is most appropriate, they can help clients clarify the architecture that vehicle will be asked to hold.

1. **Purpose.** What change does this capital genuinely exist to create?
2. **Participation.** Who needs a voice in shaping the mission and making decisions?
3. **Control.** Which decisions must remain with the donor or founder, and which can be entrusted to others?
4. **Time.** Is this about immediate deployment, a lifetime programme or an intergenerational legacy?
5. **Success.** What does success actually mean: depth of impact for a small population, scale, financial sustainability, social return, or a combination of these?

The answers do not select the legal or investment structure by themselves. But they make the eventual structural decision far more intelligent.

The right philanthropic architecture is not necessarily the most sophisticated one. Complexity should earn its place. The objective is to create the simplest structure capable of faithfully carrying the intention, while remaining strong enough to accommodate the people, responsibilities and future decisions around it.

“Trust does not replace due diligence. It makes good due diligence usable.”

START ONE QUESTION EARLIER

So, does structure matter? Enormously. But perhaps we should begin one question earlier.

Before asking, ‘Which structure should we use?’, ask, ‘What are we trying to preserve, enable and pass on, and do the people involved understand those words in the same way?’

The strongest architecture of giving does more than organise capital. It gives intention somewhere durable to live.



ELIZABETH BAITSON BEM

Elizabeth Baitson BEM is the founder of High Net Connect, where she brings together founders, investors, family offices, philanthropists and professional advisers around high-trust relationships, opportunity and impact. A mathematician by training, she was awarded the British Empire Medal in the 2023 King’s Birthday Honours for services to business and entrepreneurs. Her work focuses on the relational architecture behind successful collaboration, particularly the roles of trust, shared language, capacity and field integrity in wealth, philanthropy and impact.

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THE 95% QUESTION

GINA MILLER – WWW.SCMDIRECT.COM | WWW.MONEYSHE.COM

Does structure matter? Yes - but not in the way we keep discussing it

Ask most families how they intend to give, and you will get an answer about a structure. A trust, a foundation, a donor-advised fund. The conversation almost always starts in a tax meeting and almost always ends with a vehicle. What rarely gets asked, in my thirty years in investment management and ten years running a family philanthropic foundation, and nearly twenty funding small dynamic charities, is a blunter question: what is the rest of the money doing?

Structure matters enormously. It just doesn't matter in the way the sector usually discusses it.

WHAT STRUCTURE DECIDES

Strip out the jargon, and a structural choice comes down to three questions, not one: who controls it, how long it lasts, and whether you intend to fund the work or do it yourself.

Who controls it? A trust or foundation you create is yours to run - you choose the trustees, you decide the purposes, and you shoulder the responsibilities. A donor-advised fund is not. You get the tax relief on your contribution and an advisory role thereafter; the sponsoring charity retains legal control. That suits some families and surprises others, and it should be on the table before anyone signs.

How long is it for? A foundation should be built to outlive you. A donor-advised fund (DAF), which can be opened in two weeks, serves many families far better and lets them spend a few years finding their funding feet before taking the plunge into a costly structure that requires trustees, staff and accounts.

The third question is the one that most often gets forgotten. A grant-making foundation writes cheques; an operating charity delivers the programme, hires staff, runs the premises, handles safeguarding and meets the payroll even in a tough month. Families frequently build the first while having the ambitions of the second and wonder why their impact seems unfulfilled.

None of this is difficult. It is just rarely set out. If advisers changed one thing, it would be to ask those three questions before naming a structure, not after.

THE QUESTION NO STRUCTURE ANSWERS

And here is where the architecture is truly failing.

A foundation is, financially speaking, an investment portfolio with an attached granting programme. The grants programme is the part everybody talks about. The portfolio is the part almost no one interrogates. In the US, private foundations must distribute roughly five per cent of investment assets annually. In the UK, there is no equivalent requirement. So, among most endowed foundations, only a small proportion goes into achieving the purpose, while the lion's share is invested with no reference to mission at all.

That is structurally sound and substantively incoherent. I have seen portfolios where a funder of youth employment programmes held, through pooled funds it had never looked through, positions in businesses whose employment practices were part of the problem it was funding. Nobody had done anything wrong, but nobody had looked.

The old excuse that trustees must maximise returns is gone. In Butler-Sloss v Charity Commission [2022], the High Court made it clear that trustees may exclude investments conflicting with their charity's purposes, and the revised CC14 guidance of August 2023 reframes the duty around what serves those purposes rather than what maximises return. The permission exists, yet practice has not caught up.

So, the first structural question is not trust or DAF. It is: does this structure allow me to align all my capital, or only the portion I give away?

A harder question lies beneath all of this, and the sector should answer it before someone else does.

Tax relief is given in full the moment capital enters a charitable structure. Deployment is not. A donor transferring appreciated shares into a foundation or a DAF takes income tax relief on the full market value and pays no capital gains tax on the gain, in that tax year. The charity at the other end may wait decades. And in the UK, unlike the US, nothing says it ever has to.

Having run a foundation myself, I am not arguing that endowments are illegitimate - permanence buys patience, and patient money is exactly what many issues require. But the public has paid, in full and up front, for a benefit delivered in instalments it does not get to see. That gap is a structural choice, not an accident. Can we honestly call it philanthropy?

WHY THIS MATTERS NOW

Take youth opportunity, the subject of Alan Milburn's review. The number of 16- to 24-year-olds out of education, employment and training passed a million in the first quarter of this year, for the first time since 2013; the latest figures have it at 981,000. The review found that six in ten of these young people have never had a job and that for every £25 spent on benefits for the group, £1 is spent helping them into work. This, as Milburn warns, is a generational fault line.

Whole-system change takes a decade or more. A parliament lasts five years, sometimes less. A young person's transition out of school happens once and takes about three years. That gap is where private capital is most useful - not as a substitute for the state, which it can never be, but because it can commit for ten years or more.

Structure determines whether you can. One based on annual grant rounds and annual reporting cannot fund a ten-year local partnership. One built for blended capital - grants together with loans, underwriting and equity in training providers, childcare, transport, supported housing, wellbeing and support - can. Same mission, entirely different reach.

The young people in the NEET figures are the same young people appearing in this autumn's reports on youth mental health, school exclusion and violence, counted separately because our institutions are organised by department rather than by person. Funding structures built around a single cause inherit that fragmentation. Ones built around an individual, location, multi-causation, and real lives do not.

Seven practical suggestions:

1. Ask the three questions first. Control, horizon, funding versus doing. Pick the structure after that, not before.
2. Use a DAF as a trial run. Give through a DAF for three years before setting up anything permanent. You will learn what really matters to your family, and changing your mind costs less.
3. Request transparency on your endowment. Ask your manager for the underlying holdings, not the fund names, and see how they align with your purposes. Few trustees bother to do this, even though it can expose undesirable investments, high fees and poor performance.
4. Write an investment policy based on your purposes. Post-Butler-Sloss, this sits within trustees' discretion. Mission fit is now your governance asset, not liability.
5. Put the horizon in the governing document. If you plan to fund for ten years, say so, and fund core costs and salaries, not just projects. Structures tend to default quietly to short-termism unless stated otherwise.
6. Bring the next generation onto the investment committee, not just the grants panel. Your millennial and Gen Z successors - and the women who will control much of what transfers - do not accept that giving and investing are separate activities. Giving them authority over five per cent of the money, inside a structure they have no oversight of, will not wash.
7. Publish your payout rate. The percentage of assets actually deployed for charitable purposes each year, alongside your accounts. Nobody requires it, but that's the point.

THE TRUE TEST

So, does structure matter? Very much - as plumbing, not as purpose. The best-drafted trust deed in England will not make an incoherent strategy into a coherent one.

The question worth asking every family, and every adviser advising one, is straightforward: if your philanthropy is your values expressed in capital, what are the other ninety-five per cent of your assets saying about you? ■



GINA MILLER

Gina Miller is a businesswoman, campaigner, philanthropist and author, best known for leading two landmark Supreme Court cases that upheld parliamentary sovereignty and held the UK Government to account. With more than 30 years' experience in financial services, she is co-founder of wealth management firm SCM Direct, founder of the women's investment platform MoneyShe and founder of Miller Philanthropy. She has also been a pioneering voice for greater transparency in financial services, with her True & Fair Campaign helping shape three EU Directives. Her work champions responsible capitalism, ethical investment and greater financial empowerment for women.

A committed campaigner for social justice and equality, Gina founded Miller Philanthropy in 2009, supporting grassroots charities working on issues including domestic violence, child abuse, modern slavery, cancer and environmental protection. Her campaigning has also spanned education, children's health and financial services malpractice. Through MoneyShe, she is tackling the gender investment gap and encouraging women to build financial confidence and independence. Her public work has frequently challenged established institutions and exposed inequalities, making her one of Britain's most recognisable and influential campaigners.

Gina is the author of Rise: Life Lessons in Speaking Out, Standing Tall & Leading the Way, drawing on her experiences of challenging authority, facing sustained threats and overcoming personal adversity. A domestic abuse survivor and breast cancer survivor, she speaks with candour about resilience, equality, purposeful leadership and the importance of finding the confidence to speak out. Her contributions have been recognised through numerous awards and honorary doctorates, including honours from Royal Holloway, De Montfort University and the University of East London.





THE CONFIDENCE TO GIVE: WHY STRUCTURE SHOULD FOLLOW PURPOSE

ISABELLE MONTAGUE-JOHNSTONE – WWW.HOME.BARCLAYS

'Do I need a foundation?' For many clients beginning to think seriously about philanthropy, this is one of the first questions that comes to mind. It's easy to see why. Foundations are visible, enduring and associated with some of society's best-known philanthropists, giving them a sense of being the gold standard for serious giving. The structure itself, however, is only part of the picture. In our experience, the more useful starting point is not 'Which vehicle should I choose?' but 'What am I hoping to achieve through my giving?' Clarity around purpose, values and ambition should come first. Only then is it possible to consider whether a foundation, donor-advised fund, direct giving or a combination of approaches will best support what a donor wants to achieve.

PURPOSE BEFORE STRUCTURE

The most rewarding philanthropic journeys often begin with reflection. That means being clear about what matters to you, the change you want to make possible and how involved you want to be. It also means considering who you want to bring on that journey and how you can contribute beyond financial resources, through your time, expertise and networks. For some, flexibility and privacy will be important. For others, the opportunity to involve the next generation or create a legacy that extends beyond their lifetime may be central.

These ideas are not simply a prelude to the practical work of structuring philanthropy, they are fundamental to it. A clearer sense of purpose gives donors a framework for making decisions and helps advisers understand what any structure ultimately needs to enable.

Our research suggests that many donors would welcome support in navigating these choices. The Modern Philanthropist, published by Barclays Private Bank in 2025, found that 84% of high-net-worth individuals surveyed wanted more advice on which vehicles to use or how best to structure their philanthropy for efficiency and impact. At the same time, only 40% considered themselves confident and knowledgeable about giving effectively, while half said they were still learning.

For me, these findings reinforce the importance of starting with the individual rather than the vehicle. Good advice is not simply about navigating the technical choices available. It is about helping someone explore what matters to them, the change they hope to contribute to, how they want to engage with their giving and who they might want to involve along the way. From there, it becomes possible to consider the approach that best reflects those ambitions and the role they want philanthropy to play in their lives. Donors do not need to have every answer from the outset. What matters is having enough clarity and confidence to take a thoughtful first step, while remaining open to learning, adapting and allowing their philanthropy to evolve over time.

START WITH THE DONOR, NOT THE STRUCTURE

For advisers, the order of the conversation matters. Starting with structure can make philanthropy feel like a technical exercise, rather than a deeply personal expression of what someone hopes to achieve. It can also lead donors towards a particular vehicle because it is familiar or well established, rather than because it is the best fit for their ambitions.

A more valuable conversation begins with the donor themselves. For advisers, that means listening before reaching for a solution: understanding what is driving the giving, what the donor hopes it might achieve and how they want philanthropy to fit into their life and family. It also means helping donors look beyond their own assumptions, including by listening to charities and communities themselves to understand where their resources can be most useful.

With that clearer sense of purpose, questions of governance, cost, control, privacy, administration, tax and succession can be considered in context. These are important considerations, although they are most useful when assessed against what the donor is ultimately trying to achieve.





There is also a clear appetite for advisers to play a greater role in these conversations. The Modern Philanthropist found that 81% of respondents considered it 'very' or 'extremely important'" for advisers to raise philanthropy proactively. In practice, only 33% said an adviser had done so, while 23% said the relationship manager at their bank had initiated the conversation.

This points to an opportunity that goes beyond helping clients navigate the technical aspects of giving. Advisers can create the space for a broader conversation about what matters to a client, what they want their wealth to make possible and, ultimately, what they want their philanthropy to achieve.

DIFFERENT INTENTIONS, DIFFERENT TOOLS

Once a donor has a clearer sense of purpose, it becomes easier to consider which approach might best support it. Someone who wants the flexibility to learn and adapt as they give may arrive at a different solution from someone hoping to create a long-term family legacy. Equally, a donor who values close relationships with the organisations they support may have different priorities from someone seeking greater privacy or less day-to-day administration.

There is no hierarchy here. Giving directly to charities is no less considered than establishing a formal vehicle, and greater complexity does not necessarily make philanthropy more effective. The Modern Philanthropist found that direct donations remained the most common approach, used by 49% of respondents, with many donors using more than one way to give. This reflects an important reality: different approaches can serve different purposes, and the right fit may change as a donor's ambitions and circumstances evolve.

Philanthropy itself is rarely a linear journey. It might begin with a personal experience, volunteering or trusteeship, a conversation around the family table, an inheritance or the sale of a business. Over time, donors learn more about the issues they care about, build relationships with the organisations they support and develop a clearer sense of the role they want to play. Their giving can evolve with them. A structure that works well at one stage of that journey may not necessarily be the one that serves them best in the future.

CONFIDENCE TO BEGIN, AND TO EVOLVE

Confidence in philanthropy does not mean having all the answers. It comes from having a clear sense of purpose, while remaining open to learning along the way. That might mean listening more closely to the organisations you support, testing an assumption, involving family members in the conversation, or starting simply before deciding whether a more formal approach is needed.

For advisers, this means resisting the temptation to begin with a preferred solution. Our role is to help donors articulate what they want to achieve, explore the choices and trade-offs involved, and make decisions that feel right for them. Good advice should give donors the confidence to take a thoughtful first step, while recognising that their priorities, circumstances and understanding may change over time.

Structure does matter. It can shape governance, cost, control, privacy, family involvement and the flexibility to adapt. Its value, however, lies in how well it supports the purpose behind the giving. When donors begin with the change they hope to make possible, structure becomes an enabler rather than the starting point.

Perhaps that is where confidence in giving really comes from. Not from finding a perfect structure or having every decision mapped out from the outset, but from knowing why you are giving, taking the time to make thoughtful choices and remaining open to where the journey might lead.



ISABELLE MONTAGUE-JOHNSTONE

Isabelle Montague-Johnstone has over 15 years' experience supporting high-net-worth individuals, families and family offices to translate their values into purposeful giving and lasting impact. She has overseen over £100 million in philanthropic capital across Europe, Asia and the United States, with experience spanning foundations, family offices, major donor fundraising and multigenerational families.

Since joining Barclays Private Bank in 2022, Isabelle has advised some of the bank's most significant clients. Drawing on experience across philanthropy advisory, grantmaking and foundation governance, she combines technical expertise with a deep understanding of family dynamics, decision-making and long-term strategy. She is particularly passionate about helping early-stage and next-generation philanthropists build confidence in their giving. Isabelle also co-authored Barclays' 2025 report, The Modern Philanthropist, exploring trends in high-net-worth giving.

Isabelle holds an MBA from Saïd Business School, University of Oxford, an MSc in Grantmaking, Philanthropy & Social Investment from Bayes Business School, and a Diploma in Charity Management from The Chartered Governance Institute UK.





THE CHANCE TO SHAPE THE FUTURE: WHY THE NEXT GENERATION OF WEALTH CANNOT AFFORD ITS PARENTS' PATIENCE

ALEXANDER RHODES – WWW.MISHCON.COM

IN BRIEF

- One of the largest transfers of private wealth in history is underway at precisely the moment that systems underpinning long-term prosperity face mounting pressure. This creates a rare and potentially decisive opportunity for private capital to shape a more sustainable and resilient future.
- History suggests that extreme concentrations of wealth rarely remain politically stable indefinitely. Where wealth is not perceived to contribute to society's wider resilience, governments and societies eventually seek other means of rebalancing resources.
- The question confronting today's wealth holders is not simply how their capital should be preserved, but how it might most effectively be deployed towards strengthening the social and ecological foundations upon which future wealth depends.
- While private and philanthropic capital cannot replace government, it can move more quickly, take greater risks and demonstrate solutions that public institutions and commercial capital can later scale. The tools to unlock this potential are not new: deploying capital at scale, and with a genuine appetite for risk, rather than holding it back for safer, smaller commitments.
- The greatest barrier to realising this potential is not intent but execution. Translating wealth into meaningful impact requires trusted structures, clear priorities and decision-making frameworks that create urgency rather than delay.
- Deployed this way, capital does more than preserve itself: the impact it creates compounds through changed systems, laws and behaviour, often producing returns to society, and ultimately to the families who hold that capital, that outpace anything achieved by simply letting wealth compound in place.

The world's problems increasingly need capital that can move more quickly than government, multilateral institutions, or the legacy systems that built today's prosperity but are now producing many of its hardest problems. At the same time, global wealth inequality is reaching all time heights and one of the largest transfers of private wealth in history is beginning. Together, these create a genuine opportunity for private capital, deployed with an impact-first mindset and at scale, to shape what comes next, for society and for the internationally mobile very wealthy families who hold that capital.

THIS GENERATION FACES A CHOICE: DIRECT CAPITAL TOWARDS THE WORLD'S MOST PRESSING PROBLEMS NOW, OR LEAVE THAT DECISION TO WHOEVER COMES AFTER THEM.

Society has been here before. The experience of America's last great era of wealth concentration offers both inspiration and warning to the holders of today's great pools of private capital.

A MOMENT THAT HAS HAPPENED BEFORE

In 1889, Andrew Carnegie set out his view of how great wealth should be used in an essay that became known as The Gospel of Wealth. A fortune left undirected at death was a fortune wasted, he argued; those who accumulated great wealth had a duty to direct it well, and to do so while alive to see it done properly. "The man who dies rich," he wrote, "dies disgraced."

In 1906, Frederick Gates, the adviser who ran John D. Rockefeller's business and philanthropic affairs, made the same point to his patron in blunter terms: "Your fortune is rolling up,





rolling up like an avalanche. You must distribute it faster than it grows. If you do not, it will crush you, and your children, and your children's children." Rockefeller took the warning seriously enough to found what became one of the largest philanthropic institutions in the world, with a focus on tackling society's problems rather than alleviating their symptoms. Put more positively, a well-conceived philanthropic mission can also give a family a shared point of identity independent of its business interests, becoming a way of transmitting values and binding generations together, rather than only a duty imposed on them by their wealth.

The pattern Gates described is still visible today. Bridgespan's research finds that American families with more than $500 million in assets gave away about 1.2% of that wealth in 2017, and that when Bridgespan repeated the analysis in 2023, the percentage had barely moved, even though those fortunes had compounded at rates above the long-run average of the S&P 500. Giving USA's annual figures point the same way: bequest giving jumped nearly 20% in 2025, the third such surge in four years, while lifetime giving by individuals has barely moved in real terms despite strong markets.

Bridgespan's researchers, who have spoken to a great many wealthy families about their giving, describe people genuinely committed to using their wealth well. What tends to be missing is not the will, but the conditions that turn intention into a decision: vetted opportunities capable of absorbing very large gifts, trusted advisers who can direct capital toward high-impact but less visible causes, and a deadline that makes the decision happen now rather than later.

Perhaps the first and most important step to tackling these challenges is building a family-giving mindset that unlocks the superpower of the very wealthy: the ability to deploy private capital to back high-risk bets to create transformative impact that compounds over the years.

Carnegie and Rockefeller were writing and giving during the Gilded Age, roughly the 1870s to the early 1900s, when fortunes on a scale never seen before were built within a single working life, principally in railroads, oil and steel. Their philanthropy did not on its own settle the question their wealth had raised for American society. Within a generation, the Sherman Antitrust Act, the federal income tax and the estate tax had all been introduced, alongside a broader wave of Progressive Era reform. Their common purpose was that a democracy could not sustain the degree of concentrated private power the Gilded Age had produced, and that if wealth would not moderate its own concentration voluntarily, the state would act to do it.

Some of today's most experienced wealth advisers already sense that pattern returning. Peter Mallouk, whose firm manages some $700 billion in assets, has called the present concentration of wealth "100% completely unsustainable as a society." Ray Dalio, the billionaire founder of Bridgewater Associates, has warned that the widening gap between rich and poor risks producing "irreconcilable differences" that democratic institutions are not equipped to absorb. These are people paid to protect wealth, telling their own clients that the present trajectory carries real risk, to society and to the families who hold that wealth.

This generation faces a choice: direct capital towards the world's most pressing problems now, or leave that decision to whoever comes after them.

WHAT PRIVATE CAPITAL CAN DO, AND WHAT IT CANNOT

Private capital is not a substitute for government. US foundation giving totalled $109.8 billion in 2024, a fraction of the several hundred billion dollars in federal grants that flow to American non-profits each year. Federal grants to core American charities have since fallen sharply, from $35.4 billion in 2024 to $21.4 billion in 2025, following the current administration's cuts to foreign assistance and domestic grant programmes.

What private capital can do is different. Government is accountable to everyone, so it moves carefully. The Athens Democracy Forum put the resulting problem well in setting this year's agenda: today's democracies "were built for a different era," with structures that are "rigid where agility is needed, reactive where anticipation is required, and designed for slow deliberation in a world defined by exponential shocks." Private capital can fund a pilot before the evidence is complete, back a legal argument before the law has caught up, or absorb a loss that de-risks a market before commercial capital will touch it. Its role is to prove what works, quickly, so that government and multilateral institutions can then deliver it broadly and accountably.



GLOBAL MILLIONAIRE NUMBERS GREW BY ALMOST TWO MILLION IN 2025 ALONE, AND GROWTH IN THE GULF AND ACROSS ASIA IS NOW OUTPACING MUCH OF THE WEST...

WHY THE CASE FOR ACTING IS STRONGER NOW

The pressures facing contemporary society are far larger than those of the Gilded Age. We are no longer just confronting questions of deprivation and inequality, but also the deterioration of the natural systems upon which human wellbeing and economic prosperity ultimately depend.

The Stockholm Resilience Centre's 2025 Planetary Health Check shows that seven of nine planetary boundaries, which define the safe space for human flourishing, have already been breached. A 2026 UK national security assessment found that collapsing critical ecosystems are directly contributing to food insecurity, intensified natural disasters, and geopolitical and economic instability.

At the same time, aid that used to sit alongside private philanthropy is being withdrawn. Official development assistance from OECD donor countries fell by 23.1% in real terms in 2025, the steepest single-year drop on record. Multilateral aid, the funding that underpins the United Nations system, fell by 27% in the same year, the largest annual decline on record.

The wealth available to respond to these needs is heavily concentrated: UBS's 2025 Billionaire Ambitions Report found that global billionaire wealth rose to a record $15.8 trillion in 2025, the second-highest annual increase in the report's eleven-year history. The 2026 World Inequality Report holds that the wealthiest 0.001 per cent (fewer than 60,000 people) control three times more wealth today than half of humanity combined.

THIS IS AN INTERNATIONAL STORY

This history is American, and worth pausing on for that reason. Much of the culture and infrastructure of philanthropy as practised today, foundations, the Giving Pledge and the expectation that great private wealth carries a public duty, was shaped by American donors from Carnegie onward. It is also, once again, where the pattern is repeating most visibly: the concentration of wealth driven by the current AI boom is heavily weighted toward a small number of American technology companies. The seven largest, the Magnificent Seven, reached a combined market value of around $21.2 trillion in early 2026, more than the entire economic output of the European Union. A small number of individuals and companies capturing an extraordinary share of new wealth within a single technological wave is precisely the pattern that produced the Gilded Age, unfolding again faster and at greater scale. But the capital produced by this wave, and the families now deciding what to do with it, are not confined to the United States, and neither is the question of where that capital should be structured and deployed.

The wealth, and the families holding it, are increasingly global. Global millionaire numbers grew by almost two million in 2025 alone, and growth in the Gulf and across Asia is now outpacing much of the West: many of the families facing this choice are truly international, with bases in London, the Gulf and Hong Kong, as well as the US. For these internationally mobile families, England has a strong claim to be the natural venue in which to structure and direct that capital. England has its own, older philanthropic tradition, from the Quaker industrialist families, the Cadburys and Rowntrees, onward. So the expectation that great wealth carries a public duty is not solely an American phenomenon.

Nor is it a Western one. Islamic law has long formalised that obligation: zakat, the compulsory annual levy on qualifying wealth, is one of the five pillars of the faith, while the waqf, a perpetual charitable endowment governed by sharia, has underpinned hospitals, schools and water systems across the Muslim world for over a millennium. Jewish tradition frames the same duty through tzedakah, an obligation of justice rather than voluntary charity. Chinese tradition grounds giving in Confucian obligations of benevolence and social duty, given modern statutory form by China's 2016 Charity Law.

More practically, England and Wales offer a mature, independent charity regulator and a body of charity and trust law developed and tested by the courts over centuries, giving philanthropic structures, and the families who use them, a degree of legal certainty not universally available elsewhere.

WHAT CLOSING THE GAP ACTUALLY LOOKS LIKE

Julius Rosenwald, a contemporary of Carnegie and Rockefeller who built his fortune at Sears, Roebuck, rejected the perpetual foundation model outright. Working with Booker T. Washington, he funded more than 5,000 schools for Black

children across the segregated American South, and wrote into his foundation's charter that it would spend down entirely within 25 years of his death, warning that a permanent endowment would otherwise "inject the great fortunes of the day into the affairs of the nation five hundred or a thousand years hence." His trustees finished the task in sixteen years.

Rosenwald's warning is instructive to fiduciaries responsible for such private capital today: our problems are among the largest and most urgent humanity has faced. The case for urgently applying capital into today's largest systemic problems rather than preserving capital in perpetuity is hard to resist: the impact of a changed system compounds freely, without further cost or limit, propagating through law, science and the structures that shape behaviour long after the initial capital is spent. An endowed institution, by contrast, must perpetually redeploy its funds to sustain the same effect (and itself).

Applying capital to address these challenges now is critical. But arguably, most important to wealthy individuals is their superpower to make high risk bets that only a principal can do. The Rockefellers are a brilliant example of a family that has made such high risk bets to great impact over multiple generations.

James Chen, whose philanthropic mantra is to "privatise failure and socialise success," spent years and his own family capital proving that something as simple as a pair of glasses could measurably change lives. His Clearly campaign commissioned a randomised trial among tea pickers in Assam that found a 21.7% increase in daily productivity among workers given proper vision correction, evidence that helped secure a 2021 United Nations resolution committing all 193 member states to universal eye care by 2030; since then, risk-averse philanthropists and institutional funders have crowded in behind that proof of concept, freeing Chen's capital to be directed at solving the next problem.

In December 2025, the Sustainable Markets Initiative, founded by King Charles III, brought together heads of state and government, multilateral development bank presidents, and the chief executives of the world's largest banks, asset owners and insurers in London. Its language was precise about where the real gap now sits: the mechanisms that work already exist and are proven. What is missing is capital deployed at the scale the challenge demands. As the SMI's chief executive, Jennifer Jordan-Saifi, put it, the task now is to move "from billions to trillions, from pilots to systemic scale, and from talk to delivery."

Strategic litigation belongs in the same category: philanthropically funded litigation can develop the law and create legal risk that changes corporate behaviour, whether climate litigation establishing that governments owe positive obligations to reduce emissions, or a case challenging a public authority's refusal to designate a toxic site as contaminated land. It is capital taking on the cost and risk of establishing a legal position, so that the precedent it creates then governs the behaviour of everyone else.

MacKenzie Scott has given away more than $26 billion since 2020 through large, unrestricted grants, deployed without the years of process that typically accompany gifts of that size, a reminder that some of the friction that slows large-scale giving is a choice about process, not an inevitable feature of giving well.



ALEXANDER RHODES – PARTNER AND HEAD OF MISHCON PURPOSE

He advises on matters at the intersection of disputes, governance, sustainability and public policy, particularly where legal questions sit alongside wider commercial, societal and geopolitical considerations. He is regularly sought out to advise businesses, families, philanthropists and institutions facing complex legal, strategic and reputational challenges.

A seasoned litigator, Alexander has particular expertise in the resolution of complex multi-jurisdictional disputes, often involving significant reputational and public affairs considerations. As a trustee and advisor, his long-term preoccupation has been balancing the imperatives of environmental conservation and human development.

Alongside his legal practice, Alexander has worked with governments, international organisations and business leaders on issues including biodiversity, natural capital and sustainable development, and has held leadership roles across a number of international conservation initiatives.

He was the founding CEO of the charity Stop Ivory and served as head of the Secretariat to the inter-governmental Elephant Protection Initiative. Alexander serves as Chair of Tusk Trust and sits on the advisory board of the Athens Democracy Forum. In 2018, the Zoological Society of London named him Conservationist of the Year in recognition of his work supporting African governments in combating the illegal ivory trade and advancing elephant conservation.

In 2026, he was appointed OBE for services to global conservation.

WHAT THIS MEANS IN PRACTICE

The barriers we have described, a lack of trust, too much choice, and the absence of urgency, are questions a family can answer directly. Rosenwald's sunset clause, blended finance structures with independent oversight, and advisers who specialise in vetting large-scale opportunities are established, tested approaches. Who do you trust enough to direct capital toward opportunities you cannot evaluate alone? And what deadline, whether a sunset clause, a fixed spend-down period, or a date on which the next generation takes a defined share of control, will make today's intention binding rather than aspirational? These are, in substance, the questions Carnegie was asking in 1889.

Whichever time horizon one chooses, Rosenwald and the Rockefellers both distinguish this impact-first approach from the default. Rather than letting private capital compound quietly across generations while urgent social problems compound around it, each built a structure that kept the question of use alive rather than deferring it.

Families who think carefully about how their capital can be used in this way, across their philanthropy, their business and their investments, put themselves in a stronger position to address the risks Mallouk and Dalio describe, and to shape how this period in history is remembered, rather than simply living through its consequences.





WHEN STRUCTURE SHAPES BEHAVIOUR: THE HUMAN CONSEQUENCES OF HOW WE ORGANISE FAMILY GIVING

CATHERINE GRUM

Ask a room of private client lawyers, tax advisers or trustees whether structure matters, and you will get an emphatic yes. Much of the ensuing conversation will, quite rightly, focus on legal form, control, tax, governance and administrative practicality. These are the right questions to ask of a structure. But they are not the only questions worth asking, and I want to suggest a different one: not 'what is the right structure?' but 'what behaviours, relationships and experiences is this structure likely to create?'.

My focus in this article is specifically on families who have chosen to give together, and on what happens when they create structures through which to do so. This is not an argument against trusts, foundations, donor advised funds or family governance frameworks. I don't think structures are inherently good or bad — they are tools, and what they produce depends on their purpose, their design, how they are implemented, and how they interact with the particular people and family around them. But that doesn't mean they are neutral in their effects. The same structure can enable one family and quietly constrain another, depending on how it is used. What I want to challenge is the assumption that once we have chosen the right legal form and got the governance "right" on paper, the human consequences will look after themselves. They rarely do.

STRUCTURE IS INTERVENTION, NOT MERELY AN ASSET CONTAINER

A family is a system — a network of relationships, information flows, incentives and feedback loops. When you introduce a structure into that system, you are not simply organising assets; you are intervening. You are changing who has information and when, who is consulted, who initiates ideas and who ultimately decides. This all has repercussions for the people involved. Some of the effects are intended. Many are not.

A structure designed to ensure prudent stewardship of assets earmarked for philanthropy, for instance, may simultaneously reduce a family member's opportunity to practise decision-making. A structure created to formalise rising gen involvement may, if all meaningful authority still sits with the founder, trustees or advisers, produce the appearance of participation without much of its substance. The implications can extend beyond the family too. A family that later wants to adopt more participatory approaches to grantmaking may find that choices made when the structure was established — about where legal authority sits, who owes fiduciary duties and how decisions are made — shape how that participation can meaningfully be achieved. Those consequences may never have been contemplated when the structure was created. None of this necessarily makes the structure wrong. It simply means that the paperwork tells you relatively little about what people associated with it are actually experiencing.

DESIGNING FOR MEANINGFUL PARTICIPATION

While the points about structure apply across a family system, family philanthropy can become unusually instructive. It can provide a bounded space in which a family makes real decisions together about how resources can be used in pursuit of a charitable purpose. Philanthropic conversations naturally surface questions that other parts of a family's financial life often avoid: What do we actually value? Whose perspective counts, and how do we hold and allow space for different views? Who is responsible for the consequences of a decision, and who gets to make it? What do we want this money to make possible, and for whom? And, importantly, philanthropy also reminds us that the system extends beyond the family: the consequences of these decisions are experienced by organisations, communities and individuals who may have had no part in designing the structure through which they are made.





Advisers frequently ask, 'How do we get the rising gen more engaged in philanthropy?' It's a reasonable question, but I think it often points us at the wrong lever. A more useful question might be: what kind of experience are we actually creating for them through the way we've structured their participation? A seat on a foundation committee, attendance at meetings, or an allocated grant-making budget can look like engagement on an organisational chart. Whether it functions as genuine agency depends on much smaller, more specific design choices — how much of the decision is real, whether there is space to exercise judgement and learn from experience, whether their reasoning is invited or simply their vote. This almost certainly impacts their level of engagement. Genuine participation also requires feedback: the opportunity to understand what followed from a decision, including from those closest to its impact, reflect on that and bring that learning to the next one.

Although this question is often asked about younger family members, the principle applies more broadly. Anyone who has had little opportunity to exercise judgement around shared wealth is unlikely to develop capability simply by being given a title or a seat at the table. A thoughtfully designed giving structure can give any family member a bounded but genuine space to exercise judgement, encounter disagreement, take responsibility for understanding the consequences of a choice and discover something about their own values in the process. That is a different thing from being handed a role. The distinction matters because capability, confidence and a sense of agency tend to be built through the first kind of experience, not the second — regardless of how the structure reads on paper.

WHEN THE STRUCTURE OUTLIVES THE QUESTION

Philanthropic structures are particularly interesting in this respect because, once established, they may take on a life beyond the family that created them. A charitable foundation is not simply another pot of family wealth: its assets have been committed to charitable purposes, and decisions about its future need to reflect the interests of the causes and communities it exists to serve.

A foundation may have been created at a particular moment, reflecting the interests, circumstances and assumptions of its founder. Years or generations later, it is worth asking why the family continues to be involved, what that involvement contributes and whether the way the foundation operates still serves its charitable purpose as well as it could. The experience the structure creates for the family matters, but it cannot be the only lens through which we judge whether it is working.

This takes us back to the importance of purpose. What was the structure originally intended to achieve, and is it still achieving it? What value does continued family involvement bring — first to the charitable purpose and secondly to the family? Whose interests are shaping decisions? What behaviours and capabilities is the structure developing in those involved? And are its governance, strategy and use of resources still appropriate for the impact it exists to create? None of this assumes that philanthropy is something families "should" do, or that continued family involvement is necessarily desirable. Those questions need to be considered in the context of the particular charitable purpose, structure and family.

We are usually careful to ask whether a structure is fit for purpose at the point we create it. We are less disciplined about returning to that question years on — not just to check whether the structure still works efficiently, but to ask what it is producing: for the causes and communities it exists to serve, and what it has, in the meantime, quietly taught the people operating within it. Structure matters not because there is one right architecture, but because every structure shapes what happens within and around it. Understanding those consequences may be the more revealing audit.



CATHERINE GRUM – FOUNDER, CATHERINE GRUM CONSULTANCY LTD, MAKING WEALTH MEANINGFUL

Catherine is an independent family governance and strategic adviser who works with enterprising families, family offices and their advisers on the human side of wealth and ownership — including how individuals and families experience, engage with and make decisions about wealth.

Her work centres on periods of transition — succession, evolving family roles, governance and questions around purpose, participation and stewardship. She is often brought in in situations where technical structures are only part of the answer, helping families navigate different perspectives, have better conversations and translate plans into arrangements that work in practice.

She previously held senior roles at Allen & Overy, Barclays Wealth, Salamanca Group, KPMG and BDO, and now runs an independent advisory practice focused on making wealth meaningful.

A DONOR-ADVISED FUND, OR GIVING DONE ANONYMOUSLY, PUBLISHES FAR LESS ABOUT THE FAMILY. THAT IS ITS APPEAL.



WHAT AI SEARCH SAYS ABOUT A FOUNDATION AND THE FAMILY BEHIND IT

TONY MCCHRYSTAL – WWW.PAVESEN.COM

Does structure matter? For governance, funding, and tax, you already know it does. There is one more effect that rarely comes up at the outset. Structure also shapes how a family is described to strangers.

My work is helping families and executives with how they are seen online, so I look at this from the family's end. How a vehicle should be set up, and what trustees' duties require, I leave to you.

Someone who wants to know about a foundation, such as a grantee or a journalist, may no longer start with its website. They may ask an AI assistant instead. Which sources each assistant draws on and how it weighs them, is rarely clear. But the answers I see rarely stop at the foundation. They tend to join it to the founder. The business comes along, and so does any old dispute or coverage.

TWO WAYS IT CAN GO

In some families the foundation becomes the most visible thing about them. It has a clear name and a stated purpose. It has a named chair and a current website. A reader who asks about the family finds the giving first, with older coverage sitting beside it and not ahead of it.

In others, the philanthropy disappears behind an old story. The family has given generously but quietly, and very little is published about it. A reader who asks about the family finds plenty about the dispute and almost nothing about the giving, because the giving left almost nothing to find.

Neither outcome is a failure on the family's part. Both follow, in part, from choices made when the vehicle was set up. Those choices are usually made with control and tax in mind. How the result will read rarely comes into it.

WHAT IS PUBLIC BY DESIGN

Some of this is not a choice. The Charity Commission's register publishes the names of trustees and a charity's finances, such as its income and spending. It also records any action the Commission has taken against the charity. That register covers England and Wales. In the US, ProPublica's Nonprofit Explorer lets anyone search the tax filings of exempt organisations. It shows what an organisation takes in and spends and what it pays its executives. You can search it by person as well as by organisation.

For a registered charity or a US foundation, then, some facts are public whatever the family prefers. Anyone can read who the trustees are and what the vehicle takes in and spends. So can software that summarises it. The sector's talk about AI and privacy has mostly been about what goes into these tools, such as donor data. This piece is about the other direction, which is what comes out about the people behind the gift.

VISIBLE AND DISCREET VEHICLES

A named family foundation puts the family's name on the giving. That gives the family a source of accurate facts that it controls and it gives a reader a reason to see the philanthropy first. It also ties the name to every grant and every trustee decision. Anything contentious about the vehicle then attaches to the family and not to an institution.

A donor-advised fund, or giving done anonymously, publishes far less about the family. That is its appeal. It also means there is less for a reader to set against an old story. How each is reported varies by jurisdiction and by sponsor, and that detail is best left to advisers in each jurisdiction.



MOST FAMILIES CAN LIVE WITH A PUBLIC PROFILE THEY CHOSE. IT IS THE ONE THEY NEVER SAW COMING THAT CAUSES TROUBLE.

I would put it to families as a trade-off and not as a rule. Visibility invites scrutiny but supplies context. Discretion protects privacy but leaves the field to whatever else exists. Some families will reasonably choose discretion. That is their decision, and it is better made knowing how they may be described.

WHAT ADVISERS CAN PUT IN PLACE AT THE OUTSET

Reputational risk and suitability are already on the adviser's list. Five small steps at the start can save a good deal of trouble later.

1. Name the vehicle with care. A distinct name that describes its purpose is easier to tell apart from the family's business and from other organisations with similar names. Whether it carries the family name is the trade-off above.
2. Decide who governs it early. The register publishes trustee names. A trustee who is at the centre of a business dispute will be linked to the vehicle, so it is better to weigh that before the appointment than after.
3. Choose a public face. Pick one person with a clear role to speak for the vehicle. That keeps the foundation's account from depending on the founder's.
4. Be deliberate about what you publish. Publish what the purpose calls for and what is already public. Ask whether family members with no role need to be named at all.
5. Claim the names and domains. Register the foundation's domain and the family's, and claim the official profiles. A short factual page saying what the foundation is for and who runs it gives people, and the AI tools they consult, something accurate to find alongside everything else.

One simple test is worth running before any of this. Search the founder's name as a stranger would, and ask an AI assistant who the family are. Note what comes back about the family and what comes back about the giving.

Then do the same with the name the vehicle is likely to carry. It takes a few minutes and shows the family where it starts from. I would not read too much into one answer. The aim is to see the general shape of what a stranger might be told, and to decide with that in front of you.

A DECISION WORTH MAKING EARLY

None of this changes what a family gives. It changes what the family knows when it decides how to give. Most families can live with a public profile they chose. It is the one they never saw coming that causes trouble. If advisers raise the question at the start, the family can weigh visibility against discretion on purpose. Otherwise, they find out from an answer a stranger has been given. ■



TONY MCCHRYSTAL

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LEGACIES NEED CARE. CRYPTOASSETS LEFT TO CHARITY ARE EXEMPT FROM INHERITANCE TAX, BUT AN ASSET NOBODY CAN ACCESS IS WORTHLESS.



WHO HOLDS THE KEYS?

HASHIM RUAN – WWW.HELIUSNETWORK.APP

Crypto giving is a governance question before it is a technology one. The structure that receives a digital gift matters more than the coin.

When a charity asks me whether it should accept cryptoassets, the conversation usually starts with technology: which coins, which wallet, which payment button. It should start elsewhere. The useful questions are which structure should receive the gift and who, in practice, controls it once it arrives.

With most assets, control follows the legal structure. A trust deed or articles say who can act, and banks enforce it: two signatures for a payment, a mandate for an investment. Cryptoassets don't work that way. Whoever holds the private key can move the funds, whatever the governing document says. If a charity's wallet is controlled by one key on one person's laptop, the real governance of that asset is 'one person decides'.

'Whoever holds the private key can move the funds, whatever the governing document says'.

That is why structure matters more for digital assets than for almost anything else in a donor's portfolio.

THREE ROUTES, THREE RISK PROFILES

1. **The charity holds it directly**
   The most control and the most responsibility. Trustees need custody arrangements, a written hold-or-sell policy and checks on where funds came from. The Charity Commission's financial controls guidance (CC8) now addresses cryptoassets, flagging volatility, theft and anonymous donors.
2. **An intermediary converts it to sterling**
   A specialist provider accepts the asset and pays the charity cash, usually within a day. The charity never holds a key. For most operating charities this is the sensible default; the governance task becomes choosing and monitoring the provider: who regulates it, how it screens donations, and what happens if it fails.
3. **A vehicle does the work**
   A donor-advised fund or family foundation accepts the asset, handles conversion and due diligence once, then makes cash grants to several charities. For donors with significant holdings, this concentrates the technical burden where the expertise sits.

None of these is right for everyone, but the choice should be made before the first donation arrives.

IF YOU HOLD IT, GOVERN IT

For foundations and charities that hold cryptoassets, controls should mirror the governing document, not undermine it.

- Match signing to the trustee quorum. Multisignature wallets require, say, two of three approved keys before funds move: the digital equivalent of dual authorisation.
- Separate the keys. Never one person, one device or one location. Plan for a trustee leaving, losing a device or dying, because a lost key cannot be reset like a password.
- Write the conversion policy in advance. Sell immediately, hold to a limit, or hold as an investment, and record why.
- Check provenance. Public blockchains are traceable. Screening incoming funds against sanctions lists and known fraud is now routine and inexpensive.
- Keep auditable records: the asset, its sterling value at receipt, the transaction reference and the decision taken.





TAX SHAPES THE STRUCTURE

A direct gift of cryptoassets to a UK charity is a no gain, no loss disposal for Capital Gains Tax. But cryptoassets are not qualifying investments for income tax relief, as listed shares are, and Gift Aid applies only to money. A donor who sells first can claim Gift Aid but may face CGT on the sale. For a donor with a large gain, a direct gift, or one through a vehicle that accepts the asset, is usually better. Model it for each client.

Legacies need care. Cryptoassets left to charity are exempt from Inheritance Tax, but an asset nobody can access is worthless. A will in England and Wales becomes public after probate, so it must never contain passwords or recovery phrases. Advisors should make sure clients keep a private record of holdings and a secure route for executors, kept separate from the will.

FIVE QUESTIONS FOR ADVISORS

1. Will the recipient hold the asset or convert it immediately, and who decided?
2. If held, does control of the keys match the trustees' decision-making rules?
3. Who checks where the funds came from, and how?
4. Has the client's tax position been modelled for a direct gift versus selling first?
5. For legacies, can executors reach the assets without access details appearing in the will?

IN PRACTICE: PROOF THE WORK HAPPENED

Structure decides who controls a gift. It does not show what the gift achieved, and that is the gap my own company, Helius Network, works on. Our Helius Network app, live on Apple's App Store, lets volunteers and field workers confirm they took part in an activity at a given time and place. A fingerprint of each record is anchored on the Solana blockchain, so a foundation or donor-advised fund can check reported activity instead of trusting a spreadsheet, while the charity never handles crypto. Pilots with community programmes are starting this autumn.

WHAT NEEDS TO CHANGE

The sector needs shared expectations: practical custody standards for those that hold digital assets, due diligence frameworks for the intermediaries and donor-advised funds that accept them on charities' behalf, and advisors who raise key management as naturally as they raise tax.

Crypto philanthropy is often framed as a technology story. In my experience the failures are rarely technical. They come from structures never designed for an asset where control and ownership can quietly come apart. Get the structure right, and digital assets become just another way to give. ■



HASHIM RUAN

Hashim Ruan is a security engineer and founder with eleven years as a CTO. He is Founder and CTO of Helius Network Ltd, a UK technology company whose products include Helius Connect, an end-to-end encrypted messenger on the App Store, Olo, a verified-intelligence AI platform, HeliusOS, a hardened operating system used for client vulnerability assessment, and a patent-pending Proof-of-Life verification method built on Solana. He is also CTO of Versatech and Associates, a construction and engineering firm in Anguilla.

Hashim holds a Level 3 Certificate in Cyber Security Practices (Distinction) and is completing a BSc (Hons) in Design and Innovation with The Open University. He works with startups and agencies across the UK and EU on application security reviews, cryptography and privacy architecture, and fractional CTO advisory, and serves as Director and Chair of Public Image at the Rotary Club of Anguilla. He is based between the UK and Germany.





DOES BLENDED CAPITAL NEED A BLENDED ARCHITECTURE?

SARAH HAILE – WWW.WALGATE.FLADGATE.COM

Across the families we support, a shift is under way. For some the question is no longer simply "which charities should we support?" but "how do we use all the levers at our disposal to drive impact and change outcomes?"

Increasingly families and wealth holders want to take a blend approach to their philanthropy including making charitable grants and donations, alongside impact led investing and concessionary lending coupled with the less tangible but equally valuable contribution they can make through their own networks and expertise. However, the charitable trust or foundation traditionally used by families to achieve their charitable objectives is arguably not well suited for this approach to philanthropy.

CHARITY LAW AND FIDUCIARY RESPONSIBILITY

A registered charity can be a powerful vehicle for giving not least because of the tax reliefs available. But while charity trustees first duty is to further the charity's purposes, their personal liability if legal duties are breached can make trustees cautious when considering a blended capital approach.

GIFTS TO A NON-CHARITABLE VEHICLE DO NOT ATTRACT GIFT AID OR THE CHARITABLE RELIEFS, AND GRANTS THEY MAKE COME FROM TAXED MONEY.

Butler-Sloss v Charity Commission [2022] and the subsequent update to the Charity Commission's, CC14, published in August 2023, helped clarify that trustees may take non-financial considerations into account in exercising their investment powers, however Butler-Sloss also confirmed that trustees are under no obligation to adopt a values-led approach. So while the case is often referenced as helpful in defending the impact approach it can also be used to justify a more traditional approach to investing.

IS THERE A SINGLE VEHICLE?

As advisers we are always striving to find a solution that achieves our client's aims without creating additional complexity and cost. Depending on the family's needs and wants, non-charitable structures with purpose built into their constitution can work well. These can include:

- family investment companies or limited liability partnerships with an impact mandate;
- company limited by guarantee pursuing social objectives; or
- community interest companies, where the asset lock and community interest test deliver credibility without the constraints charitable status.

These vehicles can make grants, loans and equity investments, and accept below-market returns, but there is a tax and sometimes perception trade-off. Gifts to a non-charitable vehicle do not attract Gift Aid or the charitable reliefs, and grants they make come from taxed money. A private company also lacks the public accountability that a registered charity signals.

ONE STRUCTURE OR SEVERAL?

For now at least we find the real choice is between trying to adopt a one-size-fits-all approach versus a using a group of

	Single structure	Multiple structures
Advantages	• Simplicity • Lower running costs • One board and one story to tell • Easier family engagement	• Each pool of capital sits where the law and tax rules suit it best • risk is ring-fenced • charitable reliefs are preserved for grant-making
Disadvantages	• Forces every activity into one legal regime • Charities struggle with impact-first risk, while non-charitable vehicles lose tax reliefs	• Higher cost and complexity • More governance, reporting and conflicts to manage • Risk of silos unless coordinated
Reputational risk	• Activities can be mischaracterised – a charity seen funding a commercial venture, or a "philanthropic" company perceived as self-interested	• Arrangements between related entities, such as loans or shared staff, can attract scrutiny if not at arm's length and clearly documented

vehicles, each matched to a form of capital.
Reputational risk deserves particular attention. A charity whose investments appear to benefit the founding family, or a family company that markets itself as philanthropic while generating private returns, invites scrutiny. That is why we prefer the blended architecture approach, using a a charity or Donor Advised Fund (DAF) for grants, an impact investment vehicle for return-seeking and concessionary capital, and perhaps a community interest company for specific programmes. Provided these are all bound together by a shared strategy, common impact measurement and a strong family governance layer that helps channels the family's networks and expertise, we find a blended architecture fosters family engagement and achieves greater impact than the one size fits all approach.

PRACTICAL TAKEAWAYS: QUESTIONS TO ANSWER

1. What change do you want to see, and over what time horizon? Purpose should drive structure, not the reverse.
2. What mix of capital will you deploy – grants, concessionary loans, market-rate impact investments, micro-finance – and in what proportions?
3. How important are tax reliefs compared with flexibility and speed of decision-making?
4. What financial return, if any, do you need, and how much loss can you tolerate on impact investments?
5. Who will govern each pool of capital, and how will the next generation be involved?
6. How will you manage conflicts and related-party dealings between family, charity and company?
7. How visible do you want to be, and how will you explain the relationship between your vehicles publicly?
8. How will the family's time, networks and expertise be offered, recorded and governed?
9. If you already have a charity, do its objects and investment powers support your ambitions, or do they need updating?



SARAH HAILE

Sarah Haile helps wealth holders and their families navigate and manage the responsibilities and challenges that significant wealth often brings. Her role is to take care of the matters clients may not have the time, expertise or inclination to deal with themselves.

A Chartered Accountant by training, Sarah has spent more than 20 years working with and for wealthy individuals and their family offices, delivering solutions across real asset management, family and corporate governance, philanthropy and ongoing day to day matters . She thrives on variety and problem-solving; after many years in the sector, she has learnt that almost anything is possible with the right team, planning and determination. Whether it's overseeing a complex family structure, coordinating advisers across multiple jurisdictions or tackling a challenge that seems impossible at first glance, Sarah enjoys finding practical solutions that make clients' lives easier and helps them achieve their goals.





BLENDED FINANCE IS NOT NEUTRAL: DESIGNING CAPITAL AROUND THE PROBLEM

CHRISTOPHER BURKE – WWW.WMCAFRICA.COM

A persistent weaknesses of development assistance has been that the supply of finance usually determines what gets funded more than demand on the ground. Local organisations may identify pressing problems and credible responses, yet priorities, eligibility rules and funding instruments are usually determined elsewhere. The principle of country ownership was meant to counter this. It was central to the Paris Declaration and remains fundamental to contemporary development policy. Nevertheless, as the OECD itself acknowledges, the political and policy agendas of development partners continue to outweigh locally determined priorities.

Blended finance provides a way to broaden the pool of resources available for development, but also reproduces the same supply-driven logic in a more sophisticated form. The question is not simply whether capital is available, rather whether the structure of that capital follows the problem, or begins to define it.

PUBLIC AND PHILANTHROPIC TOGETHER

The case for private-sector integration is compelling. Developing countries face an annual sustainable-development financing gap of around US$4 trillion according to the UN financing report. The Global Impact Investing Network (GIIN) estimates over US$1.5 trillion is managed globally as impact-investing assets. Public and philanthropic resources alone cannot bridge the gap. Sustainable impact requires viable enterprises, revenue generation, stronger market systems and access to private capital. As I argued elsewhere on de-risking investment, public and philanthropic resources can play an important role in making otherwise viable projects investable without replacing commercial discipline.

This is precisely where blended finance can be valuable. Grants can test ideas, build capacity and fund public goods. Concessional debt can support activities that generate income, but cannot yet sustain commercial terms. Guarantees can absorb identifiable risks that deter investors. Commercial capital can scale models with reliable cash flows. The OECD definition of blended finance recognises precisely this role. Development resources can alter the risk-return profile of investments and mobilise private participation.

Structure is not neutral. Traditional aid has mostly been supply-driven. Funds become available, priorities and eligibility requirements are set, calls for proposals follow and local organisations adapt their activities to fit. Instead of finance responding to identified needs, needs are reformulated around available finance. Blended finance can repeat this dynamic when investor requirements replace donor priorities as the organising force.

EVIDENTIARY GATEWAYS AND BIAS

A project may now need to demonstrate revenue, scalability, traceable data, measurable outcomes, acceptable risk and a repayment or exit pathway before capital can move. These requirements are legitimate, but create an “investability bias.” Projects, sectors and organisations that can most readily pass through financial and evidentiary gateways attract resources more easily than those where social need may be greatest.

The effect is visible in practice. A smallholder enterprise may be productive, but remain effectively invisible to lenders without records, transaction histories, traceability and reliable data – a problem I have examined in relation to smallholder finance. Likewise, an African carbon project may have clear environmental value and domestic legal standing, but still



NOT EVERY SOCIAL CHALLENGE IS AN INVESTMENT OPPORTUNITY AND NOT EVERY SUCCESSFUL INTERVENTION NEEDS TO BECOME FULLY COMMERCIAL.

struggle to reach international capital without recognised verification, contractual safeguards and credible benefit-sharing arrangements as discussed in relation to carbon markets. Building the legal foundations for climate finance is not merely a compliance exercise. The architecture around the transaction determines whether value can reach the market.

This illustrates a wider governance effect. Financing structures do more than distribute money. Eligibility criteria, due-diligence standards, reporting systems, guarantees, insurance requirements and verification frameworks increasingly determine who can participate and on what terms. They can influence organisational behaviour even where no public authority has formally required the change. The architecture of capital can become an architecture of practical governance.

The evidence also shows why caution is required. The OECD reports that private finance mobilised by official development interventions reached US$77 billion in 2024. Africa received around 30 per cent of mobilised finance between 2021 and 2024; however, almost 70 per cent went to middle-income countries and only 8 per cent to least-developed countries. Social sectors received 6 per cent compared with 70 per cent directed to economic infrastructure and business-related activities. Mobilised finance remains particularly limited in fragile contexts and least-developed countries according to the OECD analysis.

MATCHING CAPITAL TO DEMAND

The answer is not to retreat from private capital, but to more deliberately match capital to demand. Not every social challenge is an investment opportunity and not every successful intervention needs to become fully commercial. The objective should be sustainability, not commercialisation for its own sake. My earlier work on the development aid gap argued that foundations and corporations can expand the range of resources available, but they cannot substitute for public responsibility or local priorities.

This creates a practical test for philanthropists, trustees and advisors before choosing a vehicle or capital stack. What problem is being solved? Is there a genuine revenue model? Which risks should philanthropy absorb and which should remain with investors? What reporting or verification requirements are necessary and could they inadvertently exclude capable local organisations? Most importantly, is private capital being introduced because it improves the sustainability of the solution or because mobilisation itself has become the objective?

The OECD's recent blended guidance reaches a similar conclusion stressing that blended finance should begin with a development rationale and be tailored to local context, country ownership and stakeholder participation. Structure not only allocates capital, but risk, authority and access.

The challenge is to move from donor dependency towards sustainable finance without simply moving from donor-led development to investor-led development. Start with the problem. Determine what sustainability requires. Then design the capital around it. ■



CHRISTOPHER BURKE

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RECOMMENDATIONS FROM THE DONOR DO NOT AMOUNT TO AN ENFORCEABLE RIGHT TO DIRECT DISTRIBUTIONS. THIS IS NOT A TECHNICALITY; INDEPENDENT CHARITABLE JUDGMENT IS ESSENTIAL TO THE LEGITIMACY OF THE ARRANGEMENT.



DONOR AGENCY AND THE ARCHITECTURE OF GIVING: WHY STRUCTURE MUST SERVE PURPOSE

TED HART – WWW.TEDHART.COM

Philanthropy has no shortage of structures. Charitable trusts, foundations, donor-advised funds (DAFs) and other arrangements serve different purposes, assets and legal requirements. Yet the central question is not which vehicle is most sophisticated. It is what that vehicle enables and what responsibilities accompany its use.

For professional advisers, this distinction is fundamental. The architecture of giving determines who can participate, which choices donors can exercise, where authority resides and how charitable intentions are translated into public benefit.

A useful test of any philanthropic structure therefore asks four questions: Who can participate? What agency does the donor possess? Who is accountable for decisions? And what evidence demonstrates that charitable purposes are being advanced?

Donor agency is the practical capacity to establish charitable priorities, make informed decisions and influence philanthropic activity within the legal and governance boundaries of the chosen arrangement.

FROM WEALTH TO PHILANTHROPIC PURPOSE

Historically, sophisticated philanthropic arrangements were often associated with substantial wealth and administrative capacity. Establishing a foundation, managing complex assets or supporting charitable work internationally could require specialist advice and significant resources.

DAFs have helped broaden access to structured giving. Donors make irrevocable charitable contributions to a sponsoring charity, which holds legal authority over the assets. Donors may subsequently recommend grants and, where permitted, investment preferences.

For some donors, this creates opportunities to develop a sustained giving strategy, involve family members, support organisations across communities and approach philanthropy with greater continuity.

Fees, minimum contributions, provider policies, grant-making restrictions and the timing of distributions nevertheless influence what donors and charities actually experience.

The significance of a structure lies in its practical capabilities, not simply its availability.

AGENCY IS NOT OWNERSHIP

A defining feature of a DAF is the distinction between donor advice and charitable control.

Once a donor makes an irrevocable contribution, the sponsoring charity owns and controls the assets.

Recommendations from the donor do not amount to an enforceable right to direct distributions. This is not a technicality; independent charitable judgment is essential to the legitimacy of the arrangement.

Yet relinquishing legal control need not extinguish philanthropic agency. Donors can still identify priorities, recommend grants, engage with charitable organisations and develop a long-term charitable purpose.





LEGAL CONTROL AND PHILANTHROPIC INFLUENCE ARE NOT THE SAME THING

A responsible sponsoring charity must also be prepared to decline recommendations that conflict with its charitable obligations. Effective philanthropic structures balance donor participation with independent governance, public benefit and accountability.

THE PROFESSIONAL ADVISER'S RESPONSIBILITY

Over more than 25 years of writing about and working in philanthropy, I have witnessed fundamental changes in how donors engage with charitable causes.

Digital fundraising expanded the ways individuals could discover, engage with and support charitable causes; cross-border intermediaries extended the geographical reach of that participation; and donor-advised funds introduced additional opportunities for sustained philanthropic decision-making.

Throughout these developments, one lesson has remained consistent: effective philanthropy depends not simply on the structures available, but on how well those structures serve the donor's charitable purpose.

Philanthropic advice often begins with tax efficiency, estate planning, asset disposition or vehicle selection. All are important. None substitutes for understanding charitable purpose.

An adviser should first ask what the donor hopes to achieve. Is the priority immediate support for operating charities, sustained giving, family participation, international grant-making or a particular approach to governance? How much involvement does the donor seek? What trade-offs are acceptable?

Only then should the conversation turn to structure.

The comparison should consider governance, advisory rights, costs, permissible grants, administrative capabilities and the consequences of transferring assets. Direct giving may be preferable where immediate charitable support is paramount. A trust or foundation may suit different governance requirements. A DAF may offer an effective balance of simplicity, continuity and advice.

A TRUST OR FOUNDATION MAY SUIT DIFFERENT GOVERNANCE REQUIREMENTS. A DAF MAY OFFER AN EFFECTIVE BALANCE OF SIMPLICITY, CONTINUITY AND ADVICE.

Philanthropy Impact's comparative research on UK donor-advised funds illustrates why these distinctions matter: providers differ in their grant-making rules, investment options, costs, international capabilities and the support available to donors and their advisers.[3]

The strongest recommendation is not the vehicle an adviser knows best. It is the arrangement suited to the donor's objectives and the charitable purposes at stake.

INTERNATIONAL AMBITION, LOCAL RESPONSIBILITY

The growth of DAFs in the United States offers useful experience, but the United Kingdom has its own increasingly established DAF landscape.

National Philanthropic Trust UK's 2025 UK Donor-Advised Fund Report records £787.7 million in grants to charities for financial year 2024, a 22.1 per cent increase over the previous year.[1] These figures demonstrate the growing scale of DAF-supported giving, although grant-making volume alone cannot establish charitable impact.

The American model cannot simply be transplanted into the United Kingdom. Legal duties, tax treatment, regulatory requirements and provider practices differ. Even within one jurisdiction, sponsoring charities may offer materially different capabilities. UK Community Foundations describes differing fund arrangements, grantmaking criteria and due-diligence responsibilities across its member foundations.[2]

International giving introduces further complexity: assessing overseas recipients, complying with applicable rules, managing risk and ensuring that funds support legitimate charitable purposes. Capable intermediaries can facilitate cross-border philanthropy, but their capabilities must be evaluated rather than assumed.





A structure that appears flexible in principle may prove restrictive in practice. Advisers must understand not only what a donor may recommend, but what the responsible institution can lawfully and effectively deliver.

THE CHARITY MUST BE READY, TOO

The architecture of giving does not end with the donor, adviser or DAF provider. It also affects the charity expected to translate philanthropic resources into public benefit.

A charity may be eligible to receive DAF grants yet poorly prepared to identify, process, acknowledge and steward them. Effective participation requires reliable systems, informed staff and an understanding of relationships among donors, advisers and DAF providers.

STRUCTURE SHOULD SERVE PURPOSE

In The DAF Revolution: Making a Difference in Our Modern World, I examine how donor-advised funds are reshaping access to philanthropy, expanding opportunities for donor participation and challenging professional advisers to reconsider their responsibilities.[4] The lesson is not that DAFs should displace other structures, but that philanthropic advice must evolve alongside the opportunities available to donors.

The effectiveness of philanthropic architecture cannot be judged solely by contributions received, assets held or the options available to donors. It must also be assessed by how effectively charitable resources are deployed, whether accountability is maintained and what evidence exists that charitable purposes are being advanced.

Professional advisers should be judged not by the sophistication of the structures they recommend, but by the quality of the philanthropic decisions those structures make possible.



TED HART

Ted Hart is an international philanthropy executive, author and strategic adviser with more than 25 years of experience advancing charitable giving. Former President and CEO of CAF America and CAF Canada, he is the author or co-author of seven books on philanthropy and fundraising, covering digital fundraising, major donors, nonprofit management, cross-border philanthropy and donor-advised funds. These include The DAF Revolution: Making a Difference in Our Modern World (2025) and the forthcoming The DAF-Ready Nonprofit: Securing and Sustaining Donor-Advised Fund Support (2027).

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