SUCCESS BY THE NUMBERS
5 Compelling Reasons to Be Philanthropic
By Marc Kramer

We could start this column by telling you that being philanthropic is good for the community, the soul and reduces your taxes, but that is only part of the reason to have philanthropy as part of your family business. The bottom line is that being generous pays dividends in many ways, but the most important payoff may be family respect and purpose.

What names do we revere the most? Gates, Ford, Hershey, Mellon, Rockefeller...the list goes on and on. All well-known family businesses that have made a national and international difference, yet when a member from one of these businesses walks into a room, people aren’t thinking about the piles of money they have stocked up that probably exceed the tallest building. What first comes to mind is the good that they do.

Here are five not so obvious reasons philanthropy should be part of every family’s mix of endeavors:

1. **Galvanizes Family** – Family members can come together and agree upon specific needs of the community that interest them and work together for the common good. It is a great bonding experience.

2. **Support Employees** – Allow employees to select a charity or cause that the business will donate to. Supporting an employee’s cause will only serve to strengthen the bond between employer and employee.

3. **Corporate Goodwill** – The public looks more favorably on those who share the wealth and impact the community in a positive way. For example, Comcast built a community center in South Philadelphia where computer training and other activities take place which has positively impacted their image.

4. **Brand Awareness** – Companies have been leveraging corporate giving to build brand awareness by tying their giving to a specific community need or organization like United Way. Today you are seeing more companies asking employees where should they invest and how should they invest.

5. **Diversity of Opportunity** – Not every family member wants to join the family business. Starting philanthropic endeavors opens new opportunities for disengaged family members to contribute their talents and skills.

In most families the philanthropy decision is made by the founder or the second generation that has increased the value and revenue of the family enterprise. Before you decide on your philanthropic endeavor, ask yourself and your employees these five questions:

- What does the community need and does this need fit with our corporate values, goals and culture?
- Is this something we can afford for the long-term?
- Who will drive the process and represent the organization?
- What financial and administrative support is needed?
- How do we ensure that we execute our giving as well as we execute our business?

ABOUT THE AUTHOR

Marc Kramer, executive-in-residence at the Haub School of Business, is a serial entrepreneur, author of six books and has run over 20 startup and four turnaround companies. His expertise is in launching new ventures, marketing, market research, sales, raising capital and leadership. He also writes a national column for American City Business Journal, a regional column for SmartCEO magazine and provides weekly entrepreneurial educational content for KYW News Radio. Follow him @marcdkramer

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