

## Family Wealth Develops into Philanthropy

Many Asian family businesses are making generous donations for the well-being of their communities. Philanthropy and giving back to the society has always been a part of traditional Asian values but has off-late gathered a renewed momentum. A recent joint study by INSEAD business school and financial services major UBS found that philanthropy has considerably increased in Chinese context. The donations made by high net worth individuals (HNWIs) aimed at social causes like poverty alleviation, education, healthcare and disaster relief efforts. Commenting on the trend in the Chinese context Rupert Hoogewerf, the founder of the 'Hurun Report' magazine said, *"The Sichuan earthquake in 2008 brought social responsibility and charity to the fore. Chinese philanthropists on average donated 6 percent of their personal wealth to humanitarian causes."* Kevin Au, director of the Center for Family Business at the Chinese University of Hong Kong opines, *"Family businesses give back to society and forge close local ties for establishing a long-term presence in the community."*

Similarly, Indian family businesses have long been associated with political and social causes. The Birlas, Tatas and Murugappas have been some notable groups that have contributed for social causes. Many others have recently come forward to contribute to various social causes. *"Families in India have a long tradition of giving to the poor and needy, and business families do not focus only on achieving sustainable financial growth but also on contributing a part of their income for social good,"* says Kavil Ramachandran, Thomas Schmidheiny Chair Professor of Family Business and Wealth Management at the Indian School of Business. The Asia-Pacific region is predicted to overtake North America in number of HNWIs by 2016. With rising wealth, philanthropy is also projected to grow. Kevin Au suggests that Asian family businesses would be served better if their philanthropic efforts are more organised and have a strategy aligned with family values.

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