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Insights: Publications

When Does a Private Foundation Make Sense? Initial Questions and Organizational Issues Donors Must Consider

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Because of the complexity, private foundations used to be considered to be a charitable giving technique only for the very wealthy. However, that is no longer the case. Today many donors are organizing private foundations with initial contributions of less than $1 million. This article addresses critical initial questions that should be analyzed and answered to determine not only if a private foundation makes sense for a particular donor but also, if so, how the private foundation should be organized. Finally, in analyzing these issues, this article also discusses donor-advised funds as an alternative to private foundations.