

Celebrity capital

Using a brand platform for good

UBS Family Office Solutions | Family Advisory and Philanthropy Services



UBS

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UBS centers of excellence

UBS serves high net worth and ultra high net worth individuals, families and family offices across the globe by delivering the expertise, advice and customized solutions clients need—from across the firm and around the world.

Family Advisory and Philanthropy Services seeks to exceed client expectations by serving as a thought-partner to families of exceptional financial success by providing advice and solutions on topics critical for families to flourish for generations. These topics include intentional communication and decision-making, generational transitions, family wealth education, family governance and creating meaningful philanthropic legacies to maximize impact locally, nationally and globally.

Family Office Solutions is a team of specialists that exclusively works with USD 100 million+ net worth families and family offices. The team helps clients navigate the challenges and opportunities across their family enterprises, including their businesses, family offices, philanthropic structures, and passions and interests. Having this expertise under one roof allows for integration and layering of services across the UBS ecosystem, delivering a personalized, holistic client experience.

The UBS Athletes and Entertainers Strategic Client Segment has a simple mission: to deliver the best advice and guidance our firm has to offer to athletes and entertainers.

Introduction

Dear reader,

After years of conversations and engagements with some of our most publicly recognized clients and their advisors, we realized something was missing: written guidance to help well-known individuals navigate the world of professional philanthropy. We found that while many celebrity clients have charitable goals, some even establishing charitable structures, relatively few were knowledgeable about philanthropy's opportunities and pitfalls. Consequently, we have written this guide charting our experience as doers, thinkers and advisors to celebrities, many of them seasoned or emerging philanthropists. This piece reflects our diverse backgrounds and perspectives and is intended to help our clients connect to the causes and people they care about most.



Shawna Hamilton

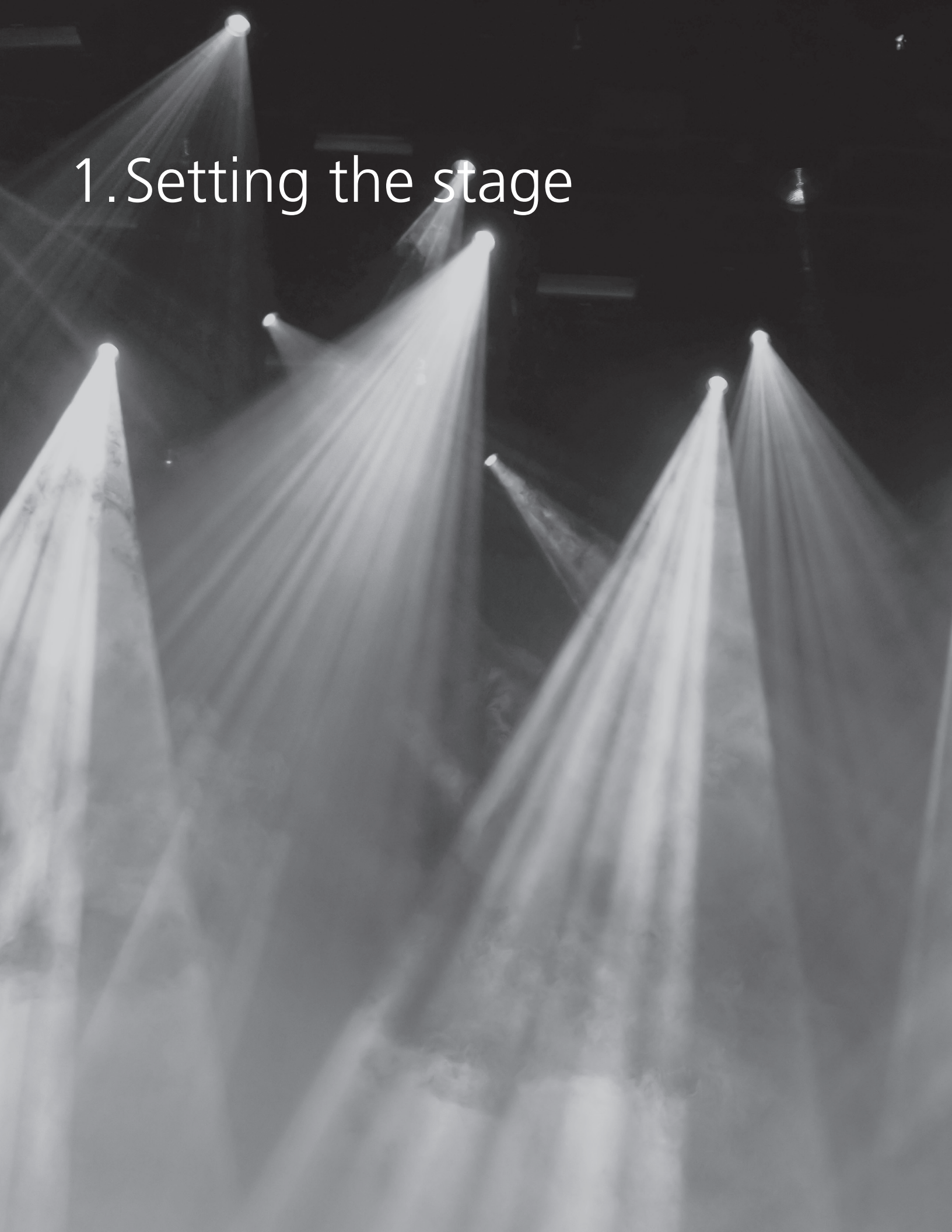


Debra G. Phares



Nicole T. Sebastian

1. Setting the stage





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Career and philanthropy

This paper is for those who want to leverage their fame and reputation to do good. It draws a road map for defining a celebrity's philanthropy strategy and execution.



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The celebrity ecosystem

Celebrities tend to have extensive ecosystems, including friends and family. When undertaking philanthropy, this ecosystem necessarily incorporates financial and philanthropic advisors.

Career and philanthropy



Influencer; celebrated person; athlete; entertainer. There are many different types of celebrity.

This paper is for those who want to use the platform of their public persona and reputational capital for good. While there are increasingly more paths to celebrity status—both new (i.e., social media) and more traditional (i.e., arts and entertainment)—paradoxically there are fewer ways to prepare for navigating the complexities once there. Celebrities find themselves in the spotlight for many reasons at varying stages of life, of career, levels of success and wealth. And yet all celebrities have three similar realities that affect how they achieve their philanthropic goals:

1. An amplified outreach through fans, businesses and charities;
2. A loss of privacy or anonymity;
3. An assumption that their wealth and fame equip them to support charitable causes, invest in companies, financially support friends and family, or serve as an ambassador or spokesperson.

What's more, the public scrutinizes celebrities' actions, which inevitably means they must allow for this when planning their philanthropy.

Our goal is to deconstruct these realities, and offer baseline philanthropic solutions for

celebrities, their inner circle and family (whether biological family or chosen) to consider.

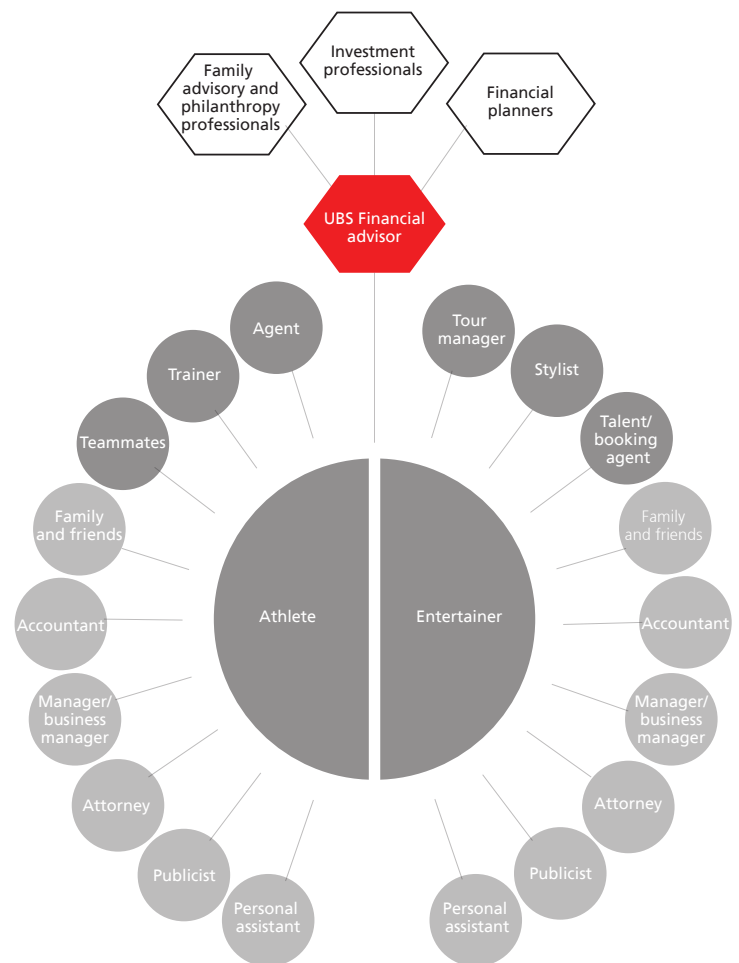
This paper draws a road map for defining a strategy, including a framework for assessing philanthropic opportunities—both proactively and reactively. At the same time, it considers how to communicate their passions and purpose to their inner circle and to the world.

The celebrity ecosystem



Many celebrities navigate fame and wealth while simultaneously managing a demanding career. They have to filter career opportunities and prepare for the unexpected: contracts may not be renewed, injuries happen, popular trends change and opportunities can disappear. As fame, career trajectory and earnings fluctuate, many celebrities surround themselves with highly effective teams that manage their professional, financial and personal lives. We call this team “the ecosystem” —a blend of personal and professional advisors. Today, this is more important than ever, given celebrities have more opportunities in the modern (increasingly virtual) world. Thus, having an informed, thoughtful team saves time, mitigates risk and optimizes philanthropic endeavors.

Celebrity ecosystems can be extensive. At the heart of these ecosystems, celebrities can find the information flow overwhelming. But a trusted financial advisor can help, becoming acquainted with the celebrity’s inner circle, and understanding the celebrity’s priorities, values, interests, background and history. It’s important for the celebrity to create an integrated, multidisciplinary team of experts across various functions. Critical to the ecosystem’s success is good rapport and effective working relationships. The financial advisor is well-positioned to spearhead this effort.



Transitioning to formal giving

People are drawn to causes to support based on their lived experience, based on what is important to those who are important to them, and driven by the change they seek to make in their communities and beyond. It's never too early to start giving. In fact, many celebrities support the causes and people they care about long before becoming a celebrity. Whether volunteering their time, mentoring a family member or donating to a local charity—generosity is quite literally wired into the human brain. **The distinction here is making the transition from natural generosity to generosity implemented through formal or legal structures as one's reputational capital builds.**

When a celebrity is developing a philanthropy perspective, key additions to this “ecosystem” should include a team of trusted advisors who will provide guidance on and manage financial affairs, philanthropic activities, and brand and reputational considerations.

This trifecta is critical as it relates to a celebrity's philanthropic capital. Among them, the role of a philanthropic advisor can centralize the key considerations around the who, what, why and how of giving, always with an eye toward ensuring the celebrity's brand and platform align to ultimate goals. Given the deeply personal and intimate nature of philanthropy, we have seen many celebrities (and non-celebrities alike) hire a family member or close friend to oversee and execute on their philanthropy. While members of the inner circle, these individuals may have less professional experience or expertise in this domain. Thus, seeking out specific philanthropic expertise as thought partners to incorporate into the existing ecosystem can be incredibly additive. Oftentimes, this is available via the celebrity's financial advisor and their affiliated institution (your authors included). Whether there is a formal structure dedicated to this very important area or not, we can certainly help. Please contact a UBS Financial Advisor to learn more.

2. Philanthropy's key considerations





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Modern philanthropy

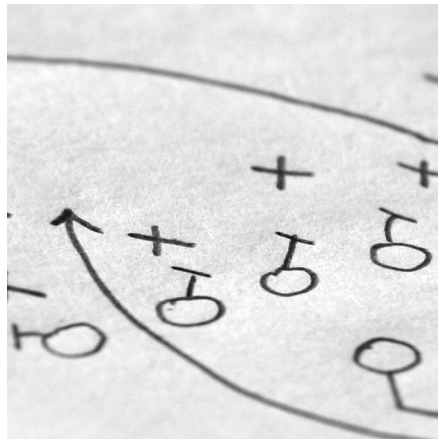
The terms “charity” and “charitable giving” refer to making contributions to organizations or programs that have a tax-exempt purpose as recognized by the IRS. Giving to friends and family is a different type of giving and falls outside the scope of this paper.



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Follow the spark

Translated from Greek, philanthropy gives a clue to the nature of the spark: it means “love of humanity.”



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Purpose on paper

Philanthropy requires a great deal of thought. Aligning values, passions and purpose on paper helps to bring their philanthropy to life.



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Analyze this: Nonprofits, NGOs, charities, social finance

Assess the organizations they plan to support, whether financially or in other ways. Doing proper diligence is one of the most important steps in philanthropy.



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Choose a charitable gifting vehicle

There are differences to consider when choosing charitable vehicles. They provide varying levels of anonymity and control.



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Different ways to “give”

Celebrities can structure their charitable activities in a variety of ways. DAFs and private foundations are the most common vehicles, among many others.



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Taking time

Philanthropy is a learning process. It’s important to take time to settle into a rhythm.



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Involving the family

We often see celebrities involve family members in philanthropy. But it’s also wise to engage expert philanthropy consultants and advisors.



Modern philanthropy

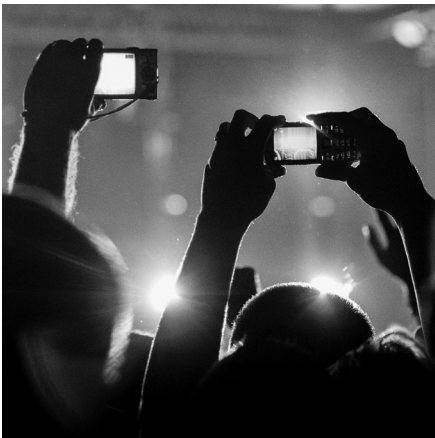
What is charity? In the philanthropic sector, the words “charity” and “philanthropy” are often used interchangeably, but they can mean very different things. For the purpose of this paper, the terms “charity” and “charitable giving” refer to making contributions to organizations or programs that have a charitable purpose as recognized by the relevant tax code. This means that the Internal Revenue Service (IRS) (or foreign government, if

appropriate) has approved the entity to provide a social benefit to the public; thus the contributions may be tax deductible. Hospitals, universities, after-school programs, sports camps, performing arts organizations and food banks are just a few examples of the millions of charitable organizations that exist.

We distinguish between a recognized charity and philanthropy because giving or gifting to family

and friends (including purchasing homes, funding education or financially supporting extended members of the inner circle) are all generous and charitable acts, but they are not included under the umbrella of formalized philanthropy.

Follow the spark



When a celebrity begins to create a formal philanthropic plan, we recommend they start by following the spark of their curiosity or interest. An easy way to do this is built into the word philanthropy itself. “Philanthropy” translates from Greek to mean a “love of mankind” or “love of humanity.” As such, before developing a philanthropic plan, reflecting on how they may have already shown their “love of/for humanity” is a good place to start in the exploration process. Following the spark is the open process of asking, what brings a sense of joy? Who do they admire, what do they want to remember, or what do they want to bring attention to? What is the ultimate vision they see fulfilled that will shape the legacy they leave

behind? Each one of these reflections fuels the next step, value-setting, which helps to construct a philanthropic platform and connect the celebrity’s brand. Understanding motivations, why they want to give, who they want to be engaged with in this endeavor, who will join them in their giving, and how will their values be communicated and expressed through their giving is an integral first step informed by sparks of interest (see [*“Understanding motivations: The power of a philanthropic plan,”*](#) UBS 2023).

Below are some actionable ways a celebrity or their inner circle can explore and experiment in following the spark:

- Research the issues that resonate directly or with help and guidance from experts within the trusted ecosystem or as an extension of it.
- Attend events or arrange for time to visit the organization and observe their work or programs. If anonymity is important, the celebrity may request that someone from their ecosystem attend in their stead.
- Ask charities what they need and actively listen to their responses.
- Ask peers what they are funding and why.
- Learn about what support already exists in an area of interest so as to not duplicate efforts.

- Learn about the needs in your local community (via organizations you already know, local community foundations, other philanthropists you know and respect, or via your advisors).
- Experiment and iterate—consider making small grants (through an anonymous platform) to start a relationship with an organization and watch them develop over time—providing a window of time to determine a philanthropic strategy.
- Connect with experts as part of the learning journey.

Once a celebrity has identified their reasons for giving and formed

their core values, the next step is identifying how to give.

Note: A celebrity may not be able to personally engage in the above recommendations. This highlights the importance of intentionally building and actively engaging a trusted philanthropic team. This might include philanthropy employees within the ecosystem as well as the financial advisor, associated philanthropy advisors at the financial institution and outside experts. This cohort of trusted advisors conducts research, visits organizations, attends events and reviews opportunities.



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Choose a charitable gifting vehicle

When selecting a gifting vehicle (as opposed to considering an endorsement or lending their name/brand to a cause), it's important to decide whether the celebrity wishes to remain anonymous. The most common charitable vehicles—private foundations and donor-advised funds (DAFs)—provide varying levels of control and anonymity. Contrary to the name, a private family foundation is in fact open to public scrutiny, providing information about the funding philanthropist, amount of donor capital, which organizations are receiving grants/donations (and how much), as well as the financial institutions managing the assets. Private foundation information can be viewed online, as their tax filings are publicly available. If a celebrity's foundation has an easily

identifiable name, the celebrity may receive unwanted requests for funding.

Alternatively, DAFs provide a level of anonymity where the donor can choose whether to be known when making a contribution. The existence of a DAF is also not public, so this may minimize the outreach that results from knowing one has a philanthropic vehicle in the public domain.

A foundation does provide more flexibility in terms of what one can fund (DAFs are limited to supporting registered 501(c)3 charities) but a foundation has additional layers of administrative and other responsibilities. Often, these two charitable vehicles are used in concert, as opposed to just one or the other.

The different ways to “give”



The two most common charitable vehicles are donor-advised funds and private foundations.

- **Donor-advised funds** (DAFs) are giving vehicles where contributions are treated as gifts to a public charity for purposes of the deductibility limits. The donor receives an immediate income tax deduction for the amount contributed to the DAF, even though the assets may not be distributed to the ultimate charitable beneficiary for years to come. This allows individuals to make contributions in high income years, build a charitable fund over time and then distribute the assets to charities in the future. Advantages include making grants distributed to charities over time, no administrative burden, and does allow for family involvement.
- **Private foundations** are a form of charitable organization that

usually receives its funding from an individual or a family. The principal activities of most private foundations include making grants to public charities and awarding scholarships to individuals. The major attraction of private foundations is that the donor and family can maintain control of the entity, allows family to be engaged, and can be set up in perpetuity. There are some IRS regulations and requirements that must be met. For a comprehensive list of charitable vehicles, please see our white paper, “[Charitable giving: Rules of the road](#),” UBS 2023.

An individual can also make charitable gifts through direct giving and charitable trusts.

- **Direct giving** supports charitable organizations directly; it’s sometimes referred to as “checkbook philanthropy.” This

includes cash as well as gifts of non-cash assets such as stocks, appreciated securities and real estate.

- **Charitable lead and remainder trusts** provide ways to structure giving through estate and legacy planning. The trusts can generate income for individual beneficiaries and charitable organizations, as well as eventually passing remainder interests to them.

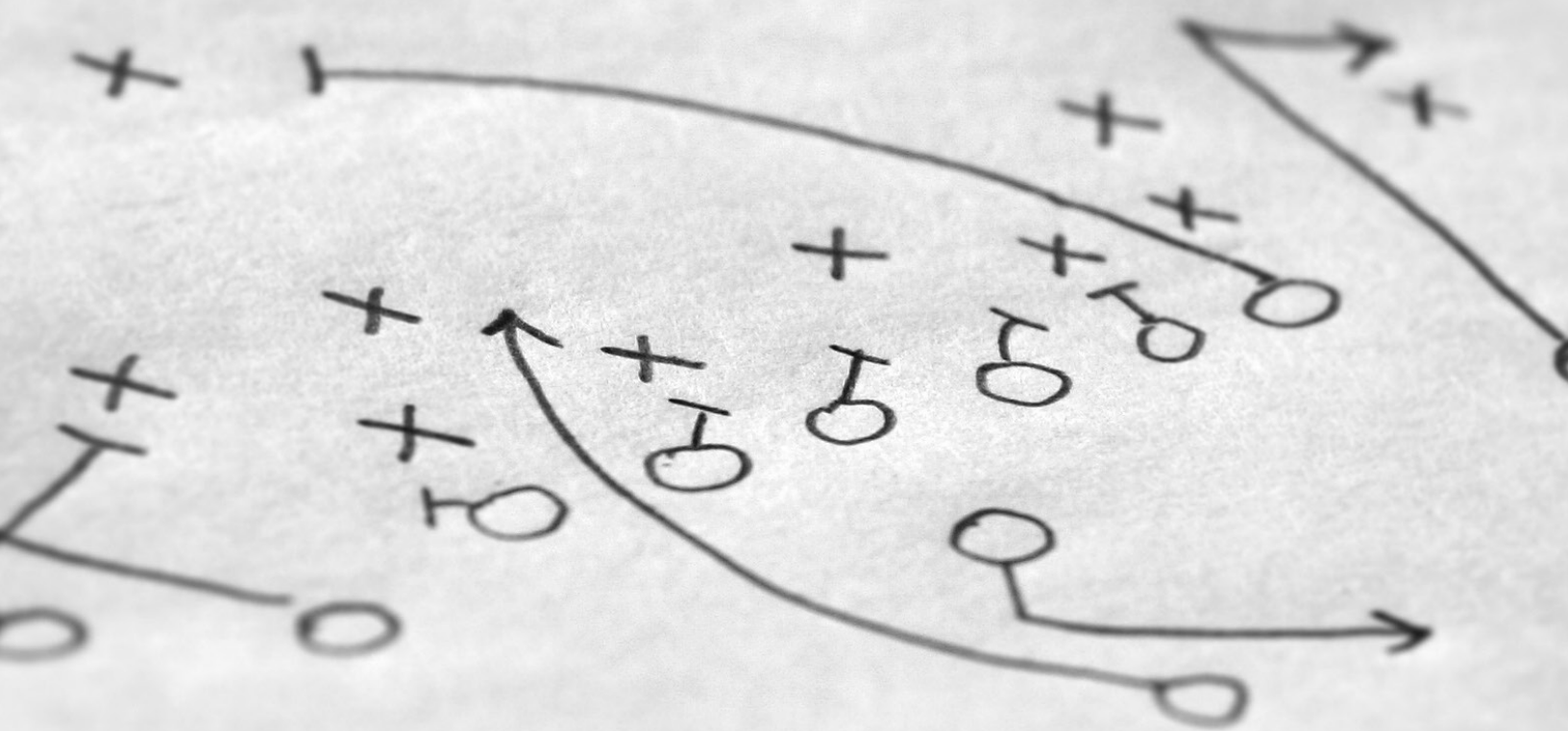
Importantly, a philanthropic plan may include volunteerism and giving “in-kind:”

- **Volunteerism** allows for personal, hands-on involvement, with a wide range of opportunities and levels of engagement. It can include serving as a board member; helping to deliver an organization’s services (i.e., meals to the homebound, tutoring through after-school programs);

or using one’s platform to bring attention to a particular issue.

Through all these examples, celebrities can lend their skills and talents, often in tandem with others who do not share the same public status. Actively volunteering and giving time has an immediate benefit for the community, as well as building brand equity as it relates to their chosen specific causes.

- **In-kind giving** is when a celebrity is asked to serve as an ambassador or spokesperson, lending their name or likeness. Items such as signed memorabilia, hosting free concerts, providing merchandise for “swag bags,” social media blogs/posts/endorsements, and other personal items may be requested. Organizations like to use a celebrity’s name/photo/autograph/gift to raise funds, typically through an auction or special event.



Purpose on paper

Once a celebrity has identified what causes they want to support and which charitable vehicle to use, the next step is to create a strategic plan. The initial stages of a philanthropic journey consist of a steep learning curve, requiring a great deal of initial thought. There is always a possibility that a celebrity's giving will become public. Being clear about their values and motivation will help them to respond to any questions in case of unexpected publicity.

Applying the who, what, why and how model can help a celebrity to define their philanthropic focus, and allow them to effect and measure real, visible change. Their philanthropic plan should align with their

personal interests, while also maintaining a position with their possible professional charitable responsibilities. As noted, we recommend starting with creating a list of values the celebrity lives by or aspires to, and the causes they have a passion for. This list should be concise, clear and reviewed often. The "how" of charitable giving includes both in how programs are funded and how decisions are made for the charitable entity. Negative press can focus on what a celebrity funds as well as whether the charitable entity is operating ethically and effectively. For more information, please see our thought paper on developing a philanthropic plan, "[Strategic Planning for Philanthropy](#)," UBS 2023.

Aligning with values

Having a plan and a process for considering philanthropic opportunities is inextricably linked to one's values and value system. This will also serve as a marker for other charities to know the celebrity's passions and will, hopefully, make approaches more relevant.

Analyze this: Nonprofits, NGOs, charities, social finance



Now that values have been prioritized and a baseline plan is in place, it is time to assess the organizations that may receive funding or other kinds of support. **One of the most crucial steps of the philanthropic process is due diligence in assessing nonprofits, also called NGOs (non-governmental organizations), charities, or impact investing/social finance opportunities.** Not all charities are created equal. They can vary in how they raise funds, operate and fulfill their charitable missions. Celebrities should familiarize themselves sufficiently with an organization and its work before agreeing to support it with their time, talent or treasure. The below questions are sample due diligence questions:

- What are the organization's goals? Does the organization's mission align with the celebrity's personal or philanthropic goals?

- Is the organization a qualified charity? Is it well-run, and are the investments and finances well-managed?

- Who are the organization's leaders and donors? Consider meeting the executive director, board members, program staff and, if appropriate, the people or areas served by the organization.

- What is the time commitment? It's easy to over- or underestimate the amount of time involved.

- What is the best way to support the nonprofit charity? Is it via grants, in-kind gifts, volunteering or becoming a brand ambassador?

- How will the gift be used? It's important to understand the ultimate impact and if it can be measured.

- Is the relationship sustainable? What might potentially warrant moving away from this engagement?

If after completing due diligence it is determined that no donation will be made to the nonprofit charity, knowing when and how to say "no" is important, as this has possible implications for the celebrity's reputation (see "Creating a response mechanism for requests" on page 38).

Taking time

Philanthropy is an iterative process with many potential stumbling blocks. As the inevitable learnings, setbacks and wins occur, remaining focused on one's purpose is key. Much like any planning with a manager, agent or family member, it is important that the celebrity sets targets and milestones—for both learning and doing. It's important to collaborate where possible—both by seeking guidance and possibly by jointly funding. It is very common for it to take a year or two (depending on staffing and advisory support) to settle into a rhythm.

Involving the family

An individual's values and priorities are entwined with their life's story and trajectory. We regularly see celebrities involve their family members, both biological and chosen, and those in the inner circle in their philanthropy. This is because philanthropy is so personal that it requires a level of trust, proximity and familiarity with the celebrity's values in order to be successful.

It is important to recognize that philanthropy is a veritable craft, and to engage in it successfully requires education, knowledge share and training. In some cases, philanthropy is new to those family members who have been invited to participate. If so, it's wise to organize and to engage expert philanthropy consultants, which can be done through a financial advisor. The sole focus should be to ensure that one's philanthropic efforts are effective and impactful.

3. Preserving and elevating the celebrity brand

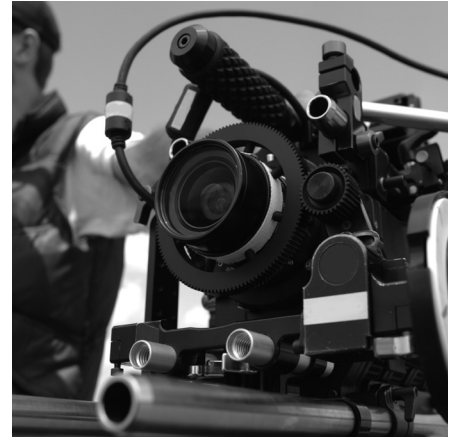




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Reputational risk and aligning with a celebrity's brand

As a celebrity, becoming associated with a particular organization involves reputational risk. It's important to consider risk mitigation strategies.



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Brand considerations: Assessing the nonprofit through a celebrity lens

When vetting an organization, the celebrity must consider their personal brand.



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Creating a response mechanism for requests

Having a formal process will help to assess requests for support from nonprofits. It will also serve as a protection mechanism for decisions to decline.



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Challenges for new wealth creators

There is public pressure to "give back." It's important to implement a consistent and rigorous process for vetting opportunities.



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Case study: Evaluating the opportunity to be a brand ambassador

A non-attributable case study focusing on a water charity shows what kind of questions and considerations emerge. The lessons apply equally to other types of charity.



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Risk mitigation: Assessing a nonprofit engagement

When assessing an organization, there are specific questions one should ask. Working with expert advisors will help celebrities to make an informed decision.



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Industry perspective: Key points to reduce risk

A former Pro Bowl football player has suggestions for mitigating risk.



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Industry perspective: Pitfalls and challenges of coming into wealth

Newfound wealth brings responsibility. There are ways to manage the challenges.



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Creating a legacy

Celebrities have unique opportunities for creating lasting and impactful legacies, and doing so involves considerable complexity.

Reputational risk and aligning with a celebrity's brand

With the spotlight comes enhanced risk to one's reputation and overall brand. Before "hitting it big," celebrities are oftentimes focused on the grind of "making it" in their relevant craft or profession. Reaching/achieving success doesn't necessarily include a full understanding of, or preparation for, the loss of anonymity that accompanies said success.

In conjunction with this success is the significant uptick of requests and active outreach on behalf of nonprofit organizations to support and represent their charitable endeavors. This can become a regular and frequent experience that comes about as a result of a celebrity's visibility and popularity.

Having supported a particular cause or organization in the past (before becoming a public figure), for

example, is quite different from being asked to serve as an ambassador or to utilize one's public persona and/or platform in the public domain.

Therefore, additional vetting of the particular organization or cause is now critical, as is a deeper self-reflection in terms of what cause(s) or organization(s) they would want to be formally connected to/affiliated with, and to what extent.

Let's look at both brand considerations and reputational risk mitigation strategies for navigating this new reality.



Brand considerations: Assessing the nonprofit through a celebrity lens



A person's brand becomes an important consideration once celebrity status is achieved. **Celebrities are carefully observed by the public, and what they choose to endorse or support becomes intertwined with their identity.** In the age of social media, public figures' previous behavior and online commentary receive greater attention. Furthermore, negative publicity is reciprocal—if either a charity or celebrity receives negative press coverage, both brands could be damaged. Links are promptly and publicly cut, often compounding the damage.

It is therefore crucial to reflect thoughtfully when vetting a nonprofit (see "[Giving for good: Choosing nonprofit organizations to support.](#)" UBS 2023, for how to conduct due diligence on

nonprofit organizations). It is equally important to add a layer of personal brand considerations, sometimes asking the same nonprofit vetting questions, with some additional considerations for the celebrity themselves. Some of these questions are the same any philanthropist might ask when assessing a nonprofit. Before making a commitment to lend their name and brand to a nonprofit organization or specific campaign or event, consider the following questions:

- What is the mission and work of the organization?
- What does that cause represent for the celebrity, and do they stand by the organization's leadership and mission?

- What change, impact or improvement does the celebrity hope will result thanks to their public endorsement/support?
- Are there requests/expectations the celebrity would have of the charity if they were to officially/formally provide public support?
- Does the celebrity have a full understanding of the issue they are hoping to help solve for or address? How is the work of this particular organization consistent with the celebrity's vision?
- Does this cause have political linkages? Does the celebrity have a clear position on being involved with advocacy, lobbying or policy-related initiatives?
- Does the celebrity have any non-negotiables?

Nonprofit organizations often approach celebrities who have interests and passions similar to their causes. On the next page is an illustration of a scenario that could take place.

Case study: Evaluating the opportunity to be a brand ambassador

The below is non-attributable, and has been compiled from a combination of real scenarios for the purpose of illustration only:



A certain celebrity expressed their passion for clean water on social media, and recently attended a gala for an organization that provides clean drinking water to children in regions across the global south. Photos were taken of them on the red carpet along with other celebrities who are formally associated with the organization hosting the event. Shortly after the event, this celebrity was approached by another charity focused in this same area, asking if they would consider serving as its official ambassador.

The celebrity was flattered by this invitation but didn't receive much more detail on what serving as an ambassador would entail. They weren't sure how to even begin assessing this opportunity and whether it made sense for them to accept the invitation.

As previously mentioned, before even assessing the opportunity, it is important for them to really consider where their passions lie and determine if this opportunity aligns closely with their interests, as they will become a representative in the public sphere if they accept the ambassadorship.

In this case scenario, their first step is to really think about the issue of water, and what about the issue is important to them. This first step can be more complicated than meets the eye. Like so many other causes, clean water and access to it is interconnected with many other social and environmental issues. For example:

- Is the celebrity concerned about the scarcity of water through an environmental and climate change lens?

- Are they drawn to organizations that drill safely to provide clean drinking water to communities that do not otherwise have access to clean water?
- Are they interested in such organizations that in doing so create jobs and therefore have a socioeconomic component to the work as well?
- Are they passionate about providing clean water that is also easily accessible so that children do not have to make a perilous, day-long trek to get water for the family, thus not being able to attend school (or compromising their safety)?
- Does providing clean water in schools allow children not only to be present, but to be able to learn because they are not

experiencing water-borne illness as a result of drinking contaminated water?

- Do they want to ensure that birthing clinics have clean water available so that mothers and newborns are not exposed to unhygienic conditions?
- Whether halfway across the world or closer to home, are they activated by the fact that so many people do not have access to clean and safe drinking water, and this is what drives their passion and commitment to this particular issue?

As you can see, there are a multitude of directions in which someone can take this inquiry related to water. In addition, the celebrity will want to examine the

leadership and governance of the organization to better understand its character, professionalism and effectiveness to determine whether they want to be formally affiliated with said organization. A similar approach could be applied for other issues, such as poverty, homelessness or education, just to name a few.

Individuals in this situation may also want to consider organizations that seek to address their particular cause through other channels including advocacy, education or awareness raising (as opposed to direct service provision).

Risk mitigation: Assessing a nonprofit engagement



Well-known individuals need to be especially careful about associating themselves with an organization before truly confirming that it's well-led and governed. Should something go wrong with an organization (whether operations, programs, management or oversight), the problem would certainly be covered in the press. Any celebrity would find their reputation tarnished by association.

Assessing an organization requires a process to vet and consider requests from nonprofits as they are received (assuming the celebrity has any interest in entertaining requests). A good place to start is by asking the following questions and then assessing the replies. This can determine whether the request aligns with the celebrity's values and how they hope to provide support (financially, through public endorsement or by advocating on behalf of the organization):

- How does the organization envision utilizing the celebrity's brand/platform?
- How actively involved does the organization expect the celebrity to be?
- What would the organization like the celebrity to emphasize about their work?
- Is the organization willing to provide the celebrity with the resources (and a dedicated point person) to adequately prepare the celebrity to be a spokesperson on their behalf?
- Is there a specific time period or a campaign that the organization will want the celebrity involved with?
- Does the organization expect the celebrity to make a financial commitment?

- Is the organization approaching other celebrities simultaneously to be formally involved with the organization? (If this is the case, does the celebrity want to be involved?)
- Who does the celebrity involve from their ecosystem and who do they engage with from the organization?
- Should the celebrity have individual members of the organization sign NDAs or any other type of document protecting them?
- Does the organization have clear parameters of what the celebrity will do, as well as how and when their name can be used?

The above questions emphasize the point that this should be a symbiotic relationship. There should be a clear articulation and understanding by both parties of

the reason for the collaboration and the intended outcomes as a result.

Celebrities are not expected to know all of the above and working with experts in an advisory capacity will help them to make an informed decision—about the cause, the specific organization, and the value of their involvement. Establishing a formalized process will make celebrities feel more protected and assured when evaluating opportunities.

**Industry perspective:
Key points to reduce risk**

By Wale Ogunleye, Head, Athletes & Entertainers Strategic Client Segment and former Pro Bowl football player

- Remember that authenticity is the most important factor when aligning with a brand or charity
- Be aware that there will always be naysayers and it's impossible to please everyone but ensure alignment with organizations that are personally meaningful
- Prepare for being in the spotlight; it's important to anticipate the tough questions that the public or press may ask
- Leverage the ecosystem to mitigate as much risk as possible

Creating a response mechanism for requests



Having a formalized process and a defined charitable purpose in place will also help to create protective boundaries for the celebrity as it relates to messaging declines—or kindly saying “no.” Within the celebrity’s ecosystem, there should be a point person to receive and respond to all such requests.

The process of considering requests will naturally include the celebrity and, perhaps, others in their ecosystem (depending on each request as some may be clear declines, whereas others may require more extensive diligence). But neither the process, nor who is involved, needs to be made public.

Depending on the quantity of requests, they may want to consider crafting a series of standard responses. This may include the following types of communications:

- Immediate thank you and decline;
- Acknowledgement of invitation and request for more information;
- Acknowledgement of additional information and note that you will respond following review;
- Close the loop on the decline (possibly including the rationale for the decline), continue with further inquiry per above considerations, or proceed with engagement.

This simple yet effective strategy provides a level of privacy, confidentiality and protection to the individual being approached, sometimes relentlessly. What makes this critical is that the cause may be important, yet a decline is not a judgment on the organization—it may simply be a bad fit for any number of reasons. Going back

to the importance of brand and reputation, it's crucial that the celebrity doesn't get criticized for declining to support a cause or organization. To avoid this risk, be gracious, acknowledge outreach, have a process for vetting requests and close the communication loop on invitations. In other words, have a plan!

The key takeaways in this section include:

1. Think strategically about which charitable vehicle(s) make most sense for the celebrity's philanthropic goals;
2. Develop a plan for assessing requests for funding, endorsement or active brand participation;
3. Establish a process for responding to requests, as appropriate.

The role of social media

Social media platforms can provide wonderful and far-reaching insights into a celebrity's passions and endorsements.

How they utilize these channels should be consistent with protecting their brand, minimizing reputational risk and consistency in messaging.

Challenges for new wealth creators

Whether the celebrity has created or inherited wealth, it's important to acknowledge the public pressure to "give back" and what that means. For some, it's about lifting up and helping the community that helped them rise to success. For others, it's about acknowledging the struggles that others face once they have witnessed it for the first time through their own eyes. Celebrities sometimes feel a tangible and personal connection to what they support, or there can be no personal tie. Alternatively, they can gradually develop relationships with organizations, becoming better versed in their causes as they do so. Alternatively, someone they trust and respect might introduce them to a new cause. In all cases, it's important that celebrities consistently implement a process for vetting opportunities and communicate their decision.



Industry perspective: Pitfalls and challenges of coming into wealth

By Wale Ogunleye, Head, Athletes & Entertainers Strategic Client Segment and former Pro Bowl football player

Coming into wealth is exciting but also brings many challenges and potential pitfalls. Time and again, we see news headlines reporting a celebrity going bankrupt or in some sort of financial trouble. With newfound wealth comes great responsibility; it's important to be aware and mindful of the challenges and pitfalls that one may experience.

These include:

- Knowing what you don't know when it comes to finances;
- Trying to make up for lost time with spending, leading to wasteful or excessive purchases that aren't necessary;
- Feeling remorse for coming into wealth when others have not;
- Having family and friends either asking for money or being jealous of your financial success;

- Knowing what to be involved with from a financial perspective and who to trust;
- Keeping up with the "Joneses."

Ways to navigate these pitfalls and challenges include:

- Address any lack of knowledge and get educated and engaged in how your money is being invested;
- Introduce proper processes and controls to guide smart financial decisions;
- Plan and prepare for major milestones that may occur personally and professionally;
- Realize it's okay to say no.

All of the above also applies to any philanthropic considerations.



Creating a legacy

Celebrities have a unique opportunity when it comes to creating a lasting and impactful legacy. With an established public persona, there is already a solid foundation on which the legacy can flourish—through the celebrities themselves, their families, their inner circles and their communities.

At UBS, we believe that it's important to recognize all aspects of leaving a legacy—both in financial and non-financial realms. When it comes to managing financial wealth, we employ the UBS Wealth Way*, a comprehensive approach that aids financial advisors and clients in the overall planning process. It's designed to keep business, investments, passion

and family goals front and center in constructing a financial plan. A UBS Financial Advisor starts with questions about what is important to each client. Answers to these questions shape three key strategies to help organize a client's financial life:

- Liquidity: to help provide cash flow for short-term expenses;
- Longevity: for longer-term needs;
- Legacy: for needs that go beyond one's own.

The "Legacy" strategy mobilizes assets—both financial and non-financial—that are to be used for needs beyond one's own,

during a client's lifetime and beyond. **Philanthropy is an important component of the legacy bucket and is, therefore, a meaningful category for celebrities to consider in all the ways we've mentioned throughout this paper.**

Celebrities have additional considerations and complexities associated with forming legacies: the steps we've highlighted hopefully present an opportunity to create successful legacies by utilizing their platform, connecting with true purpose and living with intention.

*UBS Wealth Way is an approach incorporating **Liquidity, Longevity, Legacy** strategies that UBS Financial Services Inc. and our Financial Advisors can use to assist clients in exploring and pursuing their wealth management needs and goals over different time frames. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.

Conclusion

A reputation is one of the most valuable assets a celebrity can have, as it will lead to future opportunities, credibility and attention in an already cluttered marketplace. Understanding the relationship between their reputational capital and their philanthropic journey of giving back to the world allows for reliable and strategic methods of executing on their goals while minimizing risks and pitfalls. Regardless of the wealth status, knowing how to preserve and elevate their brand to create a legacy is essential.



Author biographies

Shawna Hamilton

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As a Senior Strategist, Shawna co-leads Family Advisory and Philanthropy Services for the West Division. Shawna works closely with advisors to support families on achieving their goals in centering values, and living their philanthropic intent. The Family Advisory and Philanthropy Services team serves as a thought partner to advisors and their exceptional client families on wealth transitions, family governance, family office strategies and philanthropy.

Shawna joined UBS in 2021 from Pacific Foundation Services, where she was a Senior Program Officer and Philanthropy Advisor. Before that, Shawna had two roles within Silicon Valley Community Foundation. The first was in fundraising, and the second was guiding a global Habitat for Humanity grant program and providing advisory support to Cisco Systems' employees worldwide. Prior to her service in philanthropy, Shawna lived in New York, spending time at a hedge fund and co-launching an Ethiopia-based education nonprofit.

Shawna received a Master of Science in Nonprofit Management from The New School, and a Bachelor of Science in International Business from California State University Northridge. As a native of Santa Barbara, California, Shawna's family spans across the West. She is an active volunteer to several community organizations and lives in San Francisco.

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As part of the UBS Family Advisory and Philanthropy Services team, Debra serves as a thought partner to advisors and their client families on wealth transition, family governance and philanthropy as families seek guidance on cohesive dialogue between generations to perpetuate their legacy.

Prior to joining UBS Financial Services, Inc., Debra was with Bank of America Private Bank, where she spent eight years as a Senior Vice President and Philanthropic Director managing philanthropy services for the South Central region of the US. Debra worked with high net worth and ultra high net worth individuals and families, private foundations and nonprofit organizations delivering best practices in charitable giving and philanthropy, including directing grantmaking for private foundations and charitable trusts for which the bank serves as trustee or co-trustee. Before Bank of America, Debra held various leadership roles in nonprofit management, beginning her career working in the museum industry, joining the Dallas Museum of Art in 1994. Following her career in the arts, Debra worked for the Communities Foundation of Texas and Parish Episcopal School.

Debra currently serves as a member of the Development Committee of The Senior Source of Dallas, whose mission is to enhance the quality of life and empower all older adults in Dallas to thrive. Debra previously served as a Vice President of the Board of the Aaron Family Jewish Community Center.

Debra is a graduate of The University of Texas at Austin with a Bachelors of Arts in Art History, and she holds the Chartered Advisor in Philanthropy® designation from the American College of Financial Services. Debra is also Series 7 and 63 licensed. Debra lives in Dallas, Texas, with her two sons and her mini-dachshund.

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In January 2019, Nicole joined the newly formed Family Office Solutions (FOS) team within UBS Private Wealth Management, serving as a Senior Strategist representing Family Advisory and Philanthropy Services Americas. Nicole works closely with Advisors in Private Wealth Management, where FOS delivers dedicated and comprehensive services to ultra high net worth clients.

In this role, Nicole works with families on understanding values and philanthropic intent in the context of family wealth. She provides advice on family wealth education, communication and decision-making, multigenerational wealth transitions and family governance as well as on charitable vehicles and building and enhancing philanthropic legacies. She also helps clients to be strategic and impactful with their philanthropic giving.

Nicole joined UBS in 2014 to establish and lead the UBS Optimus Foundation presence in the US, a global network that supports programs focused on the potential to be transformative, scalable and sustainable in the areas of health, education and child protection. Under her leadership, the foundation platform became available to all clients and employees of UBS Financial Services, Inc., and this offering now serves as a true differentiator and is a core component in delivering for the firm.

Nicole has over two decades of experience in the non-profit, philanthropic and corporate sectors, and brings a wealth of knowledge in nonprofit management, corporate and nonprofit governance, fundraising, performance assessment, leadership advisory services and policy research.

Previously, Nicole held roles with Heidrick & Struggles, Robin Hood Foundation, VCG Governance Matters, French-American Chamber of Commerce, Saint-Gobain Desjonquères, UNICEF and UNDP. She has served as an Adjunct Professor at Columbia University, teaching a graduate-level Strategic Management course, and currently serves as an Adjunct Professor and Advisor for NYU Stern's Board Fellows Program, a year-long experiential class offered to second-year M.B.A. candidates.

Nicole received her M.P.A. from Columbia University and B.A. from SUNY Geneseo. She is a founding member of the Young Professionals Committee of the Susan G. Komen for the Cure and previously served as a board member of the Women's Executive Circle of New York (WECNY). Nicole has her Series 7 and 63 securities licenses and is a Chartered Advisor in Philanthropy (CAP®).

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