

Private Foundations' Spotlight: Board Governance & Granting Updates

Walter Dillingham: Well, good morning everyone. I hope everyone is doing well. Um, I'm Walter Dillingham from Wilmington Trust and I wanted to welcome you to our Philanthropic Speaker Series, session number 114. A little background on myself. Uh, I oversee our endowment and foundation practice here at Wilmington Trust, which I've been doing for over 20 years.

This is a very important part of our work here at Wilmington Trust. In fact, today we manage and oversee almost 25 billion in endowment and foundation assets across the country. This is a, this is a part of our work with our clients is our value added services, and today's a great example of that. Uh, today's a continuation of our speaker series, session 114, and today we're going to focus in on private foundations.

Private foundations are a very important part of the philanthropic sector. In fact, uh, when you look at the latest Giving USA report. The giving from private foundations was 19% or about \$110 billion and it continues to grow. Ladies and gentlemen, I'm so happy to have Chris Sporcic, Joe Ali, Tracy Zewicki, and Patrick Decker with us here today on various panels.

And I know we're going to have a great discussion. This is a, let me just give you a snapshot of our agenda. We do have three segments and we're going to start off with a quick market update with Chris Sporcic, a fireside chat. Then we're going to go to Joe Ali to a private foundation sector update for about 20 minutes. And then we're going to finish up with a fireside chat with Tracy Zewicki, led by Patrick Decker.

And that's going to be about 15 to 20 minutes. Then at the end we have time for Q& A . Thank you to a number of you have already sent questions along. So ladies and gentlemen, introduce Chris Sporcic. Chris is a, a senior investment advisor here at Wilmington Trust, and he focuses in on endowments, foundations and pension plans.

He's also the team leader in our OCIO group and has over 15 years of experience. Um, I asked Chris for a fun fact about himself and since we're at the end of the Winter Olympics, he said, uh, look, I raced against Bodde Miller when I was growing up in New Hampshire. It was a dual giant slalom event, so we were racing against each other directly.

I was able to beat him. So Chris, that's very impressive, in fact that that's more impressive than the fact the stock market's been up 70% of us three years. That that's very impressive.

Chris Sporcic: Thank you.

Walter Dillingham: so Chris...

Chris Sporcic: I, I usually, uh, leave out the part where I, you know, was 10 years old at the time.

Walter Dillingham: You're funny. So Chris, I have a few questions for you.

Um, you know, we had a good chat the last time we had our webinar series, and I wanted to continue to ask you about this question. You know, we we're not at a high right now with the stock market, but we are close to the high still. Do you think we're in a bubble?

Chris Sporcic: Yeah, so it look, it, it all depends on how you look at the market and how you, you know, slice up the, uh, the current economy.

Um, you know, we're certainly near market highs. Uh, valuations are certainly high, uh, and expensive. Um, but if you look at the underlying levels of those specific sectors and, uh, economies, uh, there are certainly attractive portions of the market. Um, whereas, you know, technology in general has been the overarching, uh, portion of a market that's been extremely expensive.

Um, so I wouldn't say we're necessarily in a bubble overall. Um, although it might not feel like given the levels of volatilities, if you look at the returns for the S&P500 for say this year, on a year to date basis, we are slightly positive, uh, even though it probably doesn't feel like it. Um, so there are certainly portions of the market, if you look at the underlying sectors, uh, portions of the market that are doing very well, that had been, uh, inexpensive versus other parts of the market.

Uh, and then we have portions of the market that are not doing as well, uh, in particular the, uh, the technology names. Um, and there has been, you know, certain sectors, uh, software providers in particular, uh, that have struggled in this environment as there's been some discussion of, of disruption within the market, um, due to the, uh, adoption of artificial intelligence.

Walter Dillingham: Right. You know, today we're going to be focusing in on private foundations. Did did they have any special challenges today?

Chris Sporcic: Um, you know, as with anything, um, it's one of those situations where, you know, trying to meet the needs and objectives of those, uh, those foundations in the organizations, uh, are certainly, uh, foremost in our minds.

Um, if we, again, kind of go back to the valuation discussion where values are, uh, from a price to earnings perspective, expectations are that we would see weaker returns than we've experienced over the past couple years. So being able to generate the returns, uh, that are high enough to, uh, to enable those payouts and those distributions, uh, are certainly a challenge.

Uh, we don't think that the market is necessarily going to collapse at this point. We don't think it's going to be a negative market. As I mentioned, um, there are certainly pockets of the markets that are doing well. Uh, and really what we're experiencing now, and at least in our opinion, is a repricing of the market and not an overall collapse of the market.

So we still think there's opportunity, uh, for the market to continue to appreciate from there and hopefully appreciate to the point where we can continue to meet those distribution needs of the foundations.

Walter Dillingham: Right. Thank you. Now, the private foundations have the 5% mandatory, mandatory payout. Now some are considering raising their payouts for the next year or a couple years.

What, what do they have to consider if they, if they have a higher payout?

Chris Sporcic: Yeah, I, you could, uh, hopefully hope or hopefully, um, wish that the, uh, markets are able to provide that extra return. Um, but again, you know, looking at the valuations, that's probably not expected. We're, we're, we've seen very strong returns, uh, over the past couple years, unlikely that those levels of returns are going to continue.

Um, so if people are thinking about increasing those distributions coming outta foundations, then you've gotta look at how the, the portfolios are structured, uh, generally and are able to increase the rate of return, you're going to have to increase the risk in that you're taking in those portfolios. Um, and we've seen clients do that over the years where they've been willing to take on additional risk in the market to try to earn those higher rates of return.

Um, but they've also tried to pair that with, um, you know, potentially additional liquidity in the market. So if you're holding a additional equities, you compare that with additional cash so that you're not necessarily selling, uh, at inopportune times to, uh, to meet those cash flow needs.

Walter Dillingham: Okay. Thank you.

Now, last question is, as we look into the, the rest of the year, 2026, we, how do you see the market ending up? I mean, any, any advice for clients?

Chris Sporcic: Yeah, so, um, again, you know, we've taken this approach where, um. We're certainly not trying to time the market. We're not trying to anticipate, uh, necessarily which portions of the market are going to do well.

We generally try to maintain a diversified portfolio across a number of different asset classes. Um, we do think, again that the markets are going to appreciate throughout 2026 and probably hopefully, uh, end up with double digit returns, probably low double digit returns. Um, and we're already starting to see that internationally where we've seen some very strong returns in international markets versus domestic markets.

But really the main point, uh, or the main message is to maintain discipline in this marketplace, especially in the face of additional volatility. Um, you know, we don't want to be necessarily trying to time the market. So a discipline approach, uh, with a diversified portfolio, uh, should suit investors well going through 2026.

Walter Dillingham: Alright, well thanks again, Chris for being with us. I think, um. You know, uh, sounds like you have some optimism, but also be vigilant. Uh, it's really important to follow the trends in the market. So thanks again for being with us.

Chris Sporcic: Absolutely. Thank you.

Walter Dillingham: Alright, so ladies and gentlemen, we're going to segue to part two of our presentation today with Joe Ali, who's going to give us a private foundation update.

Little background on Joe. Joe is a partner and actually the newly appointed head of, uh, the not-for-profit practice. So, congratulations, Joe, that's, that's incredible. At, uh, PKF O'Connor Davies, and he has over 18 years of

experience in, in the sector overseeing the firm's private foundation in not-for-profit practice.

And, and by the way, PKF O'Connor Davies is a full service firm that goes back 125 years in the tri-state area. And the firm's private foundation practice actually works with 600 private foundations across the country in various capacities. And Joe's actually been on our panel five times, so that, that's always impressive.

A fun fact about Joe is Joe says he still gets a physical newspaper delivered to his house and is a self-proclaimed old soul. So Joe, thank you again for being with us.

Joseph Ali: Thanks Walter. Uh, appreciate you having me. Uh, our joke during the, uh, the planning sessions was whether or not I was going to get a five timers jacket like they give out on Saturday Night Live.

Uh, but again, thank you Walter, and thank you to Wilmington Trust for having me. Um, I do have a few slides, so while, uh, our fine folks at Wilmington Trust pull those up on screen, uh, again, just before we get into this, this is really a state of the state as it were, of what we're seeing in the Private Foundation sector.

Um, and, and it's kind of a recap of the past, uh, 14, 15 months really. Uh, and, and again, it's one of those things that, you know, nothing that we're trying to cover here today is, is meant to be, uh, political in any way. Uh, and again, that can always be very tough to try to navigate, especially when talking about things like tax policy.

Um, but you know, it's really a balance between managing like terms such as fear, but then also not sounding tone deaf with regards to, uh, what's going on out there, what their, what. There are some real concerns, right? Um, so I think the, the real moral of the story is awareness and just kind of keeping a pulse on everything.

Uh, so if we were to jump in, uh, to this particular presentation, uh, we have uh, a little bit of a timeline, right? Where, where we were, uh, you know, in a relatively quiet period, uh, maybe prior to November of 2024, to really kind of waves of, of, of different ideas and ideologies and how we've been trying to think about that as a sector.

Um, so there was some pre-election rhetoric, um, from, from folks such as, uh, uh, vice President Vance on the election trail, uh, that people were concerned whether or not that would have an impact on philanthropy, would've have an impact on, uh, particular nonprofits. Uh, that we, we had election day, we had inauguration day, and then we started to have waves of, of different executive orders and mounting uncertainty around, um, what would, what would come of those orders.

Um, then we had April 22nd, uh, you know, scorched Earth Day, the day that wasn't, uh, in the seven to 10 days that were leading up to that day. There were many organizations, both prior foundations and nonprofits alike that we're very concerned whether or not certain things, uh, would happen via executive orders or via other particular actions taken by, uh, various governmental units.

Uh, and we'll cover that in a little bit too. Then came, uh, the, the, the start to the talk around the One Big Beautiful Act or, or OB3, I'm going to refer to it as. Right. So we had that initial house bill in, in May, uh, then there was a senate, uh, amended version in July, and then the ultimate passage of it in, in July, uh, fourth, uh, and then there's been some other executive orders in August.

Uh, in October, Senator Grassley and the Senate Judiciary Committee sent some, uh, notes to some foundations about their activities abroad. Uh, and, and again, uh, I'll talk a little bit about what's, what's next and what we're hearing as of right now. Um. Kind of digging into some of these various waves or topics or concerns.

Uh, as Walter alluded to earlier, um, he talked about some foundations voluntarily, uh, making maybe a payout increase. Uh, but there were some talks about that potentially, uh, being increased overall, and that was some of that pre-election rhetoric. Um, the excise tax increase was, was certainly a very real thing at one point, and we'll talk about that as, as the OB3 evolved, uh, foreign grant making ability, uh, organizations that maybe focused on environmental issues or, or DEI, uh, organizations, uh, people were worried about exempt status actually being revoked, uh, at one point in time and, and that many organizations maybe still are, are keeping an eye on things such as that.

Uh, even some organizations had to think about whether or not their assets would be frozen, uh, at a certain point in time in 2025. Um, so there's really grantee and sector risk as well when you think about government, uh, funding and federal funding via grants and contracts with the federal government. Uh, we also learned a lot from our clients and our conversations with private foundation leaders.

Uh, they were, they were thinking about everything from personnel travel. So if they had, uh, employees traveling abroad and, you know, what devices did they have, what they were concerned, whether or not they would maybe, uh, have a certain device confiscated, uh, via, you know, traveling in and out of the country, how do we plan around that?

Um, all of those types of things. And then just in general, federal inquiries and scrutiny and the health of the sector at large. Um, so just as a little history lesson on the, on the excise tax, so foundations currently pay a 1.39% excise tax back in 1969, they actually paid a, a 4% flat tax, uh, for, for many, I think, uh, in the private foundation industry.

We, we kind of remember this time period from 1984 to 2020, uh, where there was the 2%, 1% gamesmanship of if certain requirements were met, you could reduce your excise tax from two to 1%. Uh, tax cuts and Jobs Act came out in 2020, uh, and that went to a 1.39% flat tax. And then here we were in 2025 and we were concerned with, uh, whether or not that excise tax would, uh, increase.

So with that being said, you know, these were the proposed but not enacted, uh, tax rate structures that were talked about in that initial house bill. Um, so as you can see, for some of the largest foundations of the country, if they had \$5 billion or more in assets, um, that tax rate would've been 10%.

Um, so you can imagine that that would've been quite the increase to certain tax bills. Uh, ultimately, uh, none of this was passed. Uh, you know, based on, based on our understanding, uh, you know. Senators on, on both sides of the aisle were not given a fair amount of warning on these particular excise tax rates.

Uh, and ultimately this was actually a period of time where we saw some really strong bipartisan, uh, support from organizations and membership organizations that work with foundations across the country. Uh, you can look at some of these organizations and some might be a little bit more left-leaning, some might be a little bit more right-leaning.

Um, but actually two of these organizations, uh, ended up working together and penning letters, uh, along with many foundation leaders really kind of trying to communicate to the IRS and to, uh, more so to the government, rather, uh, the folks in Congress and, and, and the Senate, uh, to really say, don't do anything that's going to thwart philanthropic giving in this country.

Uh, that, that was really the, the, the, the hard and fast, um, takeaway there. And, and that's, that's, that's long been, uh, a, a stance held by, by many, uh, on both sides of the aisle, uh, from the philanthropic and nonprofit sector is don't do anything that's going to thwart philanthropic giving. When you make it more complex, when you make it tougher, those types of things can have an impact on many of grantees, constituents, cohorts, populations, um, that really need these funds. Uh, so that was, that was the moral of the story there. Um, ultimately the only thing that was really actually enacted in, in OB3 that affected, uh, private foundations and nonprofits alike, um, was the, uh, an expansion of the excess compensation.

So it used to be limited to, uh, if an organization had five people paid, uh, uh, over \$1 million in, in meaningful compensation, that they would, uh, pay a 21% excise tax on the, uh, additional amount, um, that was, uh, expanded to, uh, including all employees, paid over 1 million, not limited to the top five. When it comes to the mandatory minimum distribution requirements, like while the excise tax rate increase would've certainly impacted foundations and the amount of funds they would've had available to give out to private, uh, to their, uh, grantees.

Um, it wasn't necessarily a quote unquote private foundation killer, right? Um, even though it never made its way into, uh, any of the bills or proposed bills or proposed legislation, the fear for many in the, in the, uh, sector was whether or not the payout requirement was going to go to 10%. Uh, and as you can imagine, at a 10% payout rate, along with, um, maybe an increased excise tax rate, this would make it much more difficult for foundations to survive in perpetuity unless they were receiving new funds or taking on, uh, per perhaps unnecessary, uh, risk with regards to their portfolios.

Uh, we'll leave that to Chris and the other folks at Wilmington to talk about investment returns and what type of, uh, risks they would have to take on to try to try to reach, uh, 10% returns per year, for example. Uh, then as time went on, uh, we focused again. And this is one of those waves that I think is going to continue to, to kind of present itself.

Okay. So when it comes to things that are international in nature, uh, such as foreign grant making, uh. Foreign grant making. Uh, that's an area of, of focus, uh, whether it be grants to, um, you know, some, some international players that, uh, have, have different positions than we do as a country, or that this country particularly, uh, looks at a certain way.

There are folks, uh, that, that want to know how those funds are being spent abroad. And clearly, um, private foundations are allowed to make grants internationally, uh, either through equivalency determination or expenditure responsibility, uh, procedures. But even with that, uh, we saw in some of those inquiries from the Senate Judiciary Committee, uh, that they want to know how those funds were spent, uh, and, and how they were reported, so on and so forth.

And what type of oversight and due diligence was being done though. So all things that we talk about with our private foundation clients, um, all the time really. Um. One thing that's not on this particular slide, but I think it kind of kind of falls into the what's next category. You know, right now, um, there's, there's a lot of focus on, uh, foreign influence of US institutions.

Uh, that probably happens a little bit more in the college and university space, the research space. Um, there are some private foundations that do receive foreign funding. Funding, um, funding. Not many. Uh, but again, that's an area that is certainly coming under some scrutiny and, and we could be seeing some, uh, some signs of that in, in the coming weeks and months.

Um, the international grant making, as I mentioned, I think will continue to be, uh, scrutinized. So it's all important to have, uh, private foundations that do any international, uh, grant making or, or hands-on activities to make sure that's all being done, uh, to the letter of the law and make sure they're not doing anything to circumvent any type of, uh, laws or regulations.

I think it's a really good time for strong, good governance, uh, and just making sure you're, you're, you're crossing all of your t's, dotting all of your i's and doing everything absolutely perfectly with regards to the private foundation tax laws that govern, uh, the particular sector. Um, the, the other area that I think kind of falls into that what's next category, uh, an area that might be being looked at right now.

Um, and it was on the IRS Priority plan. Uh, priority guidance plan, uh, are fiscal sponsorship organizations. Private foundations are typically not fiscal sponsors. Um, but private foundations give grants to many organizations that might, uh, be doing fiscal sponsorships in a big way. And, and those are the types of organizations that also are being looked at a little bit more closely, uh, in this day and age.

So again, in terms of grantee and overall sector risk, you know, clearly, uh, many foundations on the call, and I know we have some charities on the call too, but, um, that grantor grantee relationship, you know, many grantees are, are

concerned with their loss of federal funding or the slowing of federal funding, uh, through some of those, uh, items on my timeline earlier, like the executive order around federal grants, um, you know, having those be reviewed by multiple layers and, and, and whether or not that next payment and when is that next payment coming.

So you can have some funding gaps from an operations standpoint, uh, with your, uh, with your grantees. Uh, and, and all important, we've seen many foundations actually. Kind of go beyond grant making and, and also work with their grantees to try to help them diversify their income streams. Uh, I've seen foundations, uh, give grants to actually hire a chief development officer.

Maybe it's an organization that never was able to afford a Chief Development Officer, but they really need that particular position. I've seen foundations do that type of outreach. So again, uh, you know, we're not judge or jury on, on what's a good grant, what's a bad grant or what have you. But I think you're seeing a lot of creative, uh, actions taken by private foundations and funders to try to make sure that these organizations, uh, are healthy and survive.

We saw this take place during the pandemic where we saw a lot of outreach from foundations, uh, back to the, uh, the, the global economic crisis, uh, at that point in time too. So again, uh, overall, back to Walter's point about the overall giving in the country, uh, and when thinking about the, the OB three, uh, there was, you know, clearly some individual giving pros and cons.

There was, there was some wins, some risks, uh, and again, that, that, that. There was probably a big push at the end of 2025, um, for many folks to, to, to give particular, uh, charitable gifts in order to maximize, um, their deductions under the old rules, uh, before the new ones came into play. And again, with the new ones, it's just new rules, uh, new floors, new caps, so on and so forth.

All things that might create some more, uh, lumpiness with regards to the, the way in which high net worth individuals give, they might give more in one year and less the next year in order to maximize, uh, certain things or spread things out in order to, uh, you know, work, uh, with different caps, so on and so forth.

Walter Dillingham: Hey, Joe, can I just ask a question there?

Joseph Ali: Sure.

Walter Dillingham: Uh, we talking about, uh, OB3. So some, some, uh, people that never, that did not itemize. They now that you can have the benefit of the

salt deductions that might, they might think they're going to be at itemizing the new year, but then the salt pushes them into itemizing.

So then they have to deal with the cutbacks on, on giving. Um, has anyone thought that through?

Joseph Ali: Yeah, no. Again, it, you know, you, you'll see some organizations saying, wow, now that there's this new ability for non itemize to, yeah. Item to give, well let, let's, as a nonprofit, again, this is now getting into the nonprofit side of things more than the private foundation side of things, right?

Yep. Um, because the nonprofits are, are searching for, you know, maybe multiple lower dollar amount donors, but I think that the real focus for, for this particular audience really comes around maybe high income earners, uh, folks on the private foundation side, and also, you know, for many of those folks on the call that are with public charities, um, you know, those, those all important high income earners, those large signature, uh, donors, um, how, how does these new rules, uh, work within their giving strategies and whether or not it's made it more complex.

Uh, and, and hopefully again, um, you know, no, no long-term damage was done with regards to the philanthropic giving in this country as a result. Um, and then just to wrap up here, I think I'm right on time. Walter, uh, I talked a little bit earlier about some of those, uh, personnel travel, federal inquiry and scrutiny.

Um, whether it was devices that orders, uh, was it a personal device, was it a work device? Uh, you know, just things that people never had to really think through. Uh, when, when coming and going from the country, um, the federal inquiry and scrutiny, uh, we saw just, you know, different waves again. Uh, at, at earlier points in 2025, uh, we, we, we saw organizations receiving doge letters, for example, uh, with regards to how they were using, uh, government grant use.

Uh, and again, they came in waves. We saw a little bit of that, uh, during one part of the year, and then not as much of it during, uh, the later part. But as we've come to find, is that these things might continue to come in waves, and there are indicators, uh, and again, just a great time for, for good governance and making sure that, uh, everyone's doing everything to the letter of the law as best they possibly can.

I talked a little bit about the, uh, federal grant making that could be slowing. Um, and then just the overall NFP sector response. Uh, so we saw a lot of foundations doing a lot of scenario planning. Again, when you think about it, I had foundation clients that were doing, and again, we're not judge a jury, they, they were doing all of their, uh, proper risk assessing of saying, well, if the excise tax goes to, and, and we had some folks, uh, you know.

As fearful of saying that is the excise tax rate going to go to 20% or, or 30%, or all these different, uh, percentages that were kind of being thrown around at the time. And if the payout rate goes to 10%, well what does our foundation look like in five years, 10 years, 15 years, so on and so forth. Right. Um, so a lot of people built out those models.

Um, there was also a lot of, uh, you know, things going on with regards to legal counsel. A lot of organizations, uh, you know, might have had to rotate, uh, based on their own thoughts and, and decisions decided to, to find new legal counsel because, uh, maybe the legal counsel they were working with, uh, had signed an agreement with the administration and they, they didn't know who would represent who, uh, if, if it ever became between that organization and the federal government in a particular lawsuit.

So, uh, again, I think that a lot of, uh, attorneys, um. There was a lot of really good attorneys out there doing a lot of good work. There were also some, uh, predatory ones out there that were trying to have, uh, you know, organizations sign up for, for fairly expensive retainers to, to just be part of their briefs and to be included in certain, uh, topics and discussions.

And, and there was, there was fear at the time. Credible fear, uh, with regards to, uh, what kind of focus would be on one type of organization or another. Um, so I think it's that concept of being careful but brave, um, and just maybe making sure that you're doing everything, uh, the proper way, you have the proper, uh, uh, folks helping you, whether it be accountants, whether it be attorneys, whether it be investment advisors, um, and just really focusing on that good governance, uh, as time goes on.

So I think I came in just under the 20 minutes. Walter, I'll turn it back to you. Uh, and thank you everybody for having me,

Walter Dillingham: Joe. Thank you very much. Um, I, uh, I like two comments you made. One was about the. Stress testing because I'm involved with a couple of nonprofits myself, and we've had to do a number of stress testing and reformulating the budget because of some of the cutbacks.

Right. So that's really an important exercise to go through. And also, I liked how you talked about the diversity, diversity of income streams. Now, Patrick Decker and I have been doing a number of lunch and learns around the country, and that's one of the key trends that we talk about. And we've been talking about this for like the last 10 years.

The, the importance of looking at the channels that you go after and making sure you, you, you diversify. Oftentimes the endowment's a key part of that. So, uh, I really appreciate those comments. And by the way, where should I send a green jacket? Should I send it to your, your home or the office?

Joseph Ali: The office is fine.

I, I, I can always use another jacket in the office. Thanks, Walter.

Walter Dillingham: All right. Thanks again for being on the call. You did an excellent job. So ladies and gentlemen, we're going to shift to the third segment of our presentation today. Um, we're going to have a discussion on the private foundation granting side, which is also so important.

And, uh, we have, I'm going to introduce both Patrick Decker and, uh, Tracy Wicki. So Patrick Decker, he is the head of our group and he, so he oversees our OCO practice and institutional team. Patrick has over 25 years of experience on the institutional side. He has so much experience and insights. It's, it's just, uh, we're really happy to have him as the head of our group.

And a fun fact about Patrick and now that he looks back at the Winter Olympics, he told me that when, when he goes skiing with his family, he's just happy to get down the mountain in one piece. So thanks Patrick. And I also introduce, Tracy is the Executive Director of the Peter and Elizabeth C Tower Foundation based in Buffalo.

Tower is \$153 million Family Foundation supporting both Erie and Niagara counties in Western New York and also select Eastern Massachusetts counties. That's great because I'm from Massachusetts and the Foundation of awards over 4 million annually to organizations helping children, adolescents, and young adults facing mental illness, substance abuse, intellectual disabilities, and learning disabilities achieve their full potential.

And Tracy has over 37 years of experience, which includes a stint as a fundraiser. Wow, that's impressive and fun fact, uh, she loves all things Spain,

especially flame. So let me hand it off to you, Patrick. And welcome Patrick. And Tracy.

Patrick Decker: Alright, well thank you very much Walter. Uh, appreciate the warm introduction.

Um, you know, as Walter mentioned, I head up our institutional and nonprofit OCIO team here at Wilmington Trust. And one of the benefits of this role is the opportunity to interact and work with amazing individuals like Tracy and amazing organizations like The Tower Foundation. Um, so I've actually started a timer here because I know Tracy and I could sit here and talk for hours about the private foundation landscape.

Uh, but I want to make sure we keep our comments to about 15 or 20 minutes and allow for some questions afterwards. Uh, so maybe Tracy, a good place to kick this off would be if you could just start by giving us a brief overview of the Tower Foundation and what you think makes private foundations so unique in the philanthropic landscape.

Tracy Sawicki: It's a joy to have been picked. Uh, we do a lot of work with Wilmington and others. So let me tell you about the Tower Foundation. You heard a bit about, you know, the areas in which we focus. Um, we have been in establishment for over 30 years, uh, starting as a family foundation and, um, moving to function as we say, more like a private foundation these days.

Um, so the, one of the things that I think that makes us a special foundation, I think, and I asked others before I answered this question, what's our secret sauce, if you will? And really, I think one of the things that makes us a little bit different or special is we see the humanity in all people. We start from that place.

And I do think that that over time has lent, um, lent a, a a way for us to do our work where we're very close with our, our constituents, et cetera. And I think that, um, one of the things that I think we can do, which is what you asked me about, uh, what do the private foundations add to the landscape? It has a lot to do with we can become partners with our grantees out in the community.

We, we can come become partners. Can we provide all of the dollars? Absolutely not. But we certainly have leverage and access to people and places and things that would benefit, um, you know, our nonprofit, uh, partners. And also, uh, it helps all of us meet the missions that we all say that we have.

Patrick Decker: So Tracy, that's very helpful and I appreciate the background, um, particularly for our guests and our viewers today that don't have as much familiarity with private foundations as compared to public charities.

Maybe you can give us some insight as to some of the things that are often misunderstood about private foundations and the way that they operate.

Tracy Sawicki: Oh, absolutely. So first and foremost, I think about that is that people think that foundations are not accessible. Right that we're s behind the curtain. And one of the things I didn't say when we got started, I think I got distracted by not getting off mute, was that when you've met one foundation, you have met one foundation.

So as I talk today, I talk in generalities and I talk about the way in which the Tower Foundation functions. But you know, most of my colleagues and, and in very sizable foundations, uh, to the very smallest, for the most part, we are accessible and we want to hear from people who have good ideas. We don't want to waste people's time and we want to build relationships as much as we can with the individuals that are closest to the problems that we're trying to solve out in the community.

We, we need our partnership, right? Because without people doing the work and without community foundations cannot achieve their missions, right? So I think that's a really important piece. Another. Thing I would like to say is PE people think we have endless resources, and we do not. We do not. If you were to add all of the philanthropic dollars, even the big ones, the gates of the world, et cetera, we still do not have enough dollars to fill the gaps that we're seeing in federal government cuts.

So this idea that, you know, we, we, we have an endless pool of money is not accurate. And so I think that, again, having worked for many years on the other side of the house, and when you're looking for dollars, it's hard to kind of take that to heart sometimes because you see these assets that are so large and even the smallest of foundations and, and you need access to them.

And so anyway, I think that's a really important, um. An important point to make. And then also that we want to learn, right? Sometimes I think that, um, uh, organizations, particularly those that have never worked with the foundation before, come to us with intimidated, right? As I said before. And, and I think most of us do want to learn.

We are not close to the work for the most part. Most foundations are not doing the work. We're supporting the work. And though some of us may come in with backgrounds working in different fields, we are still here. You are here, right? So there are things we are just not going to know and need to learn. And so I think that that posture, that's, that's part of a relational posture that I think benefits everyone.

Um, and again, I think those are some things that will be helpful for people to, to, to think about as they think about their own, you know, um, knowledge and, and understandings about foundations.

Patrick Decker: That's great Tracy. And you know, something that Joe mentioned before and some of the, uh, some of the listeners might be aware of, you know, the law does require private foundations like Tower to distribute 5% of their assets annually.

Uh, I'm hoping maybe you can talk a little bit about why some foundations, including Tower mm-hmm. Are choosing to give more than that 5% minimum. And I think you touched upon it a little bit, talking about the funding gaps with government cuts and things like that. Mm-hmm. But maybe you can give us some insight as to why Tower has made the choice to go beyond that minimum 5%.

Tracy Sawicki: Sure. So again, when that 5% was set up, it was a, not to be a, a ceiling, but it was a baseline in terms of what foundations can give out. And so in our case, for example. We've been giving out at a higher rate for quite a while now, and a lot of that is due to need and community, right? So we had already, let's use the time of COVID, right?

We had already made decisions, we had our spend plan, all that good stuff. That's, you know, using these formulas that both Joe, you know, was talking about, and, uh, Chris. And then we had this need, this extraordinary need that came to be. And in that moment, and there have been moments since we said, look, this money is doing no one any good right here, sitting in these accounts.

There is need right now. So we were able to, in those moments, and there, as I said, there have been a few more, including this federal, you know, uh, situation we've seen. We were able to go ahead and say we're going to make that commitment to our communities. So there's always a tension there because we are a foundation that's in perpetuity, right?

And so, you know, you can see folks saying, oh my goodness, how can you sustain? You know, that level of giving while you are trying to maintain this, this concept of perpetuity. Well, I think you work with your, your investment folks, right? You say, okay, look folks, these are our values. These are our goals.

Here's what we're going to do. Help us adjust for this. Help us. You have to have a partnership with the people around you to help you again, uh, work through when you make decisions to spend above that 5%. Maybe perpetuity looks a little different. Maybe there's not as much money, but we all know that philanthropy is growing.

People are earning money and looking to create new foundations. I'm not saying, you know, this is just one way of thinking, but we, we really balance what decisions we've made and also the commitments that we've made. 'cause we are a foundation that gives multiple year grants. So you have to make good on those commitments, but also in these moments you have to respond.

And we've been able to find that balance by working with the community to tell us if we do that, where those needs are with those individuals such as Wilmington and others to, to help us think about our, our portfolio going forward. And, um, also it's, it aligns with our values. I left that piece out right, that it's really important for us to listen to community and be responsive.

Um, and so again, those are some of the reasons why I think, uh, not just our foundation, but others are going above, above that. Um, oh, here's another reason too. Opportunity. There were a couple of times when we're like, this opportunity is in the now, and it wasn't in response to a crisis. It was truly an opportunity.

And it's like, you know, it's when preparation meets that opportunity. And we had already talked about when do we bring these ideas to the board for approval to go above our spend. So we have a balance. We have a balance.

Patrick Decker: Tracy, I love the message there and you know, you, you touched upon a lot of things that myself, Walter, members of our team talk to clients about all the time.

Chris Sporcic: Mm-hmm.

Patrick Decker: It's this idea of how do you balance the desire to exist in perpetuity and support your mission, support those values in perpetuity, but do

so in a sustainable manner. Um, while also sort of addressing those needs within your community, that at some point, you know, some points in time can be very urgent, like you mentioned COVID and other times.

But sometimes there's just that opportunity that really presents itself. So I love hearing that mission from a grant making organization like yours. And hopefully that's something that strikes chord with, uh, a lot of the public charities that might be listening in today as well. So, thinking about another thing that I've really, you know, I, I've really come to be, you know, you know, interested in, and something that I've learned a lot from working with you and the rest of the team there at Tower is we're hearing a lot more today about something called trust-based philanthropy.

Chris Sporcic: Mm-hmm.

Patrick Decker: That's something that we hear more often today where we hear different organizations start to talk about it and wanting to sort of address that trust-based philanthropy type mission. Can you tell us a little bit about what that means in practice at Tower and kind of overall, what do you think trust-based philanthropy really means overall?

Tracy Sawicki: So trust-based philanthropy is just that, you know, if you look at historically how foundations have functioned, we are very much, you know, asking for every piece of paper. I always say, when I was in the other side of the house, they asked for our blood type and it, and what, what, what has happened over time is, is, you know, foundations working with their partners as philanthropies changed into a more relational, um.

Arena, people realize, you know, you are investing in leaders and you are investing in leaders that know what they are doing, right? And so this idea that we would not allow our leaders who run organizations that are juggling many different funding streams, et cetera, et cetera, that they can't make a decision about how best to use their dollars that are given in the moment.

Well, we decided, and so did, that's what trust-based philanthropy is about, is that you are able to do that. You are saying, okay, we, we have a relationship. We trust the work that's being done. There's a track record here. And so you begin to give general operating dollars. You begin to support the institution and the work that's happening in the institution.

And if you have a relationship with those organizations, it it, and you'll find out sooner or later if they are not able to deliver on that. The other piece is with

trust-based philanthropy and giving general operating, again, you are creating relationship. So when it's not going well, they're going to come to you.

And tell you, and we, we see that all the time here. We have a general operating cohort. COVID is the best example. We were already starting in that space, but COVID, we just turned everything into general operating. And what we found was that we went back when things settled down and asked all of our grantees how that helped them.

Well, they wanted to give us every single piece of paper and their blood type to us, because it allowed them to do the work that they needed to do at the time. And we sat back and said, well, why don't we accelerate this at Tower because it makes a big difference. We now have proof. Now of course there are always, or there are some organizations, right, but I tend to be a glass half, and foundation is too.

Occasionally you're going to find someone who doesn't, right? Or it doesn't work. Okay. But majority of the times when you work in trust-based philanthropy, you're building relationships. Most folks have a track record with you. You are learning as you go along. And the work gets done oftentimes, possibly better than it would have with a very specific program grant.

Patrick Decker: So what I'm hearing from you, Tracy, is you do your homework on the front end and you establish these relationships. You build a partnership, and it makes it easier from that point forward to really trust, you know, trust these organizations that you're granting money to because you know they're professionals, they're, you know, they're good at what they do.

So why would you put restrictions upon them?

Tracy Sawicki: Correct. And someone might say, well, Tracy, what about the small agencies that are coming to you for the first time? Right? And so we build in, it's not an all or nothing. So we have within the way that Tower does its grant making opportunities for, um, smaller grants that are still general operating, if you will.

But it allows us to select, if you will, new grantees, folks that we may have gotten to know by a conversation because all of our program officers are accessible. Um, and then they apply and we say, this is a, this is amount of money that's low risk to find out. If, you know, what are they able to do with it?

Are they able to, you know, um, you know, produce the things that they want to produce or, or you to, to meet whatever the goals are that they set with you? Um, you know, all of our organizations are aligned with our areas of interest. Um, but again, we have different levels at which we do this work so that we get to know an organization.

We, we, we, we test that can you handle it? There's also tipping. If they're really small, all of that stuff comes into consideration. But my, you know, my advice to anyone who isn't doing it is try it and test your assumptions about whether they, whether a grantee isn't going to use its money the way that you expect them to use it.

We found nine again, like 10 outta 10 people were giving us more than we needed and, or, or nine outta 10. And that other person had already called us to say it was going south or that they needed more time or whatever the situation was. So, and again, it's all about the relationships.

Patrick Decker: So I'm going to shift gears a little bit here, Tracy, and I want to make, I, I wanted to ensure that we had time to talk about this because it's something that you and I have discussed previously.

Tracy Sawicki: Mm-hmm.

Patrick Decker: I know it's something that, you know, you've got a lot of thoughts and opinions on, and that is, you know, what would be your advice for public charities or fundraising organizations? What would be your advice to them as to how they can, you know, build better relationships or engage with private foundations like Tower?

Tracy Sawicki: So we, we touched on it a little bit earlier.

Patrick Decker: Mm-hmm.

Tracy Sawicki: Do your homework. So, first thing, it's important to go to the website, see what they have to offer, see if they allow you to make contact with, you know, a program officer. Again, some, some foundations are structured in a way where that's just not possible.

And, and I understand that. But when you find one, if you've done your homework that'll, that says, Hey, contact us. Let us know your idea. We'll talk you through something. You absolutely should do that. Um, the other piece is if

you have, um, someone who, who say you want to come to a foundation and, and put a request in, and there isn't access to program officers.

Most foundations, you can find out who they've given to in the past. So another strategy is go look at that list and see if there's anyone you know who has received funding from that philanthropy, from that foundation. And ask them, call them up and ask them, what did you learn? What should I know? Is there any nuance here that I should, you know, take into consideration when I make an application?

And you, you know, again, I think most, um, nonprofits would support each other in that way. I don't think it's coming from that world. Uh, I don't, I think there might be some competition, but I don't think that's the case, because when people bring their proposals forward, they're their proposals. Right. You know, so they're very specific to what they're trying to do.

So I, I think people would give you that, that information. Um, and again, the other, uh, point to be made here is, you know, this idea of bringing a grant writer right. Grant writers are great, used to do that as well. One of the, one of the things I say to, to someone who's never done this work, like if it's a small organization trying to get in, you don't necessarily need the grant writer.

You need to be able to articulate what it is you want to do. Who are the people that are, are designing the program and are going to deliver it. They can tell you. And then if, if, then if the, if the application isn't as well written as it might have been or as polished, it's okay because we can see, and usually there's another step to a process.

It's more important that the people who are going to do the work can be involved in that process and, and also involved in the discussions if that's the way that a particular foundation moves we do, um, with those program officers and with that foundation. And again, I'm not, I'm, I'm. The grant writers are important.

There's a place for grant writers too, but work like this if you would, especially if you're going to have conversations with a foundation.

Patrick Decker: So what I'm hearing from you, Tracy, is do your homework on the front end if you want to approach a private foundation.

Tracy Sawicki: Mm-hmm.

Patrick Decker: But if you've done your homework, have the confidence to reach out.

Don't be afraid of private foundations, you know, don't have that hesitation in reaching out because mm-hmm. I think to a point you and I discussed, uh, previously, you know, there's instances where people come to tower all the time and maybe it's not the right fit, but you might have somebody else in your network that you can steer them toward.

Tracy Sawicki: That is correct. And we do that quite a bit. The other, um, little nugget there is if you talk with us, you may be talking with us about this, and in the course of that conversation we go, wait a minute, back up. What did you just say about that? And find a place where there may be another. Entrance point into the foundation and that entree may not have been what you were thinking about, but it may align with some other work we're doing that you are not aware of.

So that, and, and we might not have gotten that out of just an application. Right. So again, that's another reason where if the opportunity for you to get in touch with a program officer or someone at the foundation prior to, it's always better than a, you know, a cold application that comes in. And the other part about that too is, you know, size, you know this also, we give guidance about, you know, where to start.

Right. You know, if we were to receive a application for, you know, uh, an endowment for. You know, a million dollars, let's just say we would, we would just, we wouldn't ever consider something like that. We don't know you, we, you know, there's no relationship. It's a lot of money in the context of what we do.

So again, you know, you have to kind of do your homework and think about, even if you don't have access to a program officer, what is it that you're asking for? And how, how far out who's, who's going to give you that right off the bat? Probably no one, because there's steps to that. So that's another piece as well to think about.

Patrick Decker: So Tracy, unfortunately, my timer tells me, my stopwatch here tells me we're out of time. Mm-hmm. If there was one piece of advice or one tidbit that you could leave for our audience today, what would that be? Before we wrap things up

Tracy Sawicki: for those seeking grants, do not be timid. Do not be timid because there are needs out there.

Don't assume that foundations will not look at you because it's not the sexy next idea, right? Um, work has to be sustained. And so, you know, just be brave. Don't be afraid. Do your work. Uh, you know, keep at it. Um, but, but really don't be afraid to contact foundations. I think that's key, um, in opening the doors to potential grant funding, um, from private foundations.

Patrick Decker: That's, uh, that's great. That's great advice, Tracy. I think it'll be very heartening for some of the audience to hear as well, to know that there's organizations out there like yours. Open to things like this that are open to outreach that, you know, really want to partner with organizations and help. So, Tracy, I cannot thank you enough for being so generous with your time today, um, and humoring me with some of these questions that I asked.

So thank you so much for your time. And I think with that, maybe we'll turn it back over to Walter.

Walter Dillingham: Yeah, thanks a lot. Hey, that was a, a really nice fireside chat. And, uh, Tracy, I tell you, if a development officer comes to me and asks about private foundation, I'm going to say, Hey, this is a must listen to webinar that we just did.

And I, I, I liked how you talked about, uh, do your homework. You know, make sure you do your, your preparations if you do reach out to a foundation. And I also like your comment about peers, like Patrick and I talk about a peer review, and it's like, just another way to look at that, like, see who else got the grants and try to develop, you know mm-hmm.

Relationship and ask some questions.

Tracy Sawicki: Mm-hmm.

Walter Dillingham: So really helpful. Thank you very much.

Tracy Sawicki: You're welcome.

Walter Dillingham: So, ladies and gentlemen, we have a few minutes for some questions for the general audience, and thank you for sending some along the way prior. So I, I wanted to at least have a few good questions for our, our, our, both our speakers.

And so the first question I'm going to ask you, Joe, it's about the growth of foundations the last five years. Is it, is it related to more foundations or is it related to, um, uh, foundations giving more? So how, what's your view on that?

Joseph Ali: Sure. Uh, so I think over the last five years, I mean, I think it's mostly driven by.

The larger dollar flows, uh, from existing grant making vehicles, right? Larger grants, bigger endowments. Um, there also has been a big jump of grants from donor-advised funds. I can't speak to exactly the methodologies behind, like how a giving USA, what they include in one versus the other. Um, but I think that's really been the story.

I think that there's been a modest growth in new newly formed foundations. That's not what's really driving, um, the growth in, in overall foundation giving. I think, again, it's more a, a product of the markets, um, increased grant making. Uh, and that again, uh, that donor-advised fund piece that that's really been the story that donor-advised funds in general have grown, um, exponentially over the last few years compared to, uh, foundation assets as a whole.

Walter Dillingham: Okay. Thank you. Uh, we have a question from Alex Lazer from Fisher College of Boston. And the question, I don't know if you can see it, uh, Tracy

Patrick Decker: mm-hmm.

Walter Dillingham: Organizations with limited staff and resources. What are the most effective strategies for optimizing relationship building with the foundation?

Tracy Sawicki: That's a good question because I, we also, our foundation staff is small, and yet we open up our doors to whomever wants to reach out.

I, again, I think an effective strategy is looking at those foundations that you are most aligned with first, right? That you see in alignment. Um, I, I'm aware of so many folks that cast their net very wide, and they spend time trying to build relationships with organizations that they're just not aligned.

So I think I would begin by identifying those foundations that, um, A, are most aligned, and b, go back to that pure piece for a moment. If you have peers who have also received grants from different foundations, how might those peers

help you with introductions and relationship building as well, because we see that here a lot.

You should talk to X, you should talk to Y. And that's not us telling the nonprofits, that's the nonprofits speaking to us about people doing work in our area that we didn't know about. So again, I think that's another opportunity for you to work with peers, um, to actually access, uh, staff at foundations.

Walter Dillingham: Okay. Thank you. Um, let's see.

Um, this is a question from Jill g Weider. It's, I, I think you can see it. Uh, with the great transfer of wealth supposedly happening, are you seeing younger folks getting interested in charitable giving? And if so, how we nonprofits tap into the, uh, these groups. I mean, I just a personal comment from my side.

I mean, I work with a number of small family foundations. I'm seeing the next generation start to become more engaged. I have two clients. I'm seeing it in both, you know, start off with four individuals. Now it's like 12. So I, I think it's a great thing, but I'll let you guys. Address that. Maybe we'll start with you, Tracy, and then maybe Joe, if you have any thoughts on that.

Tracy Sawicki: Mm-hmm. We definitely have seen, um, with many of the family foundations that we work with, their generation, their younger generation, twenties and thirties want to touch the work, right?

Patrick Decker: Yeah.

Tracy Sawicki: So again, I think that yes, they're interested in charitable giving, but they're also interested in actually not just giving dollars, but engaging in the work.

So again, I know our community foundation here is working in ways to take the younger generation of donors in some of those, you know, family funds out in community. So it may be, um, you know, in this case that you can work with a, in this, you know, my example, a community foundation to find out about that.

But we definitely see, yes, there's an interest, but it's a little different. It's not just about the money, it's about touching the work, being, having a personal experience. We're hearing much of that and there's data to support that as well.

Walter Dillingham: Right. What are your thoughts, Joe?

Joseph Ali: No, I think, I think the, you know, a fun part about generations is you have, you have, you know, upper millennials and lower millennials.

You have upper baby boomers and lower baby boomers. So a lot of work has already been put into this over the last 10, 15 years. When you think about it, we've been talking about next gen, this, that, and the other. But I think that the question is really specific about, you know, getting younger folks interested in charitable giving, um, and how the nonprofits can tap into these groups.

Uh, again, it's, it's, you know. Their treasure, their time, their talents, right? What are the other things that they can do for you? To Tracy's point, uh, extremely important, uh, in terms of educating them on things such as those non-MS out there. Now they have the ability to give these dollar amounts, um, from, from a, from a tax position.

Um, and then for the folks that, um, you know, I think that we've long seen a professionalization of the nonprofit sector at large, not only through a professionalization of the nonprofit sector, but a professionalization of the donor base. So I think that what a lot of younger people are looking for are, they're actually looking for and looking at terms like ROI return on investment.

Like what does, what does my dollar mean to you? And, and, and how do you tell us how you use my dollars? Um, I think all of that is going to make their way more and more into the communication styles of nonprofits while they're courting younger donors.

Walter Dillingham: All right, well thank you for the, those nice answers.

All right, so we're at the end of the hour, so I just wanted one final question. It's sort of like a good summation question for both of you. Are there any final trends or pearls of wisdom you want to share with the audience? Again, we have, we have audience of private foundations, also a number of public charities.

Any, any final thoughts? Let's go with you, Joe, to start.

Joseph Ali: Well, I was going to say ladies first. Tracy, please. Alright, well, Tracy, go. Second start.

Tracy Sawicki: I Little rissa here. First and foremost, you know the federal landscape, this scenario that we're experiencing is reshaping how philanthropy thinks. And I think that's important to know.

Um, trust-based philanthropy, this idea of general operating is taking hold. More and more foundations are, are, are engaging in this, um, participatory grant making is another place that you're going to see more. Where, you know, people who actually have lived experience or who are closest to the issue at hand are going to be engaged in making decisions about where those funds go and how they are used.

Um, and I think you're going to see, as I talked a lot about philanthropy, moving to be less about gatekeeping and more about partnerships, big and small.

Walter Dillingham: That's good to hear. I like that. Partnerships. How about you, Joe? Joe?

Joseph Ali: Uh, I, I think that a major takeaway, I might have mentioned it a few times, again, having that good sound governance over everything that you're doing, being extremely careful but also brave.

Um, you know, I think that, you know, uh, yeah, we always say we're, we're, we're not judge or jury on whether, uh, an organization is really kind of pushing the limits of, of, uh, of a particular cause or situation at hand. But I think it's really important to make sure that you have, uh, the proper, um, counsel in place, uh, when, when working on the front lines of a particular cause or issue, uh, and being ready to, to, to kind of answer those questions.

And, and, and, you know, some, some foundations and some organizations out there have decided to kind of, from time to time. Change what they're doing or change the way they talk about the things that they're doing. Uh, and then there's others that are saying, well, we're going to continue to fight the good fight and we're going to continue to tell our message exactly the same way we've been telling it for the last five or 10 years.

Uh, and we're not going to allow anything that's going on in the world to change, uh, the way that we talk about the good work that we do. So I think that it's really a matter of just holding, holding down the for with regards to good governance and making sure that, uh, you're, you're doing everything to honor your mission, honor your intent, and, and doing the right thing, uh, as you see it from an organizational culture standpoint.

Walter Dillingham: Alright, thank you for those thoughtful answers.

Alright, so, ladies and gentlemen, it's, it's about a little past noon, so we're going to finish up right here. So I, I wanted to first thank everyone for their, for their

incredible presentations today. We covered three areas. We covered capital markets. Foundation governance and also foundation granting.

I hope it was very useful to, to the audience. And so first I wanted to thank our four speakers, Chris, Joe, Tracy, and Patrick. Well done. I'm going to clap. Mm-hmm. During the presentation, I did see a number of people clapping and so I, I appreciate that. Um, and so thank you again for all the prep that we had to do and, uh, which I enjoyed.

Secondly, I wanted to thank our production team of Peter Ragano, Dennis, Bruno, and Katie. It is new and joined us today. Did an excellent job and r Cheltenham. Uh, without you guys, we wouldn't be able to do these sessions. And then finally, I wanted to thank you all for being part and listening in. We had a number of clients, friends, and colleagues.

I hope it was useful. If you have any other questions for our speakers, please circle back to us and we can continue the dialogue. And then finally, I just wanted to say we'll be busy planning our next session, number 115. It'll probably be April and May. So more to come on that. My hope is that by then all this snow we have here in New York City and up in Maine will be melted because it's very difficult and I will be able to ride my little red bike to the subway in Queens.

So I dream about those moments. So ladies and gentlemen, thanks again. Have a great day.

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