

# The Philanthropy of Chinese Ultra-High-Net-Worth Families



An Abridged Version





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As a result of China's steady economic development and social progress, the recent years witnessed a rapidly growing private economy and increasing number of ultra-high-net-worth (UHNW) individuals in the country. In 2020, there were 491 Chinese billionaires, second only to the United States in number but leading the world in terms of growth rate. Nonetheless, a study by the United Nations Development Program (UNDP) has shown that charitable donations represented merely 0.17% of China's Gross Domestic Product (GDP) in 2014, far less than the 2.2% in the US, suggesting a huge growth potential for philanthropic activities in China.

According to domestic and international experience, UHNW families play a leading role in the development of the philanthropic sector. Giving back has long been a widely adopted practice among wealthy US families. In comparison, what are the propellants and hinderances of philanthropy in China? What are the values and philosophy of Chinese UHNW philanthropic families? In which ways are they contributing to and achieving their philanthropic ideals? These are some of the questions we seek to address.

A degree of skepticism about philanthropy is common among Chinese entrepreneurs. This is understandable, as modern philanthropy is young in China with an uncertain regulatory environment and a high barrier to entry for philanthropic foundations. A plethora of reasons have deterred UHNW individuals from starting their philanthropic endeavors. In response to the rising opportunities and challenges of philanthropy in China, we have

conducted a holistic research on the behaviors and motivations of the philanthropy of Chinese UHNW families. For years, the Global Family Business Research Center at Tsinghua University PBC School of Finance has been studying Chinese and global family businesses. Through the current report, we aim to depict the Chinese philanthropic landscape, profiling philanthropic families, and exploring the myriad dimensions of the underlying motivations driving charitable donations.

As a classic Chinese teaching goes, "the highest good is like water which underlies and benefits all without striving for competition or fame." (上善若水、厚德载物) China has a fine tradition of giving back and helping those in need, extending back over millennia of the Chinese civilization and exemplified by the classical tales of Mr. Fan Li who dissipated his fortune thrice, Mr. Fan Zhongyan who donated his residence to sponsor schooling and Mr. Liu Zai who gave out congee to relieve hunger. In modern times, entrepreneurs and their families not only spearheaded the private sector but also advanced philanthropy in China. Among them, the UHNW families stand out as an indispensable force.

According to the Forbes China Philanthropy Lists, total charitable donation by UHNW families in China surged from 490 million CNY in 2004 to 17.9 billion CNY in 2020. Amongst those donations, the largest single donation rose from 34.47 million CNY to 4 billion CNY. The year 2018 saw spikes of large donations one after another, including 1 billion CNY donated by the Tencent

Foundation to launch the Xplorer Prize; the new charitable trust of Mr. Lu Weiding – the Chairman of Wanxiang Group – with an injection of the entire equity interest of the Sannong Group, which included the controlling shares of two listed companies; 2.2 billion CNY donated by Mr. Yeung Kwok Keung – the Chairman of Country Garden Group – through the Guoqiang Foundation of Guangdong Province to Tsinghua University to support its frontier scientific research and the development and attraction of leading talents. Although a few philanthropists transited out of the lists over the years, the majority have stayed and remain committed to philanthropy, making admirable contribution to philanthropic development.

The devotion of Chinese philanthropists is commendable, but the challenges confronted are immense. What are the factors hampering philanthropic development in China? What

factors shape the decisions and behavior of Chinese UHNW individuals? What are the challenges facing entrepreneurs and philanthropists in the pursuit of their charitable causes? Many questions remain for our reflection.

Thanks to the sponsorship by Bill and Melinda Gates Foundation and the participation of many well-known philanthropists, we have managed to complete the current report ‘*The Philanthropy of Chinese Ultra-High-Net-Worth Families*’. It is my hope that this report helps advance philanthropy by Chinese families, contributes to the prosperity of philanthropy in China, and inspires more Chinese UHNW families to promote the public good and share their love and care for others. May concerted efforts be made to move forward philanthropy in China and harmony around the globe.



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## Project Background

In December 2016, Bill and Melinda Gates Foundation (“BMGF”) sponsored the Global Family Business Research Center at Tsinghua University PBC School of Finance to carry out a research project on the philanthropy of Chinese ultra-high-net-worth families. Specifically, the research aims to present the landscape and trends of Chinese ultra-high net worth families in the philanthropic field. The findings will offer insights to charitable organizations, high net worth families and individuals interested in philanthropy. Overall, the research aims to raise awareness and reflection from a broad section of the society as well as international communities to motivate public participation in philanthropy and promote a thriving philanthropic culture.

## Methodology and Data Sources

The research focuses on UHNW entrepreneurs, business-owning families and private enterprises[ The subjects were limited to families from mainland China, excluding those from Hong Kong, Macao, Taiwan and overseas. ] that actively participated in philanthropic activities. Subjects covered by this research shall meet the following criteria: being a Chinese ultra-high net worth family (i.e. appearing on the Forbes China Rich Lists), and had the experience of making large donations,(i.e. appearing on the Forbes China Philanthropy Lists).

The research combines statistical analysis with in-depth interviews with entrepreneurs, philanthropists, scholars and professionals, as well as media sources, articles and reports. The data used in the research are primarily drawn from the Forbes China Rich List 2009-2020, the Forbes China Philanthropy List 2009-2020[ The research studied data from the Forbes China Rich List (2009-2020) and Forbes China Philanthropy List (2010-2020). Due to the time lag of donation data, the publication year of the Philanthropy List was actually one year later than the actual data. For example, the Philanthropy List of 2010 reflected the data about donations in 2009. In 2016, Forbes China did not publish the 2016 Philanthropy List. Therefore, there was no donation data for 2015. ], the China Foundation Center, the GTA CSMAR Database and the Wisers News Database.

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<sup>1</sup>The subjects were limited to families from mainland China, excluding those from Hong Kong, Macao, Taiwan and overseas.

<sup>2</sup>The research studied data from the Forbes China Rich List (2009-2020) and Forbes China Philanthropy List (2010-2020). Due to the time lag of donation data, the publication year of the Philanthropy List was actually one year later than the actual data. For example, the Philanthropy List of 2010 reflected the data about donations in 2009. In 2016, Forbes China did not publish the 2016 Philanthropy List. Therefore, there was no donation data for 2015.

## Key Findings

### Philanthropy evolved with structural changes on the Rich Lists

Within less than a decade from 2009 to 2020, the growth drivers of the Chinese economy shifted from traditional manufacturing to real estate and later to high-tech. Billionaires on the Rich Lists evolved accordingly with an increasing number coming from the high-tech industry.

The changing industrial mix on the Rich Lists correlated with the changing composition of the Philanthropy List. Over recent years, the average per capita donation from tech donors have far surpassed others.

### Donations reflected a high degree of home-province loyalty

Chinese donors gave back more to their home provinces than other localities. According to donation data on the website of China Foundation Center in 2015, 43.5% of the total amount of the donations through foundations flew to the donor's home provinces, 53.5% to other provinces nationwide, and merely 3% outside China, illustrating the presence of home loyalty in the donors' mindset.

### Four coastal provinces display leading philanthropic practices

The coastal provinces of Jiangsu, Zhejiang, Fujian and Guangdong took up the majority of charitable donations by UHNW families in China. In almost all of the studied years, charitable donations from these four provinces accounted for over 50% of the national total.

Situated along the coastal area and as the pioneers of China's Reform-and-Opening-Up, these provinces were known for their business acumen. Their philanthropic activities reflect both practical-mindedness and professionalism, with foundations as the preferred model of management.



### **Succession triggers donations, and the “First-Generation Entrepreneurs” are transforming into the “ First-Generation Philanthropists” in China**

The charitable donations of entrepreneurs born in the 50s and 60s have increased strongly in the past couple years. As the 50s and 60s generation groups retire and retreat behind the scenes, they focus more on family philanthropy. The phenomenon of large donations caused by inheritance will appear more frequently in the future, and the “ First-Generation Entrepreneurs” are gradually transforming into the “ First-Generation Philanthropists”.

### **Chinese family donations are influenced by the national strategy and actively participate in poverty alleviation**

Building on the ‘Targeted Poverty Alleviation Plan 2015-2020’, Chinese families contributed a larger proportion of donations to poverty-stricken areas in 2018. The amount of donations to hometowns through the foundation accounted for 23.22% of the total donation, and the proportion to other provinces in the country was 76.78%.

As the main battlefield for the nation’s poverty alleviation, Guizhou received the largest amount of donations, accounting for 44.9% of the total foundation donations that year. So far, all impoverished counties in Guizhou have all been lifted out of poverty.

### **Family foundations typically prioritize education, whereas corporate foundations typically prioritize poverty alleviation**

Family foundations tend to prioritize education, embodying their commitment to talent development. The biggest beneficiaries were universities, most of which were the prestigious ones. Other than education, family philanthropic foundations are starting to focus on healthcare, retirement and arts.

Corporate foundations tend to prioritize poverty alleviation and the development of the philanthropic sector, matching their needs to both achieve corporate development and fulfill social responsibilities.



## Glossary

Terms	Explanation
<b>Charitable organization</b>	According to the <i>Charity Law</i> , a charitable organization is a non-profit organization that is established according to the law, complies with the provisions under the said Law, and follows the purpose of conducting charitable activities in the society. A charitable organization may be organized as a foundation, social group, social service institution or other models
<b>Charitable trust</b>	According to the <i>Charity Law</i> , charitable trusts belong to the category of public-interest trusts, and refer to the conduct where for a charitable purpose, a principal entrusts his property to a trustee, and the trustee carries out its management and disposal in accordance with the principal's wish and in the trustee's name, and conducts charitable activities
<b>Direct donation</b>	A donation where the donee and beneficiary are the same
<b>Donation amount for Forbes China Philanthropy List</b>	Amount of cash donations by an enterprise or entrepreneur in the year preceding the publication of the Philanthropy List, excluding equity or giving pledge
<b>Establishing a sub-fund</b>	In addition to a donor specifying his/her intentions, the charitable organization that receives the donation shall establish an independent account or accounting item to manage the funds and use them for the purpose specified by the donor
<b>Family with foundation</b>	An ultra-high-net-worth family that has a private or corporate charitable foundation
<b>Family without foundation</b>	An ultra-high net-worth family that does not have a charitable foundation
<b>Foundation</b>	As defined by the <i>Administrative Regulations on Foundations</i> , a foundation is a non-profit legal person established in accordance with the said Regulations with property donated by natural persons, legal persons or other organizations and for the purpose of conducting charitable causes

<b>Terms</b>	<b>Explanation</b>
<b>Indirect donation</b>	A donation where the donee and beneficiary are different (such as in the case of donating to third-parties that in turn donate to those in need)
<b>Level of generosity</b>	Ratio of the total donation amount of an ultra-high-net-worth family as shown on Forbes China Philanthropy List over its average annual net worth in 2009-2020
<b>Philanthropy</b>	Efforts driven by love for the humanity and made to improve human wellbeing, with compassion expressed and social wellbeing increased by relief, assistance, donation or other means
<b>Restricted donation</b>	A donation with instructions to be used for specific programs
<b>Social organization</b>	Equivalent to non-profit organizations abroad. In China, social organizations fall into three main categories (i.e. foundations, social groups and social service institutions)
<b>Ultra-high-net-worth family</b>	A family containing a member that appeared on the Forbes China Rich List (hitherto ‘the Rich List’) in any year between 2009 and 2020. The report will use philanthropic ‘families’, ‘individuals’, and ‘entrepreneurs’ interchangeably.
<b>Ultra-high-net-worth philanthropic family</b>	A family containing a member that simultaneously appeared in both the Rich List and the Forbes China Philanthropy List (hitherto ‘the Philanthropy List’) in any year between 2009 and 2020
<b>Unrestricted donation</b>	A donation without instructions to be used for specific programs

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An aerial photograph of a vast, lush green rice terrace landscape. The terraces are separated by dark, winding earthen paths and a prominent, winding water channel that reflects the sky. Two small figures are walking along one of the paths, providing a sense of scale to the expansive agricultural field. The overall scene is vibrant and peaceful, capturing the essence of rural Chinese agriculture.

# **C**urrent Status and Trends in the Wealth and Philanthropy of UHNW Families in China

Decades of rapid economic takeoff, steady growth, a flourishing internet sector and an enormous market enabled Chinese entrepreneurs to create numerous miracles of wealth creation. Coupled with the accumulation of wealth, Chinese UHNW families played leading roles in philanthropy and directly drove the surge of charitable donations in China.

### 1.1 Donations grew in parallel with wealth, but with higher volatility

To present a big picture of both charitable donations and social wealth, this research scanned and compared the trends of wealth and charitable donations in China, based on data from the Forbes China Rich List in 2009-2020 and the Forbes China Philanthropy List in 2009-2020. For Chinese UHNW families, both their wealth and donations show rising trends (see Figure 1 and 2.)

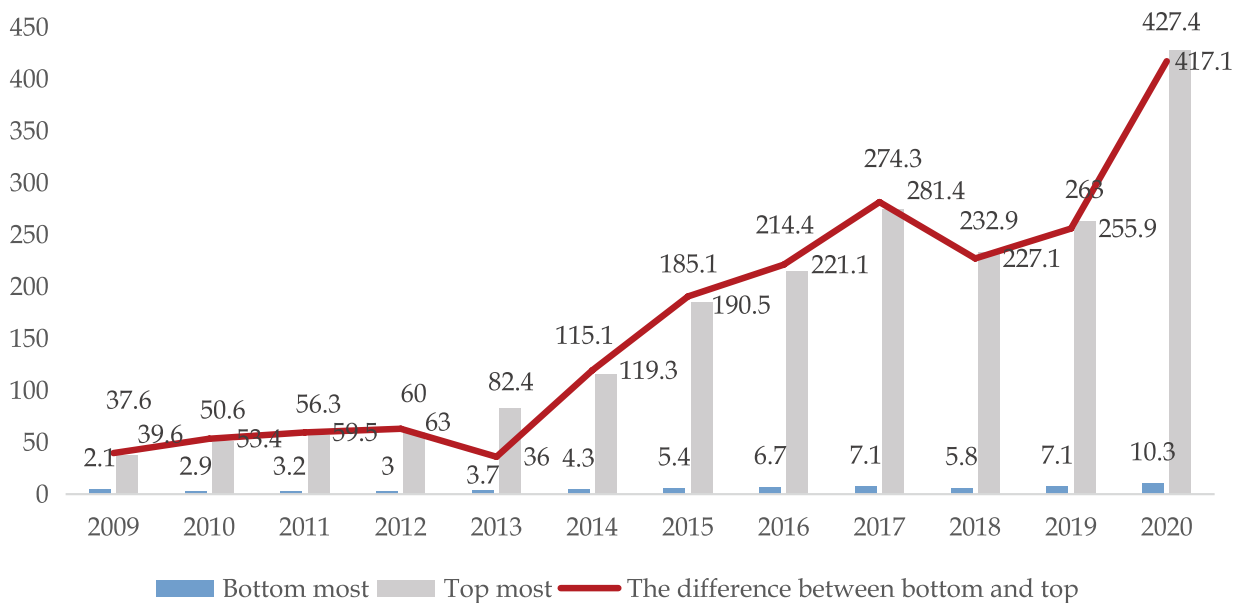


Figure 1: Evolution of Forbes China Rich List in 2009- 2020 (in billion CNY)

However, in contrast to the steady accumulation of wealth, the growth of donations shows a more volatile trend (see Figure 2). Such volatility demonstrated the susceptibility of Chinese charitable donations to major events and policy changes. After 2016, affected by the promulgation of the Charity Law and

China’s ‘Targeted Poverty Alleviation Plan 2015-2020’, the maximum donation amount has increased significantly. Among them, Xu Jiayin, who has been committed to poverty alleviation for a long time, occupied the top of the charity list for 2017-2019.

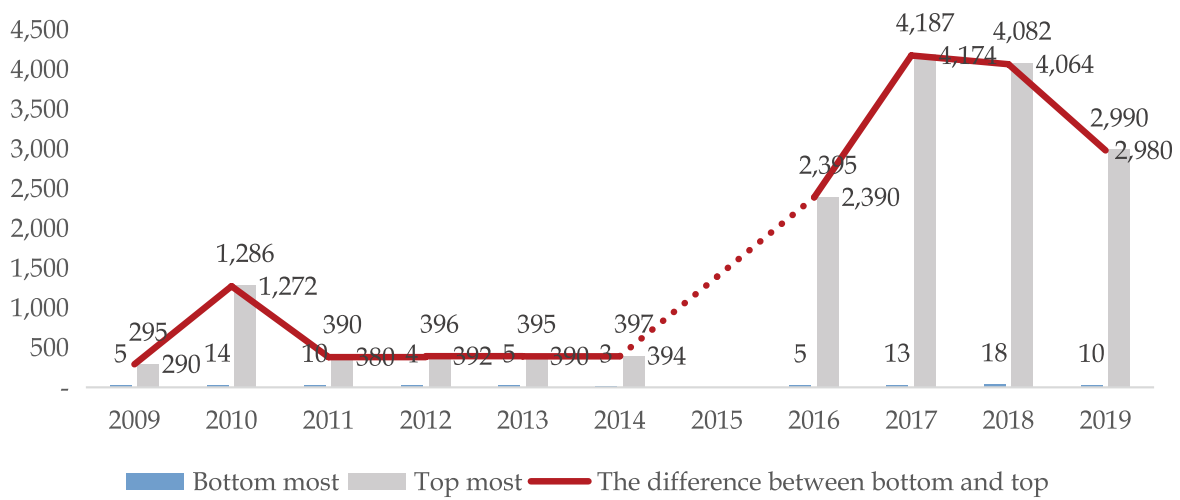


Figure 2: Evolution of Trends on Forbes China Philanthropy List in 2010-2020 (in million CNY)

## 1.2 Philanthropy evolved with structural changes on the Rich Lists

Within the last decade or so, the drivers of the Chinese economy shifted from traditional

manufacturing to real estate and later added technology. The industrial mix on Forbes China Rich List reflected this change as a growing number of leaders from the technology sector entered the Rich List (see Figure 3).

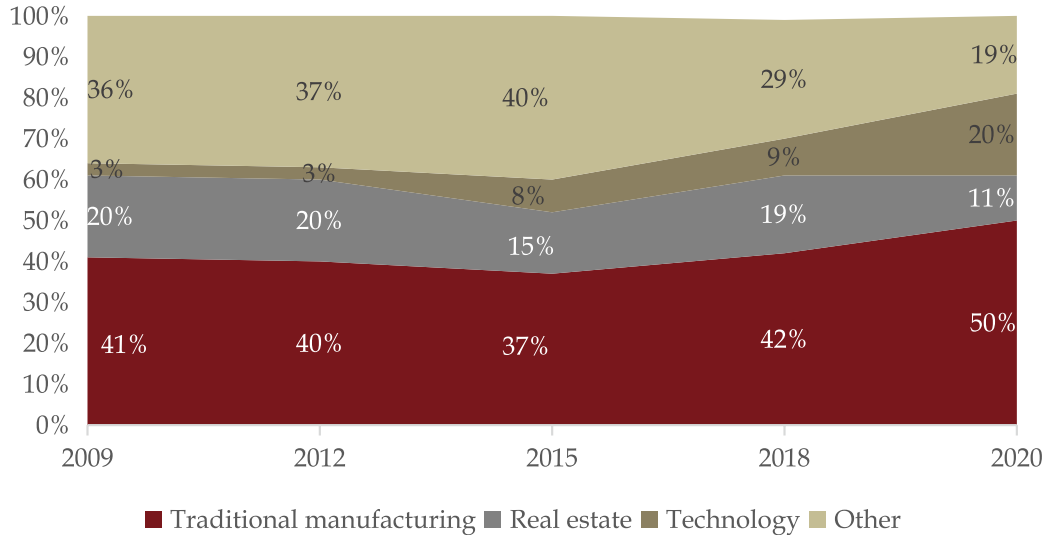


Figure 3: Industrial Mix on Forbes China Rich List in 2009-2020

Compared with their peers from the real estate and manufacturing sectors, entrepreneurs from the technology sector has surpassed those from real estate sector in num-

bers (see Figure 4) and much wealthier in per capita terms (see Figure 5), showcasing the increasing wealth concentration of the technology sector.



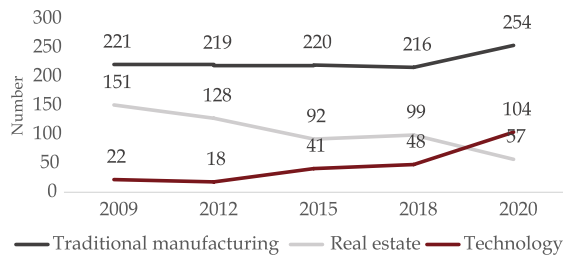


Figure 4: Number of Families from Traditional Manufacturing, Real Estate and Technology Sectors per Forbes China Rich List 2009 to 2020

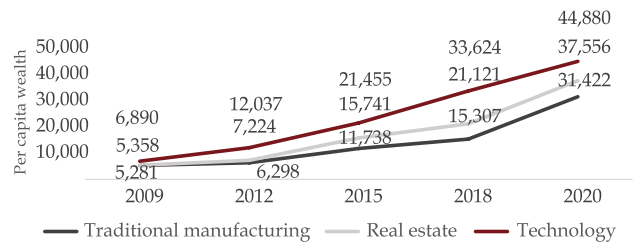


Figure 5: Wealth Per Capita among Traditional Manufacturing, Real Estate and Technology Sectors per Forbes China Rich List 2009 to 2020 (in million CNY)

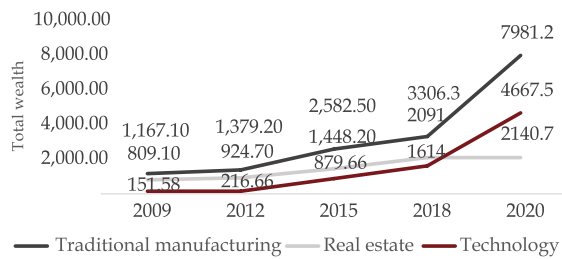


Figure 6: Combined Wealth of Billionaires from Traditional Manufacturing, Real Estate and Technology Sectors per Forbes China Rich List 2009 to 2020 (in billion CNY)

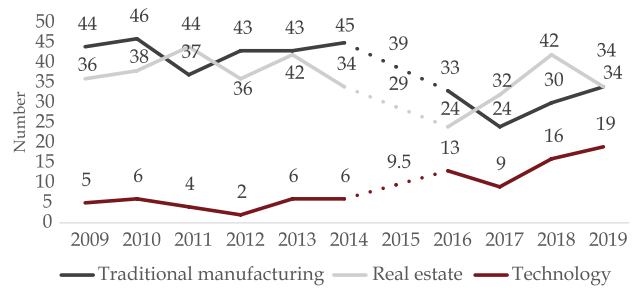


Figure 7: Number of Billionaires from Traditional Manufacturing, Real Estate and Technology Sectors per Forbes China Philanthropy List 2009-2019 (persons)<sup>3</sup>

Chart 1: Top 10 Families on Forbes China Rich List 2020 (100 billion CNY)

	Name	Net Worth	Company Name	Main Sector
1	Xu Jiayin	2813.5	Evergrande	Real Estate
2	Pony Ma	2581.8	Tencent	Online Services
3	Jack Ma	2555.3	Alibaba	Online Services
4	Wang Jianlin	1668.2	Wanda	Real Estate
5	Wang Wei	1476.3	SF Express	Logistics
6	Yang Huiyan	1370.3	Country Garden	Real Estate
7	He Xiangjian	1237.9	Midea	Home Appliances
8	Robin Li	1132	Baidu	Online Services
9	Ding Lei	1118.8	NetEase	Online Services
10	Li Shufu	1092.3	Geely	Manufacturing of Automobiles and Motorcycles

During the ‘Targeted Poverty Alleviation Plan 2015-2020’, the real estate industry tycoons actively participated in the national strategic construction. Affected by Xu Jiayin,

Yang Guoqiang and Yang Huiyan’s three-year donations from 2017 to 2019, the total donations and per capita donations in the real estate industry have increased significantly

<sup>3</sup>All trends drawn over missing data are shown as dotted lines in the figures of the current report.

over the same period, ranking first among the three industries (see Figure 8 and Figure 9). The total donation and per capita donation of traditional manufacturing industry continued to decline, and it was surpassed by the tech-

nology industry around 2014. By the current trends, a greater number of entrepreneurs from the technology sector are expected to join the rank in making charitable donations.

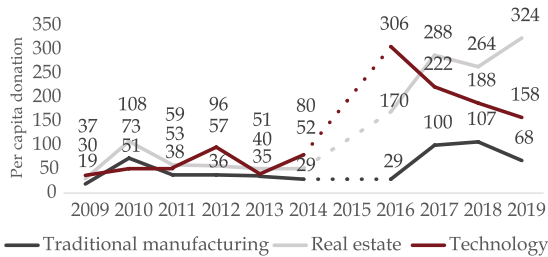


Figure 8: Donation Per Capita by Donors from Traditional Manufacturing, Real Estate and Technology Sectors per Forbes China Philanthropy List 2009 to 2019 (in million CNY)

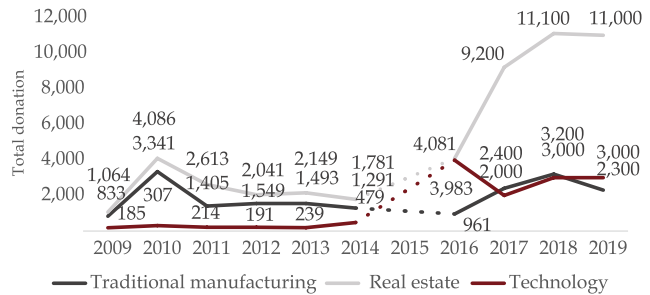


Figure 9: Combined Donation from Traditional Manufacturing, Real Estate and Technology Sectors per Forbes China Philanthropy List 2009 to 2019 (in million CNY)

### 1.3 Succession triggers donations, and the “First-Generation Entrepreneurs” are transforming into the “First-Generation Philanthropists” in China

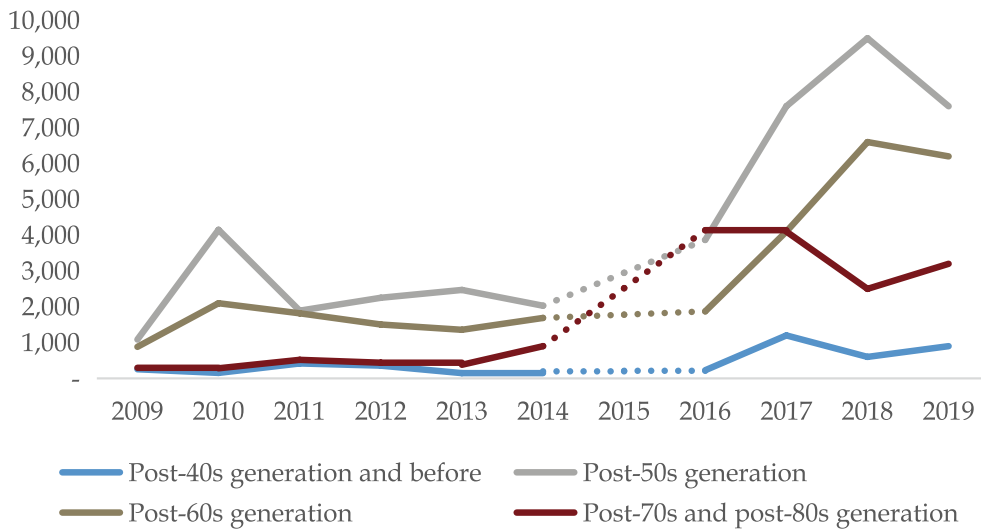


Figure 10: Donation Amount Across Age Groups on Forbes China Philanthropy List (in million CNY)

Across the age groups listed in Figure 10, donations made by entrepreneurs born in the 1950s and 1960s have increased strongly in the past two to three years. As the post-50s and post-60s generation groups withdraw from business operations and retreat behind the scenes, they will focus more on family philanthropy. The phenomenon of large dona-

tions caused by succession will appear more frequently in the future, and the “First-Generation Entrepreneurs” are transforming into the “First-Generation Philanthropists” in China. The rise of young entrepreneurs in philanthropy has also been noticed, which lends hope for the intergenerational succession of China’s philanthropy.

### 1.4 A handful of leading philanthropists dominate donations

Charitable donations are predominantly concentrated among top donors. From 2009 to 2019, the share of the top 20% philanthropists in total donations averaged around 60% and reached 82% and 76% in 2016 and

2017 respectively (see Figure 11). Donations are even more skewed towards the top 5% philanthropists who donated as much as approximately 36% of the annual total during the same period and exceeding 50% in 2016 (see Chart 2). The disproportionately large influence of top philanthropists is hard to deny.

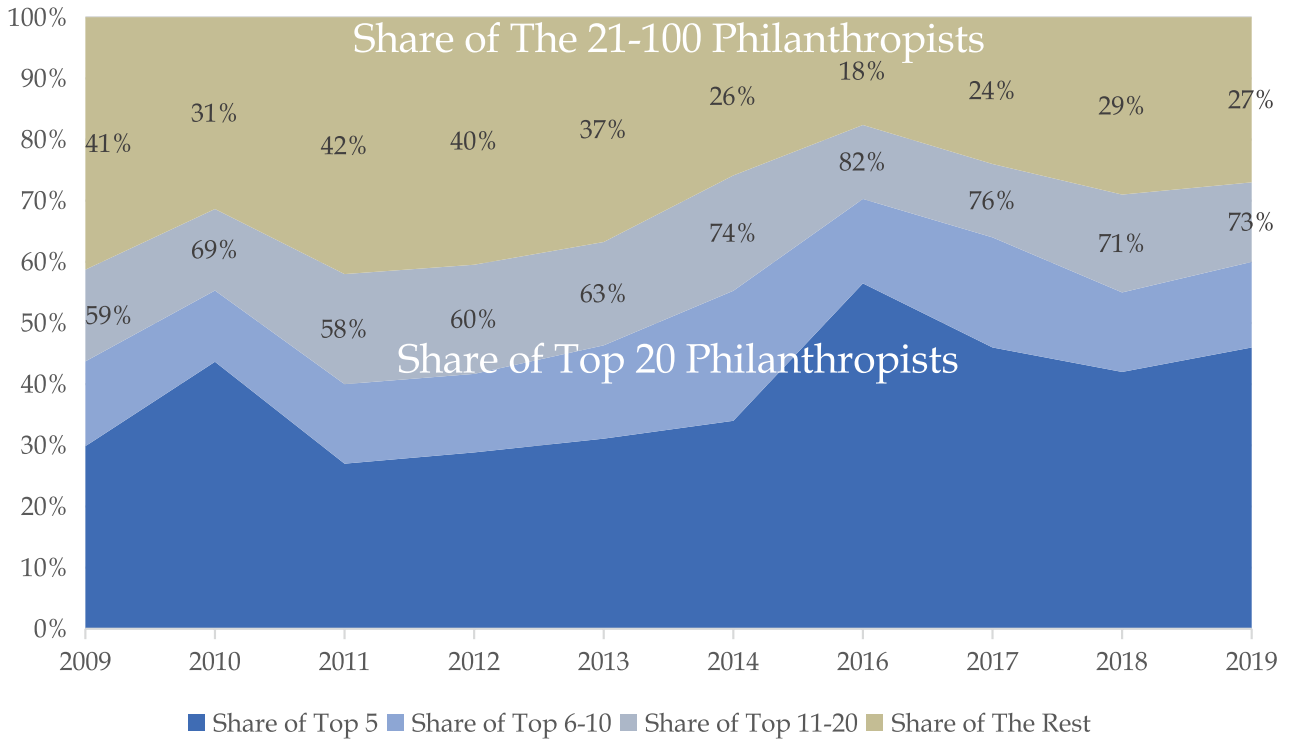


Figure 11: Evolving Structure of Donations per Philanthropist Lists 2009-2019 (%)

Chart 2: Combined Donation and Share of Top 5/10/20 Philanthropists on Forbes China Philanthropist Lists 2009-2019 (CNY, %)

	2009	2010	2011	2012	2013	2014	2016	2017	2018	2019
Amount of Top 5	774	3,546	1,300	1,341	1,395	1,672	5,862	7,898	8,022	8,240
Share of Top 5	30	44	27	29	31	34	56	46	42	46
Amount of Top 10	1,133	4,492	1,902	1,938	2,079	2,718	7,295	10,977	10,484	10,734
Share of Top 10	44	56	40	42	46	55	70	64	55	60
Amount of Top 20	1,522	5,575	2,758	2,768	2,837	3,645	8,549	13,105	13,503	13,066
Share of Top 20	59	69	58	60	63	74	82	76	71	73

# Observations on Donation Behaviors of UHNW Philanthropic Families



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UHNW families display evident differences in their donations. This research explored the wealth level, social context, geographic origin, donation approach, stages in corporate lifecycles and a host of other dimensions to profile family donations and gauge the factors affecting donation behaviors.

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## 2.1 Wealth Level and Generosity

In the research, we mapped 172 UHNW families who were on either the Rich Lists or the Philanthropy Lists in any given year between 2009 and 2019. We then plotted the families along two axes and four types (see Figure 12) based on the correlation between their level of wealth and donations. The four types are as follows:

**Highly Committed:** These families remained on both Lists for seven years in a row between 2009 and 2019. A total of three families were highly committed, exhibiting stability in both their wealth and philanthropy. Their position on Figure 12 is relatively stable.

**Persistent:** These families remained on the Philanthropy Lists throughout the period but occasionally dropped out of the Rich Lists. Despite the volatility in their wealth levels, they showcased their sustained commitment to giving back. Three of these families set up charitable foundations, testifying to their professionalism in charitable undertakings. Their position on Figure 12 is relatively stable.

**Event-driven:** These families remained on the Rich Lists throughout the period but ap-

peared only once or twice on the Philanthropy Lists. Typically, these UHNW families are yet to demonstrate clarity in their strategic planning for philanthropy and donated on an ad hoc basis, usually upon unexpected events such as natural disasters. Their position on Figure 12 is dynamic as they expand and contract philanthropic activities with the occurrences of major events.

**Wealth-driven:** Appearing rarely, once or twice, on either List between 2009 and 2019, these UHNW families showed a strong correlation between their levels of donations and wealth. They were more inclined to donate when they were on the Rich List and reduced donation when they were not. Their position on Figure 12 is dynamic as they expand and contract philanthropic activities with changes in their wealth.

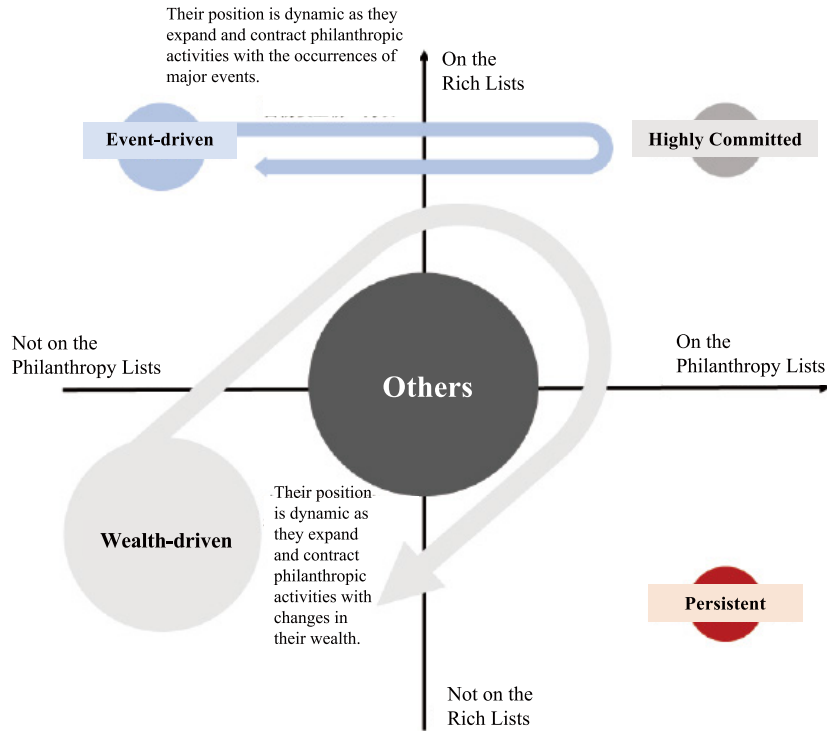


Figure 12: Four Types of UHNW Families Behaviors

## 2.2 The impact of social structures on generosity

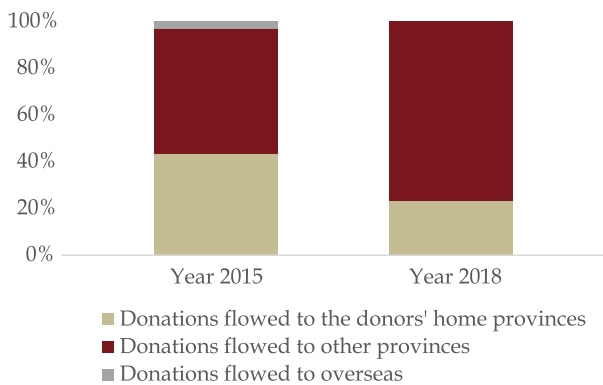


Figure 13: Geographic Distribution of Family Donations through Foundation 2015 vs 2018

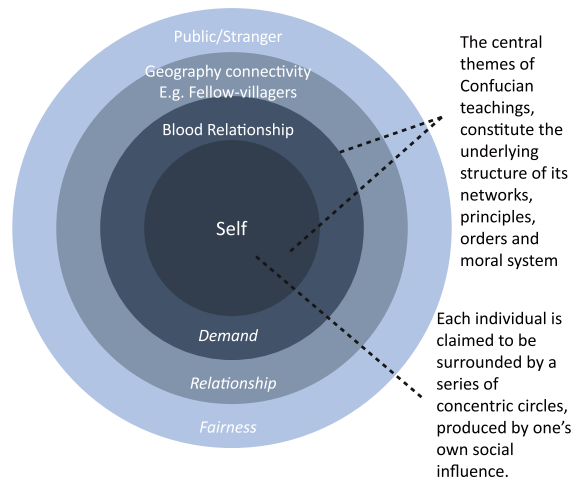


Figure 14: 'Differential Pattern' in the Chinese Society

According to Mr. Fei Xiaotong (who first proposed the theory of the 'Differential Mode of Association'), personal associations in western societies tend to follow a 'Group Pattern' where individuals coexisted in a group in an open state. In contrast, the Chinese society follows a 'Differential Mode' where individuals undertake rights and obligations according to the level of personal ties with the associated members (see Figure 14).

**Preference to donate to hometown matched the ‘differential pattern’**

As highlighted by the differential pattern, Chinese donors prioritized contribution to their hometowns. Revealed by data of the China Foundation Center in 2015, 43.5% of the donations channeled through foundations flowed to the donors’ home provinces, and 53.5% to other provinces and 3% overseas, corroborating the differential mode of association in donor behavior (see Figure 13).

**UHNW philanthropic family donations are affected by the national strategy, reflecting the appeal of the policy**

In the context of the ‘Targeted Poverty Alleviation Plan 2015-2020’, in 2018, ultra-high-net-worth families contributed a larger proportion of donations to impoverished areas. The amount of donations to the hometown through foundations accounted for 23.22% of the total donation, and the proportion to other provinces in the country was 76.78% (see Figure 13).

As the main battlefield for poverty alleviation across the country, Guizhou has received the largest amount of donations. In 2018, the total amount of donations from the foundation to Guizhou was 2.032 billion yuan, accounting for 44.90% of the total donations (see Figure 15). Thanks to the continuous efforts of the people across the country, Guizhou has made tremendous progress in poverty alleviation. For many years, the number of impoverished people in Guizhou Province ranks first in the country. There are 66 impoverished counties out of 88 counties in the province. Since the 18th National Congress of the Communist Party of China, all 9.23 million impoverished people in Guizhou province have been lifted out of poverty, 66 impoverished counties have all been decapitated, and all 9,000 impoverished villages have been listed.

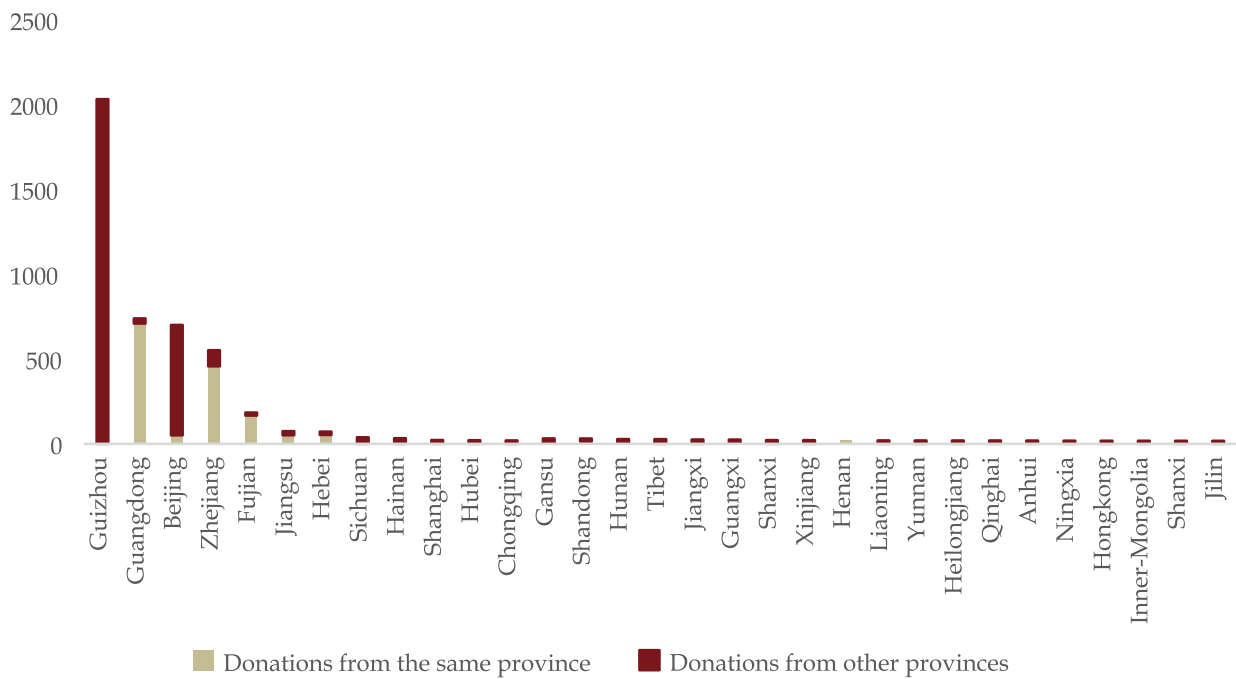


Figure 15: Geographic Distribution of Family Donations through Foundation in 2018 (in million CNY)

### 2.3 Four Coastal Provinces Display Leading Philanthropic Practices

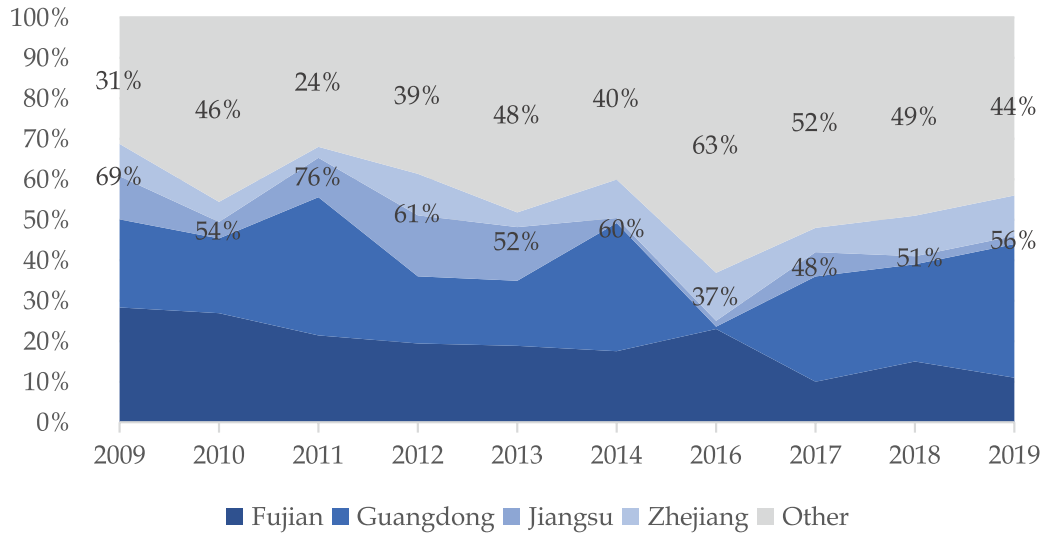


Figure 16: Percentage of Donations by UHNW Families of Different Origins

#### Jiangsu, Zhejiang, Guangdong and Fujian lead donations by UHNW families

Jiangsu, Zhejiang, Guangdong and Fujian led the charitable donations by UHNW families, accounting for more than 50% of total donation amount in all studied years except 2016 and 2017 (see Figure 16) and 58% of all UHNW philanthropic families in China (see Figure 17).

#### Foundations are the preferred mechanism for managing philanthropy by the UHNW philanthropic families from the four leading provinces

Pioneering China’s opening up, the four leading provinces are long known for their business acumen and vitality. In philanthropy, they have exhibited a local focus on practicality and institutionalization in charitable donations, and a preference of foundation-based management in pursuit of a higher level of specialization.

Among the 172 UHNW families studied in this research, 58% were from these four coastal provinces. Among the families with foundations, 72% were from the Four Leading Provinces (See Figure 18).

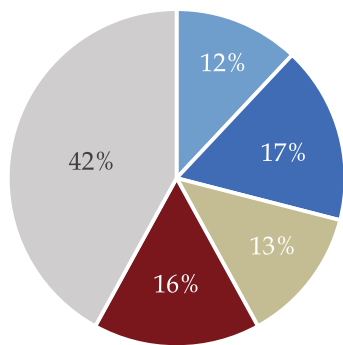


Figure 17: Number of Chinese UHNW Philanthropic Families by Home Province in 2015

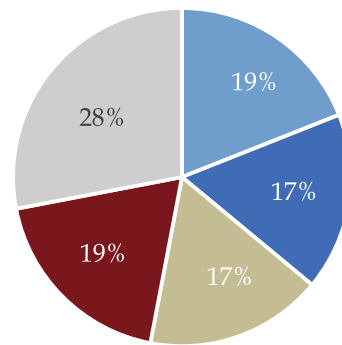


Figure 18: Home Provinces of Chinese UHNW Families with Foundation in 2018



## 2.4 Research on charitable foundations

69 of the 172 UHNW families studied had set up foundations, including 23 family charitable foundations and 46 corporate foundations. The following analysis on the foundations established by these UHNW families was conducted with the help of data from the China Foundation Center in 2018.

### Families without foundations donated more on average

The average donations between 2009 and 2019 are higher among families without foundations compared to those with foundations (see Figure 19). Due to the high threshold for setting up charitable foundations and the complicated and lengthy approval process, many families who wish to establish a foundation can only temporarily shelve their plans.

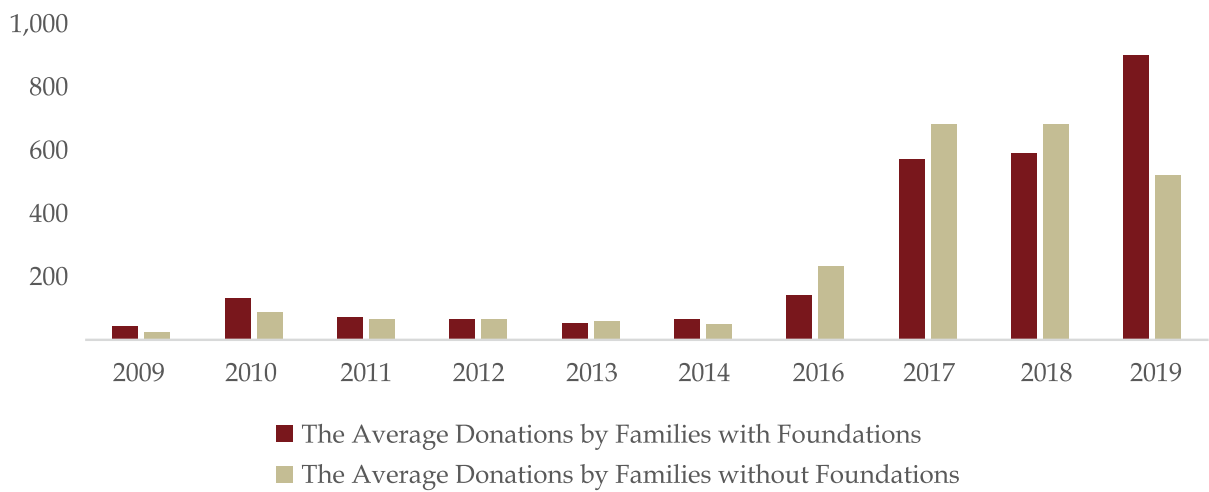


Figure 19: The Average Donations by Families with and without Foundations (in thousand CNY)

### Foundations particularly preferred direct, restricted and sub-fund donations

Foundations tend to have more control over the destination, execution efficiency and charitable impact of the donated resources. Based on data from the China Foundation Center in 2018, direct donation, restricted donation and donation by establishing sub-funds under non-profit organizations represented 85% of the total donations by foundations, leaving only 15% to unrestricted indirect donations (see Figure 20).

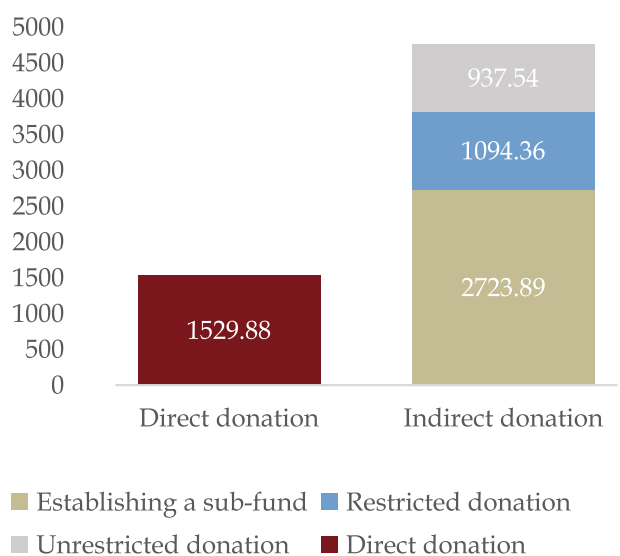


Figure 20: Foundations' Donations by Types in 2018 (in million CNY)

**Among the top three causes that attracted the most donations— education, poverty and developing the philanthropic sector, family foundations invested the most on education, while corporate foundations focused on poverty alleviation (see Figure 21).**

Family foundations focused on education, which reflected the charitable appreciation of human capital by UHNW families. Higher education was the biggest beneficiary with prestigious universities as the top recipients.

Family foundations have begun to pay more attention to the advancement of medical and healthcare and elderly care solutions, giving the fact that the family’s first-generation wealth creator grow older. The participation of the second generation of the family has increased the foundation’s attention to the field of art and culture.

Corporate foundations invested significantly in alleviating poverty and developing the philanthropic sector, meeting the needs in corporate development and social responsibilities.

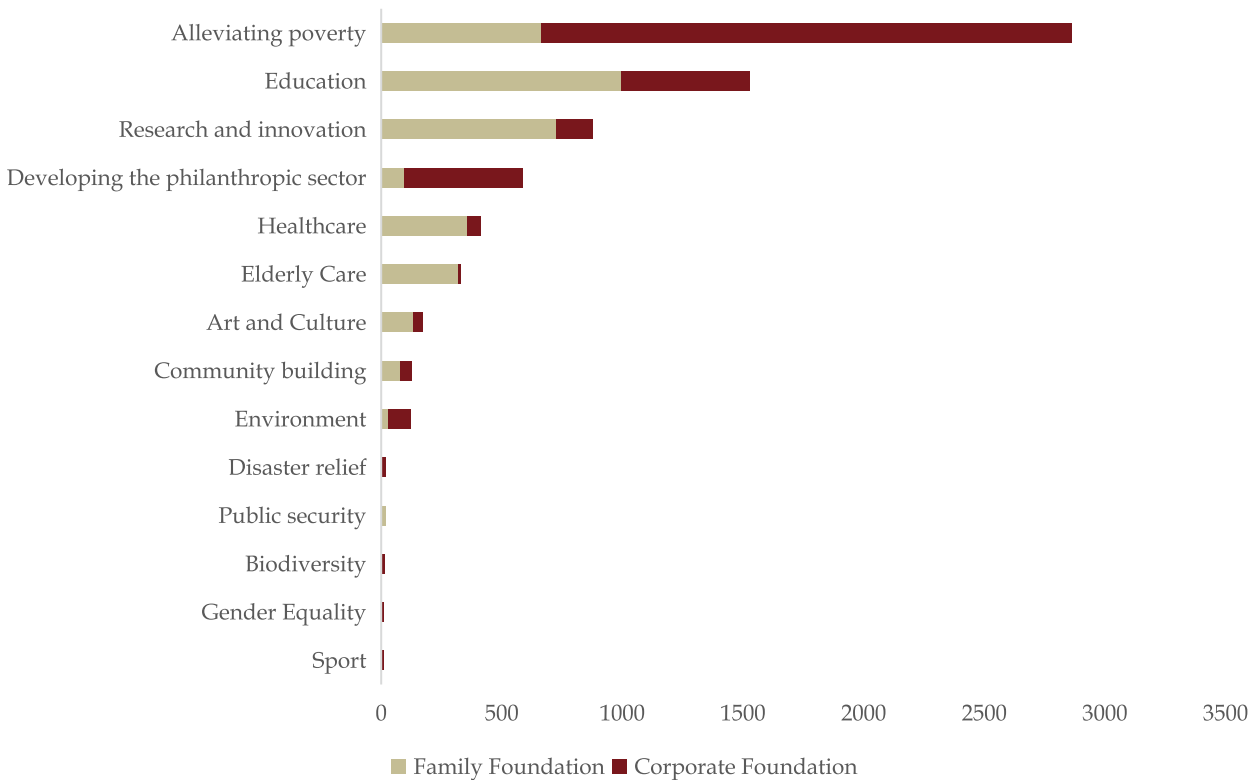


Figure 21: Donations by Corporate and Family Foundations by Sectors (in million CNY)

## 2.5 The impact of corporate lifecycle on charitable donations

Most UHNW philanthropic families had family businesses that financially backed their donations. To understand the correlation between corporate development and charitable donations, The current research used Dickinson cashflow method to group enterprises by their stages in the corporate lifecycle and factored in corporate and family donations.

Most enterprises owned by the UHNW philanthropic families studied were at the growth or maturity stage.

### Donations of enterprises by stages in lifecycle

*Dickinson Cashflow Analysis of 2006: Enterprises at Stages of Start-up, Growth, Mature, Decline and Elimination.*

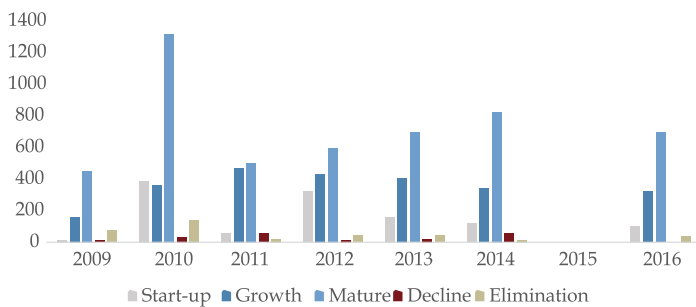


Figure 22: Total Donation Amount by Enterprises by Stage of Lifecycle (Corrected) (in million CNY)

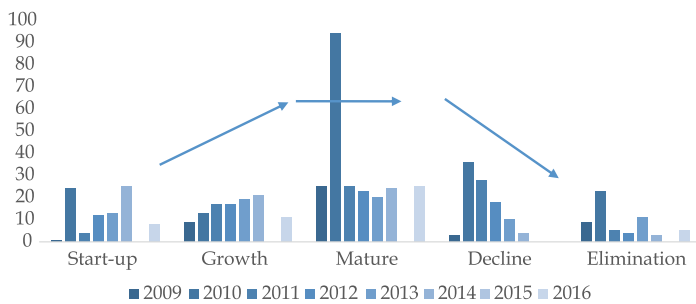


Figure 23: Average Donation by Enterprises at Each Stage of Lifecycle (Corrected) (in million CNY)

Growth-stage enterprises placed more emphasis on their organizational growth and corporate image. Their donations increased

over the years, though still trailing behind those in the maturity stage.

Enjoying stable cash flows, maturity-stage enterprises were more inclined to make steady and generous donations than enterprises in all other stages.

In need of capital for business revitalization, enterprises in the declining stage tended to reduce their charitable donations (see Figure 22 and 23).

### Stable businesses in sustained donations

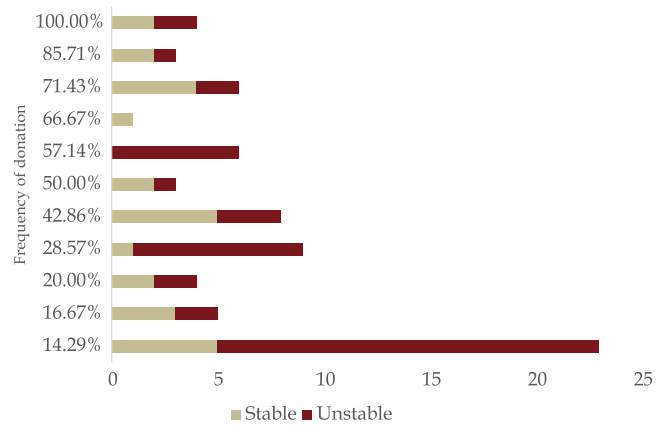


Figure 24: Frequency of Enterprise Donations and Their Stability in Corporate Lifecycle

Research revealed a low rate of overall frequency in the enterprise donations of UHNW families. More than 50% of such enterprises donated twice or less. Only four (5.56%) of them donated every year. Enterprises at a stable stage of lifecycle tended to maintain a pattern of sustained, reasonable and rational donations. Continuous donations constantly improved corporate image, and propelled further business growth. Commercial prosperity helped. Based on the analysis above, the Research concluded that stable government policy and macro economy played a crucial role in the stable development of enterprises, and enterprises enjoying stable growth were more inclined to shoulder their social responsibilities (See Figure 24).

## 2.6 The public image and media coverage of philanthropists

An explosion of public information has occurred with ever deeper penetration of the internet and mobile devices. Facing media coverage in the public limelight, UHNW families showed diverging attitudes. To study the relations between the philanthropic image, behavior and media coverage of

UHNW families, this research reviewed the data from the Wisers News Database and conducted statistical analysis and data modelling regarding the media coverage on the charitable cause by UHNW philanthropic families.

### Disparity in the amount of media coverage

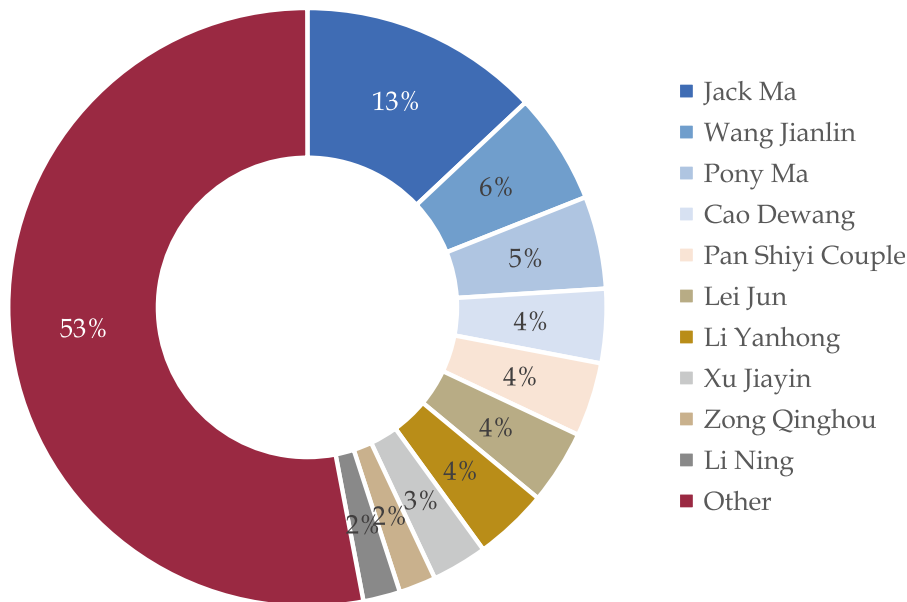


Figure 25: Share of Leading Families in Media Coverage on Donations

Statistical analysis discovered large disparity in the amount of media coverage on the charitable activities of UHNW philanthropic families. The coverage about Mr. Jack Ma, Mr. Wang Jianlin, Mr. Pony Ma, Mr. Cao Dewang and Mr. Pan Shiyi and his wife occupied 32% of the total (see Figure 25), demonstrating intensified media scrutiny among top donors.

### Three images of UHNW philanthropists

**Inspirers:** These entrepreneurs were highly generous in donations and publicly famous for their philanthropy. Their families adopted an open attitude to media coverage and growingly appeared in their capacity as philanthropists. Leveraging their higher reputation and influence, they helped promote the philanthropic culture through the media

and effectively advanced the philanthropic agenda.

**Doers:** Keeping a low profile, these entrepreneurs made sizeable donations but received less media coverage compared to Inspirers. After making large donations, they typically retreated behind the scene, avoided extensive

exposure in media interviews or other public activities, but continuously undertook social responsibilities with donations.

**Balancers:** As the majority among the subjects, the media coverage received by these entrepreneurs broadly corresponded with their levels of donations (see Figure 26).

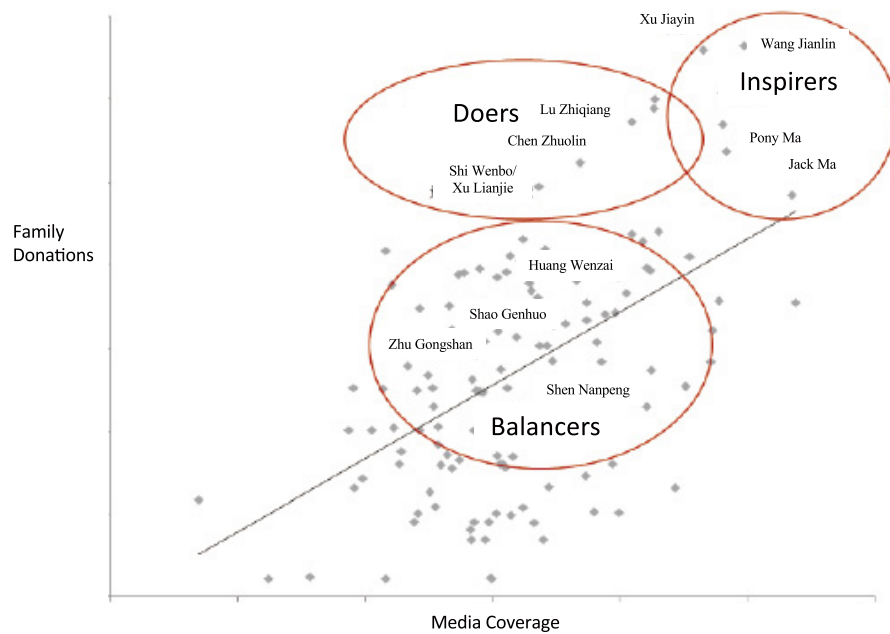


Figure 26: Family Donations v. Media Coverage

A close-up photograph of green grass, likely rice, with a semi-transparent grey text box overlaid on the upper portion. The text box contains the title in a serif font. The background is a soft-focus field of similar grass under bright, natural light.

# **L**egal and Tax Environment for Charitable Donations

### 3.1 The evolution of regulation on philanthropic legislation

1978-1998	1999-2007	2008-2015	2016-Now
<p><b>Start-up &amp; Governmental Induction</b></p> <ul style="list-style-type: none"> <li>· Governments in charge of public interest and philanthropic organization</li> <li>· Almost no relevant legislation regarding philanthropy</li> </ul>	<p><b>Emergence of Civil Philanthropy</b></p> <ul style="list-style-type: none"> <li>· Public interest legislation issued, inspiring civil philanthropy</li> <li>· 1999 PRC Public Interest Donation Law</li> <li>· 2004 PRC Foundation Administration Act brought up 'promoting the engagement of social power into public interest business'</li> </ul>	<p><b>Becoming A Common Practice</b></p> <ul style="list-style-type: none"> <li>· Rapid rise of social philanthropy, with call for legislation</li> <li>· 2008 Wenchuan Earthquake led to drastic increase of philanthropic donation</li> <li>· Philanthropic legislation was expected and some local regulations were issued in advance</li> </ul>	<p><b>Further Development</b></p> <ul style="list-style-type: none"> <li>· Charity Law issued, promoting continuous development of philanthropic business</li> <li>· Systematic legislative structure is yet to be optimized</li> </ul>

Improved legal and policy framework gave rise to diversified models for donations. Currently, UHNW families mainly donated through the following five models: direct do-

nation, sub-funds, philanthropic foundation, overseas philanthropic foundation and philanthropic trust (see Figure 27).

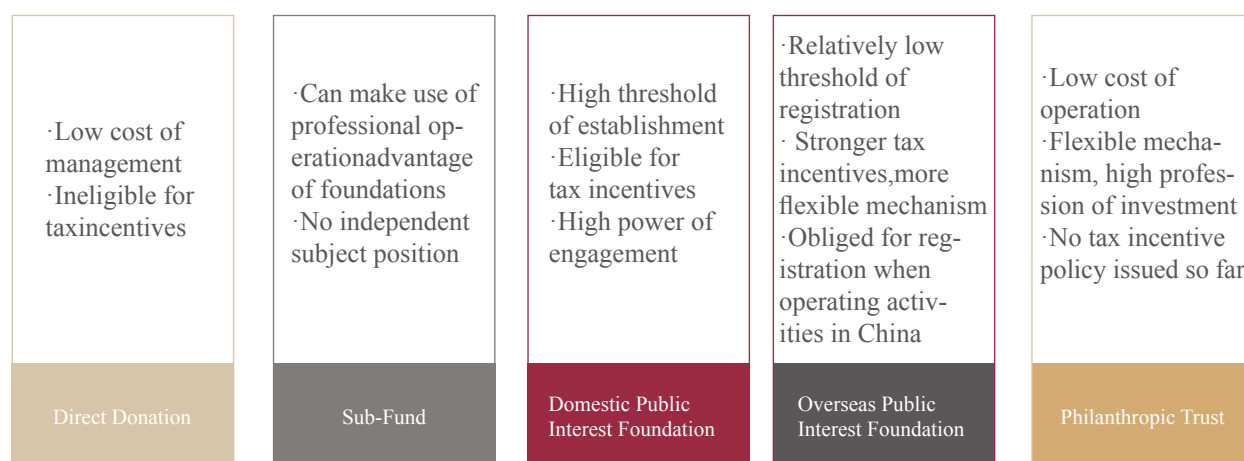


Figure 27 :Main Donation Models in China

### Charitable organizations have been managed in an increasingly transparent and professional manner

Following the Sichuan Earthquake in 2008, philanthropic organizations experienced a boom in China and soon became the proactive participants in philanthropy. To regulate philanthropic activities, the legislature and government authorities made new laws, regulations and enabling policies.

To improve the transparency of philanthropic activities, the *Charity Law* of 2016 subjected charitable organizations and philanthropic trustees to the duty of information disclosure. In 2011, the China Charity Information Filing Platform was established, offering an easy and open access to charity information. In 2012, the China Foundation Network was set up, creating a specialized information platform integrating such functions as information disclosure, data inquiry, project presentation, academic research, interactive exchanges and donations.

### The National People’s Congress initiates the revision of the *Charity Law*

The promulgation of the *Charity Law* in 2016 has provided a basic legal basis for the development of charity in the new era. Important progress has been made in the construction of charity-related systems. Charity organizations and activities have begun to be standardized in the legal sense.

In order to accelerate the development of China’s charitable organizations and further regulate the anomie phenomenon in the industry, the National People’s Congress officially launched the revision of the *Charity Law* in March 2021. The revision of the *Charity Law* meets the requirements of the country’s philanthropy development practice and will effectively promote the innovation in the industry.

## 3.2 Comparative perspective on taxation policy

Noticeably, many donors in China donated to overseas philanthropic foundations in recent years. Differences in tax regimes appeared to have driven much of these donations and indicate the close ties between the development of philanthropy and policies on taxation.

How could tax levers be pulled to make domestic philanthropy more favorable? This is an urgent question for the Chinese tax system with respect to philanthropic donations.

### Highlights of taxation policy outside Mainland China

Hong Kong SAR & Singapore	United States	Europe
Abolished estate tax	Levies high estate tax and gift tax	Levies estate tax in most countries at a progressive rate on estate
Charitable donations were deductible up to 35% for personal and corporate income tax in Hong Kong SAR	Donations to approved charitable organizations are tax-deductible up to 50% of the total adjusted personal income	Varying but significant tax breaks and deduction policies were available for charitable donations
Singapore allowed super deduction of up to 300% of the donated amount		



## Present tax policies on philanthropy in China

At present, China's tax incentives for philanthropy are limited in scope, and scattered in different pieces of legislation such as the Law on Corporate Income Tax, Law on Personal Income Tax and Law on Donations for Public Welfare. Stringent conditions shall be met for the donated amount to be fully deductible for

tax purposes. Donations by individuals shall be made to specific institutions designated by the state. Furthermore, corporate donations are ineligible for any tax exemptions.

There remains deficiencies in the tax policies applicable to equity donation, as relatively weak income tax breaks apply for donations of equity, real estate and some other properties.

## Pros and Cons of foundation and trust

### Philanthropic Foundation

- Independent legal personality, high capital investment at start-ups, high threshold of establishment, governmental registration required
- Only one foundation account, in need of splitting up funds for different philanthropic projects manually
- Experienced in beneficiary selection and philanthropic project operation management
- No bankruptcy isolation function
- Eligible for tax incentives and can directly issue donation invoice
- High cost of operation, fixed annual expense: for philanthropy required, lacking in investment management capacity

### Philanthropic Trust

- No independent legal personality unlimited trust scale
- Special trust account ensured for special using
- Definite information disclosure rules. Trust protection mechanism, high transparency
- Relatively lacking in direct philanthropy experience
- Bankruptcy isolation function
- No detailed tax incentive rules, no donation invoice
- Low cost of operation, professional investment capacity

**O**bservations on Donation Mo-  
tivations of UHNW Philanthropic  
Families



## 4.1 External factors

### Responding to the political environment

- Under the advocacy and influence of government, UHNW entrepreneurs often appeared highly patriotic with publicly announced aspirations to giving back.
- For entrepreneurs, donating is often an effective way to improve corporate image, to solidify political interests, and to facilitate the development of corporate.

### Promoting familial and corporate social reputation

- UHNW families and businesses often actively cultivate positive public image and social reputation.
- Donating helps corporate to build socially responsible images, which enables businesses to grow and profit, enhance financing capacity, attract investors and talents, and maintain advantageous positions in market competition.
- Positive corporate images bring public recognition and trust.

### Corporate lifecycle stages & sector

- Donations tend to come from direct-to-consumer enterprises.
- Enterprises vulnerable to public scrutiny tend to be generous in donations.
- The more profitable companies are, the more they are inclined to donate. And the larger their scales, the more generous their donations would be.

- Enterprises in different lifecycle have different profitability and revenue, which affect their donation amount.

### Tax incentives

- Tax incentives play a vital role in charitable donations.
- Corporate donations maximize profit through deductions and higher tax rate would cause donations to diminish.
- Allowing charitable donations to be deductible for corporate or personal income tax would encourage personal and corporate donations to non-profit organizations.
- By levying high estate tax, government could incentivize the rich to make charitable donations (abolishing the estate tax in the US would reduce charitable donations by 12%).

### Creating social impact through strategic philanthropic donations

- Strategic philanthropic donation is a proactive, planned, long-term and mutually beneficial way to donate.
- Strategic philanthropy serves as a way for enterprises to advance their own interest while doing good for the society.
- Through strategic philanthropy, actions to honor corporate social responsibilities turned into social capital and greater influence, competitiveness, health and sustainability of enterprises.

## 4.2 Internal motivations

### Confucianism

- The Confucian culture upholds filial piety, familial loyalty, contribution during the present life, moral integrity, self-refinement, social responsibilities and personal duties.
- “In poverty one should hold himself to a high standard, in prosperity one should contribute to the wellbeing of all” – by Mencius, an ancient Confucian sage.
- Some families pursue the “Golden Mean” and avoid high profile.

### Family-centered social structure

- Blood ties and hometown bonds are most trusted in the differential pattern of Chinese society.
- Families allocate more wealth to clans, hometowns and other groups with closer social ties.
- Many UHNW individuals expressed willingness to transfer wealth to their next generations.
- Chinese philanthropists prefer acting collectively (e.g. group donations and charitable circles.)

### Religious faith

- In Buddhism, the ‘doctrine on dependent origination’ advocates equality among people, and that one should celebrate unconditional altruism based on ‘origin-less compassion’.

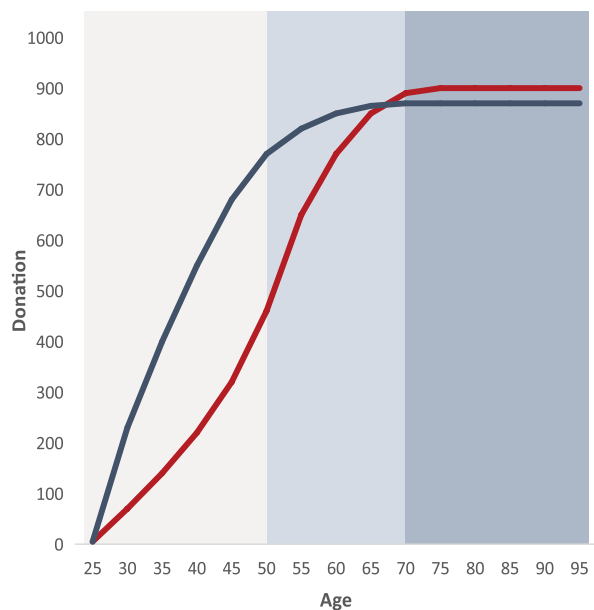
- For pious Buddhists, giving produces more pleasure than taking, and wealth becomes sinful when excessive.
- Buddhists donate primarily to pursue a mental balance.

### Philanthropy as a critical component of succession

- Philanthropy accrues a family’s social capital, builds its positive social image, expands its influence in community, and improves its sustainability.
- Philanthropy enhances a family’s intellectual capital, reinforces family values, and consolidates the cohesion among family members.

### Donor’s lifecycle stage

- As donors become older in age, better in education, richer in income and higher in social status, they become more willing and active in charitable donations.



**Young age (25-50):**

Given their need to invest in business, young entrepreneurs have high motivation but donate in small but slowly growing amounts.

**Middle age (50-70):**

When their businesses enter maturity, middle-aged entrepreneurs, supported by business cashflow, donate in significantly higher amounts.

**Senior age (above 70):**

Their donation amounts stabilize, contingent on wealth allocation and succession plans.

- Donations by UHNW donors might be triggered by changing health conditions of themselves and their family members, as well as other special events.

A close-up photograph of a palm frond, showing the intricate vein structure of the leaves. The frond is a vibrant green color and is positioned vertically, with the base of the frond at the top and the leaflets extending downwards. A semi-transparent, light-colored horizontal band is overlaid across the upper portion of the image, containing the title text. The background is a soft, out-of-focus light blue and white, suggesting an outdoor setting with natural light.

# **T**he Evolution of Family Charity

## 5.1 Traditional and modern philanthropy

### Traditional Philanthropy

Prior to the 19th Century, philanthropists focused on particular social challenges (e.g. education, health and disaster relief), and aimed for their immediate mitigation.

#### Direct donation

Donations typically lack strategic planning, though with notable exceptions in different periods.

#### Individual uncoordinated donations

Donations tended to be independently made by individuals, with sparse attempts at forming charity associations.

#### Behavioral focus ignoring long-term impact

Donations are mainly made to resolve certain social challenges, e.g. poverty and disaster relief, without measuring their long-term impact.

### Modern Philanthropy

In 1913, Mr. John Rockefeller founded the Rockefeller Foundation. This started the model of philanthropic foundation and marked a new stage of philanthropy with greater long-term sustainability.

#### Institutionalized operation

Foundations become the mainstay for donors with strategy and planning.

#### Multi-party cooperation

Donors integrated forces from different walks of life to maximize the influence of philanthropy by multi-party cooperation.

#### Expanding social influence

A trend of globalization of philanthropy

Financial tools have been used to reach a balance between social impact and financial viability.

## 5.2 Generosity & adaptation to modern philanthropy

The research designed a model of indicators to assess the generosity and the level of engagement in modern philanthropy by UHNW philanthropic families in China.



Figure 28: Generosity and Engagement in Modern Philanthropy by UHNW Philanthropic Families in China

### Generosity

Generosity is defined as the ratio between a family's total donation amount in the past seven years and its average annual net worth during the same period.

The studied families mostly scored below 0.2 for the level of generosity, with few in the high range. However, lower score did not equate with smaller donations. Due to challenges and difficulties in running huge donations, some extremely high-net-worth families only donated a fraction of their wealth (see Figure 28).

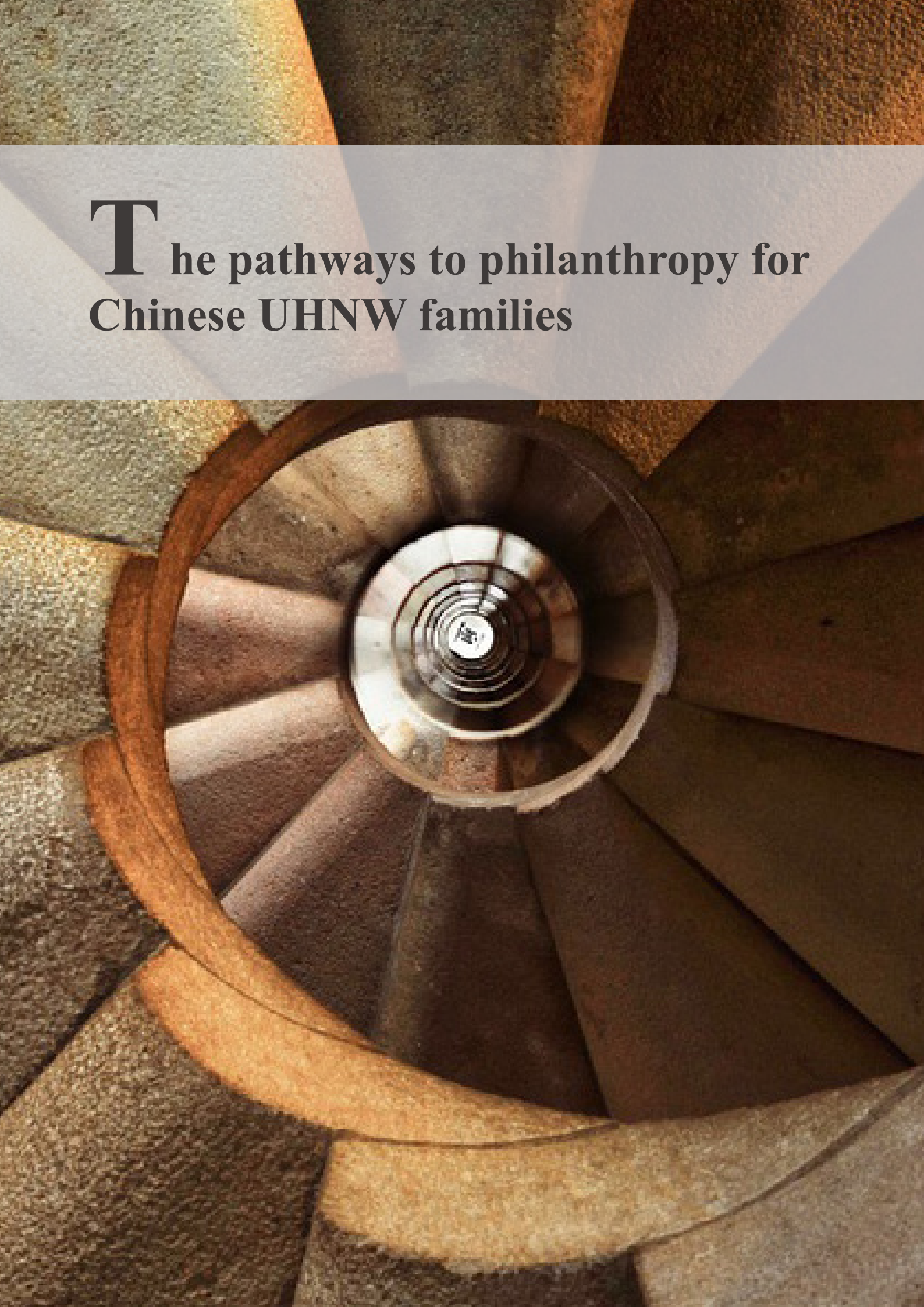
### Adaptation to Modern Philanthropy

The level of engagement to modern philanthropy is a composite of three dimensions: whether the philanthropist hires a professional team for philanthropy, whether they measure their impact of giving, and engagement with the whole sector and efforts in advocating for philanthropy.

Except for a few outliers, most families were found to have low levels of modern philanthropy engagement. This suggested a large space of future growth remaining for philanthropy in China (see Figure 28).







**T**he pathways to philanthropy for  
Chinese UHNW families

Kindness and generosity are important features in Chinese traditional culture. Within that culture, the paradigm of giving back is a key component of family tradition and succession across generations.

However, contemporary private enterprises in China are a relatively new phenomena that began from the process of Reform-and-Opening-Up in the 70s. Most Chinese UHNW families still focus on growing their family businesses, with few spending time to find out the meaning of wealth and the value of philanthropy. Meanwhile, some families could not practice philanthropy in the best

possible manner due to their lack of philanthropic information, limited access to charitable organizations and shortage of practical guidance.

Chinese families are embedded in a socio-philanthropic context but still have a long way to go in family philanthropy. The current research identifies a potential pathway for UHNW philanthropic families to advance in their journey of philanthropy, which starts with ideas, progresses into occasional donations, and evolves into organized, systematic and effective donations (see Figure 29).

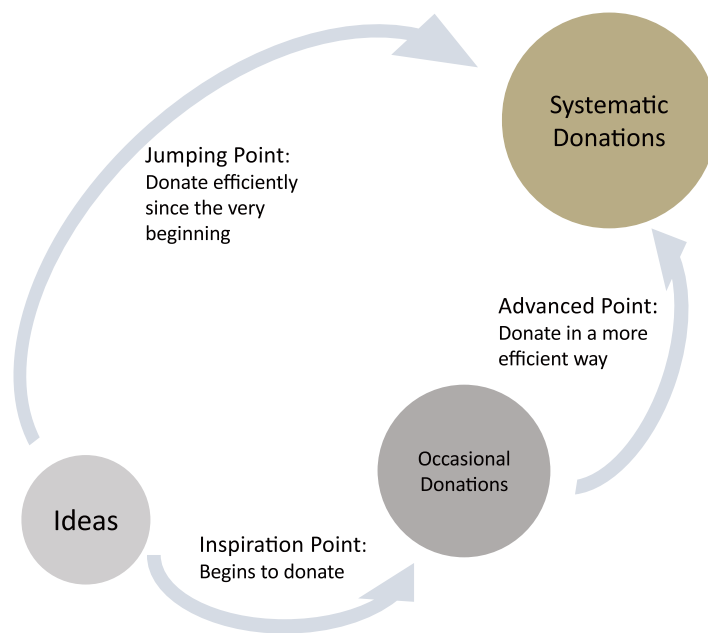


Figure 29: Pathway of Donations by UHNW Families

To guide and advance the evolution of philanthropy by UHNW families, policy makers, regulators, charitable organizations and UHNW families themselves must make joint efforts.

### **From ideas to occasional donations**

**Policy makers and regulators** need to strengthen guidance mechanisms and provide concrete operational support on philanthropy for groups with high philanthropic potential.

**Charitable organizations and sectoral associations** need to develop philanthropic giving circles, possibly formed by local chambers of commerce, clans and philanthropic associations to leverage local strength and encourage local families to join and explore collaborative models of philanthropy.

**UHNW families** need to explore the essence of philanthropy and shoulder matching social responsibilities and missions with their vast wealth and resources, partly rewarded by the institutional context.

### **From occasional to systematic donations**

**Policy makers and regulators** need to accelerate the establishment of a legal regime enabling the Charity Law and provide favorable and convenient policies to unlock the potential of private charities and foundations.

**Charitable organizations and sectoral associations** need to build the talent pool for the sector, introduce market-based remuneration systems for charity professionals, and attract high-caliber talents into philanthropy.

**UHNW families** need to migrate their charitable endeavors towards the efficient use of modern models of philanthropy, keep on learning, absorbing, thinking and updating information, and search for more modern, sustainable and feasible ways to participate in philanthropy.

### **Outlook: spearheading model innovation**

Disruptive technologies spurred the development and transformation of the Chinese economy and society. Among rising technologies, digitalization is particularly noteworthy for its deep penetration to people's life and spawning of novel ideas.

Philanthropy is intimately connected with the technological revolution, and in many cases is leading the application of new technologies. Blockchain and big data technologies are already employed to enhance the transparency and efficiency of charitable operations. Some enterprises combined business operation with poverty alleviation, elderly care and other social undertakings by founding "social enterprises", and took care of the environment and community amidst business growth.

Despite its late start, China's philanthropic sector ascended quickly. With the use of digital technologies, model innovation and broader social participation, it is well positioned to assume global leadership in both technological development and social innovation, contributing even more to creating a better world.



A rustic still life photograph. In the center, a wooden bowl filled with yellow lentils sits on a dark blue wooden surface. A wooden spoon rests against the bowl. To the left, a piece of white, frayed fabric is draped over the surface. In the background, a blurred wooden tray contains a mix of red, green, and white lentils. The overall scene is warm and textured, suggesting a focus on food and traditional practices.

**C**ase Studies and Interviews with  
Leading Philanthropic Familie

**Yang family, Country Garden Group:**

## **Leader of Alleviating Poverty through Education**

Mr. Yeung Kwok Keung (father): Chairman, Country Garden Holdings Company Limited, member of National Committee, Chinese People’s Political Consultative Conference

Ms. Yang Huiyan (daughter): Co-Chairman, Country Garden Holdings Company Limited

“Family succession includes that of wealth, capability, society and philanthropy. Philanthropy is an important part of family succession.

Every family member shall be engaged in philanthropy, form common values and inherit them. Philanthropy is not only a matter only concerning my father and me but rather the whole family. We hold a family meeting every month with my younger sister and her husband in attendance. My family meeting lasts for half a day. Values, outlook on life and perplexities in life and work are shared. Philanthropic projects are also discussed.”

——Ms. Yang Huiyan

Mr. Yeung Kwok Keung, Ms. Yang Huiyan and Country Garden had accumulatively invested 5.5 billion CNY in building and sponsoring schools and developing education, and directly benefited over 360,000 impoverished people. The Guoqiang Foundation combined education with targeted poverty alleviation, eliminating poverty through education and developed a model closely connected to China’s reality at the grassroot level.

Highlighting the ‘family’ element, the Yang family promoted the prosperity and succession of the philanthropic culture through their philanthropic practice. This focus was partly shown in the way its philanthropic projects were named, such as the ‘Zhongming Scholarship’ named after Mr. Yeung Kwok Keung’s mother, ‘Guohua School’ named after his eldest brother, ‘Guoqiang Foundation’ named after himself, and ‘Huishan Education Foundation’ named after his daughter. The entire family, led by Mr. Yeung Kwok Keung the father, Ms. Yang Huiyan the daughter and Ms. Yang Ziyang her younger sister, were striving together to build family consensus and expand their involvement in charitable causes.

## Lu Family, Wanxiang Group:

### Innovators of the Charitable Trust Model

Mr. Lu Guanqiu: Founder, Wanxiang Group

Mr. Lu Weiding: Secretary of Community Party Committee and Chairman, Wanxiang Group

“Doing philanthropy is essentially good. Care about what is the right model to do it, rather than the motives behind it. What I think most about is which model works better in making philanthropy sustainable, particularly the current charitable trust model. Once the society is developed, and institutional systems is improved, various options may be used. The primary significance of Lu Guanqiu's Sannong Spiritual Support Fund and the model of charitable trust is to enable people to try and do things before the institutional system fully matures.”

——Mr. Lu Weiding

To commemorate his father Mr. Lu Guanqiu and accomplish his last wishes, Mr. Lu Weiding created the country's first equity-based charitable trust, which was also China's largest charitable trust for perpetuity. On June 29<sup>th</sup>, 2018, Lu Guanqiu's Sannong Spiritual Support Fund was established, as of June of 2020, Lu Guanqiu's Sannong Spiritual Support Fund's total asset amounts to 14.18 billion Yuan, currently the largest philanthropic fund in China.

Wanxiang's charitable trust model was updated one year later. At the Group's 50th anniversary on July 8th, 2019, Mr. Lu Weiding announced that at the wish of his late father, all assets of Wanxiang Group audited as of the end of 2018 are to be donated, and Lu Guanqiu Wanxiang Business Fund to be established in accordance with the Trust Law and the Charity Law. All proceeds of Lu Guanqiu Wanxiang Business Fund would be used for the purposes of technological development, high-end talent education, scientific research and sponsorship for polytechnic research institutes.



**Mr. Dang Yanbao / Ms. Bian Haiyan (Couple), Baofeng Group:**

## **Benchmark for Targeted Poverty Alleviation**

Mr. Dang Yanbao: Chairman, Ningxia Baofeng Group,

Chairman, Ningxia Yanbao Charity Foundation

Ms. Bian Haiyan: Vice Chair, Ningxia Yanbao Charity Foundation

“Whilst accumulating wealth, I gradually realized that all wealth in excess of personal consumption actually belongs to the society. Wealth cannot be brought to you upon birth, or be taken with you upon death. It should be obtained from and used for the society.

Among the students sponsored by the Yanbao Foundation, those who worked towards postgraduate degrees increased by 40% in 2018. The hypergrowth of provincial talent base will powerfully boost the economic and social development of Ningxia. As the Group grows larger, I will be more capable and confident to assume greater social responsibilities, and hopefully lift all impoverished people in Ningxia out of poverty.”

——Mr. Dang Yanbao

Mr. Dang Yanbao and his wife Ms. Bian Haiyan jointly founded the Ningxia Yanbao Charity Foundation (“Yanbao Foundation”), the country’s largest foundation aiming to eliminate poverty through education. Following the mission “Kind Heart for Kind Deeds, Charitable Funds for Charitable Uses, and Good Start for Good End”, Yanbao Foundation focuses on eliminating poverty through education, and sponsors mostly students from nine counties and five townships in Ningxia, a vast contiguous area stricken by extreme poverty and prioritized by the state for alleviation.

Each year, about 100,000 recipients receives scholarships, financed by approximately ¥300 million donated by Yanbao Foundation on an annual basis. In 2017, the third phase of its educational sponsorship was launched with a total of 2.883 billion CNY to be donated. By 2020, Yanbao Foundation had sponsored 220,000 students of whom tens of thousands had graduated, started their careers, and supported their families, putting an end to intergenerational succession of poverty.

## Liang Family, Sany Group:

### Pioneer of Using Science for Philanthropy

Mr. Liang Wengen (father): Chairman, Sany Group; Chairman, Sany Heavy Industry Co., Ltd.

Mr. Liang Zaizhong (son): Director and SVP, Sany Group; Founding Chairman, Sany Foundation

In addition to social impact, philanthropy needs to bring happiness, pleasure, self-awareness and all-round humanistic care.

I hope our approach to philanthropy to be more science-based, compassionate, effective, theoretically viable and explainable. Therefore, in the course of practicing philanthropy, more respect needs to be paid to institution, law, local culture and professionals. Professional management can make a foundation more durable and impactful. It is my hope that the social value and impact originally aspired for philanthropy can be maximized through professional donation management.”

——Mr. Liang Zaizhong

Mr. Liang Zaizhong, Director and Senior Vice President, Sany Group, is unique in his approach to philanthropy, unparalleled in China today. Holding high the banner of “Science for Philanthropy”, the Sany Foundation he founded tried to adopt empirical and quantitative scientific methods and values to enhance the effectiveness of China’s philanthropic sector.

Sany Foundation has grown into a sponsor with the best international vision in China, and one of the strongest proponents in the philanthropic charitable sector. Keeping to its mission to drive philanthropy with science, it stands on par with the leading peers worldwide, and helps China’s philanthropy achieve global influence.

Implementing “Science for Philanthropy” in such areas as early education, rural development and natural environment, Sany Foundation both operates and sponsors programs, with the hope to develop a number of showcase projects. It also innovatively expands the model of philanthropy from “financial sponsorship only” to a wholistic package consisting of capital, expertise and talents.



## Institutional Profile

BILL & MELINDA  
GATES *foundation*

### About Bill & Melinda Gates Foundation

Guided by the belief that all lives have equal value, the Bill & Melinda Gates Foundation works to reduce inequity around the globe. We fund new ideas and encourage innovative partnerships so shared resources will do the greatest good for the most people. In developing countries, we focus on improving people's health and giving them the chance to lift themselves out of hunger and extreme poverty. In the United States, we seek to ensure that all people — especially those with the fewest resources — have access to the opportunities they need to succeed in school and life. Our vision is a world in which all people have the chance to live healthy, productive lives.

Founded in 2000 and based in Seattle, Washington, the foundation is led by CEO Sue Desmond-Hellmann and co-chair William H. Gates Sr., under the direction of Bill and Melinda Gates and Warren Buffett.

China has achieved remarkable success in addressing health inequity and poverty over the past decades. Its increasing global engagement and emerging capacity for innovation mean China has enormous potential to be a catalyst for development worldwide. Since the establishment of our China Office in 2007, we have been focused on unlocking that potential in a way that benefits China and the rest of the world. To achieve this goal, we support China in addressing major domestic health and development challenges, and work with our Chinese partners to help the country become a stronger health and development partner for the rest of the world.



### About Global Family Business Research Center, Tsinghua University PBC School of Finance

Tsinghua University PBC School of Finance was jointly established by the People's Bank of China and Tsinghua University on March 29, 2012, on the basis of the then Graduate School of the former. The School partnered with domestic financial regulators, and co-founded the National Institute of Financial Research, to support financial reform and development with basic research, provide financial decision makers and regulators with policy analysis and advice, and develop itself into a top-notch financial thinktank.

Global Family Business Research Center (GFBC, or the Center) was founded with the mission of exploring the rule of family business succession, cultivating multi-generational family business leader, promoting and enabling the development of wealth management industry, and contributing to China's long-range growth.

For many years, GFBC has been devoted to the research in the areas of family business, wealth management, family office, family philanthropy, etc., and has published more than 100 papers and case studies in domestic and foreign academic journals and famous financial newspapers, and has produced 16 academic monograph or translation. GFBC has co-authored a collection of Harvard Business School (HBS) case, including HBS's first case of family office in China and first case of Asian private bank.

GFBC provides superior think-tank research for policymakers and organizations, such as All-China Federation of Industry and Commerce (ACFIC), China Banking Association (CBA), Beijing Local Financial Supervision and Administration, Singapore Economic Development Board (EDB) etc. The Center works closely with reputational institutions globally, such as World Economic Forum, Bill & Melinda Gates Foundation, Sinar Mas Group, Country Garden Group, UBS, Ping An Insurance (Group) Company of China, etc. Based on the intellectual support it brings for sustainable development of the national economy, as well as private enterprises, GFBC has become a well-known think-tank with great-international-influence in field of family business and wealth management.