

Families and Philanthropy

An Overview for Donors

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Introduction

“We know that America today – in its most admirable accomplishments, its most cherished creative achievements, its most stunning and useful scientific discoveries, and its most durable civic institutions – is unimaginable without the contributions of its philanthropic families.”

Virginia M. Esposito
National Center for Family Philanthropy

Over the past 100 years, families in the United States have engaged in philanthropy, making significant contributions to the well-being and improvement of the lives of those in this country and around the world. In recent years, the number of donor families has grown significantly, as evidenced by the proliferation of family foundations and donor advised funds. Many donors have found that engaging their families in philanthropy can be a powerful experience and one that brings their family closer together as they employ their family resources in pursuit of a shared mission.

For those embarking on the philanthropic journey together as a family, whether engaging the older or next generation in philanthropy, it can be challenging to know where to begin. This publication is designed to help donors think through the key questions related to whether and how to engage your family members in your philanthropy:

1. Why should you engage your family in philanthropy?
 2. Who is in your “family”?
 3. What values are core to your family philanthropy?
 4. How do you want to involve your family members in philanthropy?
 5. Which decision rules should you use in your family philanthropy?
- (continued)

6. When should you start talking with your family about philanthropy?
7. How can you engage your spouse/life partner in philanthropy?
8. How can you engage your preschool- and elementary-age children in philanthropy?
9. How can you engage your middle school- and high school-age children in philanthropy?
10. How can you engage young adults in philanthropy?

Each family and family dynamic is unique and families change over time. How you decide to engage your family in philanthropy may also evolve depending on your circumstances and the abilities and availability of your family members. As the authors of an article on family philanthropy from The Bridgespan Group’s www.givesmart.org website state, “Because all philanthropy is personal, and each family unique, the process is likely to be iterative and complex...the key to achieving results is clarity of thought and disciplined decision-making.”¹ We hope this publication is helpful in clarifying your thought process in engaging your family in philanthropy.

¹ The Bridgespan Group.
<http://www.bridgespan.org/Philanthropy-Advice/Getting-Started.aspx#.VwFnyHQr13h>

Why should you engage your family in philanthropy?

“The returns on a family investment in philanthropy are – or can be – extremely high, both internally and externally. When such an investment is well executed, a family can achieve the cohesion that comes with a sense of higher purpose and cooperative effort.”

Paul Ylvisaker
Conscience and Community

There are many positive reasons to engage your family members in philanthropy, as well as several less than positive reasons. But before you think about the benefits and potential drawbacks of involving your family in your philanthropy, Ginny Esposito, President of the National Center for Family Philanthropy believes it is important to first ask the questions: “Why do you want to give?” and “How much of why you want to give is connected to your family?” If you are most interested in continuing to give in the ways and areas you are most invested in, you may be best off giving on your own. If, however, you have dual goals around giving and the family, then it is worthwhile considering how best to engage your family in philanthropy.

In the article “How Do I Work with My Family to Achieve High-Impact Philanthropy?” advisors at The Bridgespan Group observe that the goals people have for engaging their family members in philanthropy generally fall into two main categories: 1) Serve the family—create a forum for togetherness, share experiences, perform public service; and 2) Serve society—do all you can to create results with your family philanthropy.²

These goals are not mutually exclusive, observes Susan Wolf Ditkoff, Partner at The Bridgespan Group and leader of their philanthropy practice. But it is important to identify your main objective versus your secondary objective. Once you have decided on your primary goal, it will make decision-making much clearer. Some donors may also choose to employ a portfolio approach to their giving and apportion some giving to

primarily serve the family and other giving to primarily focus on results.

According to research conducted by the National Center for Family Philanthropy³, there are six major reasons why families find engaging in philanthropy together a valuable experience for family members including:

1. **Early experience and discovery:** Young adults can gain specific skills and experiences such as the demands of governance; and learn more about themselves
2. **Lifelong learning:** Families can learn about needs and issues from the nonprofits they fund
3. **Family discovery:** Families have the opportunity to experience each other in a whole new context
4. **Generational ties:** Younger family members can learn from older generations and vice versa
5. **A view “outside the airport”:** Philanthropy can expose family members to social needs and solutions and a more balanced view of the world
6. **Family bonds:** Making time for philanthropy can keep the family connected in a chaotic world

There are also several reasons why donors should *not* involve their family members in their philanthropy. These include using philanthropy to compensate for disagreements between family members or mediate “fairness”; hoping the family will provide rubber stamp approval for philanthropic decisions; and guiltting people into being involved when they don’t have the time, interest or ability. Experts caution that “some families view philanthropy as a way to bind everyone together and teach family members a sense of responsibility. Usually parents and grandparents have this vision. While philanthropy can be a uniting force, it is no silver bullet.”⁴

Overall, Esposito encourages donors saying “with the right motives, clarity of purpose, and flexibility, engaging your family in philanthropy can be a great opportunity for your family to serve the community together and experience deep and lasting joy.”

² “How Do I Work with My Family to Achieve High-Impact Philanthropy?” www.bridgespan.org. <http://bit.ly/1SRckWZ>.

³ The National Center for Family Philanthropy. “The Power to Produce Wonders: The Value of Family in Philanthropy.” pp. 14-15.

⁴ Rockefeller Philanthropy Advisors. “Next Gen Philanthropy.”

Who is in your “family?”

“In this age of blended and nontraditional family units, just defining who participates in...family philanthropy can be challenging”

Rockefeller Philanthropy Advisors

A basic but not easy question to answer is: “What do you mean by ‘family?’” In today’s world, families come in all different sizes and permutations, including spouses and life partners; biological children, adopted children, and stepchildren; children’s spouses and ex-spouses and life partners; grandparents; grandchildren; aunts, uncles, cousins; and the list goes on. Melissa Berman, President & CEO of Rockefeller Philanthropy Advisors (RPA) has found that the definition of family in many ways relates to the family’s size, traditions, culture and goals for philanthropy. In her work, she has seen many successful family philanthropies include cousins and second cousins and in-laws as family members, whereas others include just the nuclear family. Esposito says: “You have to be really clear about how you define family for the purpose of philanthropy. It’s not about who comes to Thanksgiving or who is in the will. Is it family by blood or family of the heart?” She adds that it is equally important that your family members are clear about how you are defining “family,” both for the present and the future.

Overall, there are no firm rules about who should be involved in your family philanthropy, but there are key questions to consider such as “Will you make your invitation to a family member based on his/her age, interest, experience or ability?” And, “Do you want to encourage full family involvement?” Esposito believes donors should think first and foremost about what they need in terms of fund advisors, family participation, or board members, and define expectations for the people who will be involved in the family philanthropy in order to create the very best pool of candidates. She suggests “after that, make sure the people who come out of that pool are selected because of their fit with the needs of your philanthropy in terms of time, interest, and ability. There should be no entitlement positions.”

Regardless of which family members you choose to engage in your philanthropy, Esposito warns donors not to make the family philanthropy the sole vehicle through which individual family members are involved in philanthropy or voluntarism. Every family member should be encouraged to participate in his/her own giving and volunteering separate and apart from the family philanthropy in order to cultivate individual philanthropic interests and skills.

What values are core to your family philanthropy?

“Over time, family members change and program priorities change; what holds the family and its philanthropy together is the legacy of its values.”

Bruce Sievers, “Living the Legacy: The Values of a Family’s Philanthropy Across Generations”

Most philanthropy experts agree it is important to establish and articulate family values to guide philanthropic decision-making across the generations. As we discuss in our publication “Getting Started with Your Philanthropy,” one of the first questions you should answer before you begin any philanthropic activity is “Why do you want to give?” At the core of this question is the articulation of your values and beliefs about yourself, the world and the way in which positive change happens. When addressing family involvement in philanthropy, each family member should clearly state his/her values and then the family can work to identify the places of commonality. Esposito notes that “it’s easy for a family to get together and talk about how they are different, but it’s much harder, and much richer to find the space in the middle of what they share.”

In an article from the National Center for Family Philanthropy (NCFP), the author emphasizes that families should spend time thinking about the “why” behind their family philanthropy: “Why is our family involved in philanthropy?” “What impact do we hope to see in our families through this work?”⁵ To help families work through this important process, NCFP developed a curriculum for family philanthropy with an entire unit focused on values. The unit includes suggested reading, videos, case studies and exercises for families to access to codify family values in philanthropy.

21/64, a nonprofit consulting practice specializing in next generation and multi-generational strategic philanthropy recommends using motivational values cards⁶ to help family members identify and discuss their values. Some examples of these values include:

- Courage
- Equity
- Freedom
- Friendship
- Helping
- Leadership
- Loyalty
- Personal growth
- Pleasure
- Power
- Risk
- Tolerance

Sharna Goldseker, Managing Director of 21/64 and one of the country’s leading experts on next generation philanthropy, tells a story about a grandfather who funded scholarships in his local community and his granddaughter who wanted to fund rebuilding efforts in the Gulf of Mexico. On the surface, they seemed to have different funding interests. However, through discussion, they discovered that at the root they both valued justice and opportunity and were motivated to give back. In fact, the granddaughter said she learned these values from her grandfather.⁷ This example illustrates what Esposito describes as the power of philanthropy “to reinforce what makes you a family and exploit your shared values in the best possible ways.”

⁵ Stewart, Douglas Bitonti. “Aligning Your External Mission with Your Families’ Values.” NCFP newsletter April 4, 2016.

⁶ <http://2164.net/store/tool/new-motivational-values-cards>

⁷ Goldseker, Sharna. “Motivations for Giving.” Investments & Wealth Monitor. 2011.

How do you want to involve your family members in philanthropy?

“When fielding a team for any sport, managers don’t look for players who have been playing the longest. They look for the best people to play different positions. In philanthropy, Baby Boomers may have the most years of experience...Generation Xers may have financial expertise...Generation Yers may have suggestions about using technology...”

Sharna Goldseker, Family Giving News⁸

Donors can engage family members in philanthropy through multiple vehicles. In addition to volunteering for nonprofit organizations together, other philanthropic vehicles include check-writing, donor advised funds, charitable gift funds, charitable lead trusts, giving circles, family business giving, private foundations, family foundations, and community foundations.⁹ Many donors use a combination of these vehicles to achieve their philanthropic goals with their families. Any decision about selecting a vehicle for giving should involve your legal or tax advisor(s) and your Goldman Sachs Private Wealth Manager can also advise you regarding your options.

Karey Dye, Managing Director in Goldman Sachs' Wealth Services Group suggests that “regardless of the vehicle, you can get your family involved in philanthropy.” Family members can be involved in philanthropy in a multitude of ways, such as filling a particular role or bringing specific expertise to the family effort. Possible roles include serving as an informal or formal advisor, a board member/trustee, or an employee of a foundation. Beyond these specific roles, family members can also be involved in a variety of content areas as follows¹⁰:

- **Governance:** Establishing mission, guidelines, policies, strategic direction, and decision-making processes; preparing trustees and succession planning
- **Research:** Conducting needs assessments by geography and/or issue; identifying best practices and model programs in an issue area
- **Grantmaking:** Generating grant ideas, screening applications, conducting due diligence including site visits and writing site reports, preparing grant dockets and gift options
- **Assessment:** Monitoring grantees, working with grantees on self-assessment and third-party evaluations
- **Administration and Systems:** Communicating among family members, communicating with grant applicants and grantees, organizing files, preparing financial statements/accounting, managing social media
- **Investments:** Developing investment strategy, selecting financial managers/funds, monitoring investments

For each of the possible ways family members can engage in philanthropy, it is essential to be clear about the roles and expectations for each person and to establish rules for how decision-making will happen within the family philanthropy. The following section discusses some important decision-rules to help govern your family’s involvement in philanthropy.

⁸ Goldseker, Sharna. “What Will Really Engage the Next Generation?” E-newsletter lead article, August 2009. Family Giving News. The National Center for Family Philanthropy

⁹ The Philanthropic Initiative. “Giving Together: A Primer for Family Philanthropy.” p.4 and The National Center for Family Philanthropy. “The Power to Produce Wonders: The Value of Family in Philanthropy.” p.11.

¹⁰ Adapted from The Philanthropic Initiative’s publication “Giving Together: A Primer for Family Philanthropy.” p.11.

Which decision rules should you use in your family philanthropy?

“You cannot... perpetually please every family member and, at the same time, make the tough trade-offs inherent in pursuing an effective strategy.”

Susan Wolf Ditkoff, The Bridgespan Group
www.givesmart.org

As you prepare to engage your family in philanthropy, it is important to think through the basic ground rules for your family's involvement in order to limit future misunderstandings and conflict. You should assume that each family member will come with his/her own ideas about how they want to be engaged in philanthropy. In order to help your family philanthropy work as smoothly as possible, we recommend you reach agreement on certain decision rules. These rules fall into two major categories: governance and grantmaking. Berman suggests “there's not one right or wrong answer to how families make decisions about their philanthropy; achieving clarity and consistency is what's key.”

Governance

It is important to establish criteria for voting in family philanthropy decisions. Berman has observed how families grant voting or decision-making authority to family members: 1) by privilege—family members need to demonstrate they are interested, willing and able to participate in philanthropic decision-making; 2) by right—family members are automatically given decision-making authority and can opt-in by their own choosing; 3) by obligation—family members are required to participate in philanthropic decision-making and cannot opt out. Berman highly recommends granting philanthropic decision-making authority by privilege as the other options often result in more passive (or passive aggressive) participation in philanthropy.

Once the family has agreed on who holds decision-making authority, the family will need to discuss how decisions will be made. Will consensus be required? Or will majority rule? Does anyone have the final say or does anyone's opinion have more weight than others? How will decision-making evolve over time, especially as the next generation takes over? Achieving clarity and communicating the answers to all these questions is essential.

Grantmaking

There are many questions families should consider in establishing decision rules for grantmaking beyond the “where/what/how do you want to give” topics covered in the Goldman Sachs Philanthropy Fund publication “Getting Started with Your Philanthropy.” These questions include:

- Can family members use the family philanthropy to make personal philanthropy gifts (e.g. alma maters, children's schools, reciprocal social giving)?
- How will you handle funding requests from organizations for which family members serve on the board of directors? Will that family member recuse him/herself from discussion and decision-making? Esposito urges families to create a conflict of interest policy from the start.
- Will individual family members have an allocation for grantmaking and if so, what amount?

Families may want to engage facilitation experts to help work through family dynamics as needed as they discuss these various decision rules. Experts note that “the family philanthropy can sometimes become a place for airing old resentments and, without thoughtful guidance, it can split open existing fissure points in the family.”¹¹

Overall, Esposito urges families to be as clear as possible about the decision rules and the rationale behind them, saying “More trouble comes from the lack of communication than the policy itself. Don't be afraid to communicate why decisions were made.” In addition, it is helpful for families to write down their decision rules and review them every few years to make sure they are operating as intended.

¹¹ Rockefeller Philanthropy Advisors. “Next Gen Philanthropy.”

When should you start talking with your family about philanthropy?

“What we do know is that putting off the discussion generally makes it harder.”

Rockefeller Philanthropy Advisors

Ideally, family members have been raised since childhood with an open understanding of philanthropy and its role in the family. However, we realize ideal isn't always possible and therefore the remainder of this publication will focus on how to engage various family members in philanthropy, including spouses/life partners and children of all ages.

In their publication “Talking to Your Family about Philanthropy,” Rockefeller Philanthropy Advisors highlights a few opportune times to talk with your family about philanthropy, including when a decision creates a need to inform or reflects a plan to inspire¹²:

When a decision creates a need to inform.

There are a number of examples of this type of situation:

- A donor decides philanthropy, rather than heirs, will receive the majority of his/her wealth
- A donor wants to sell a long-held asset to which the family members have grown attached such as a vacation home or art collection
- A donor takes on a controversial issue that will potentially expose the family to greater public scrutiny and criticism
- A donor dramatically changes his/her giving plan
- A donor decides one or more family members, but perhaps not others, will play special roles in his/her philanthropic giving
- A donor wants family members to be clear about his/her wishes for philanthropy for the future

When a decision reflects a plan to inspire.

There are several times when donors may want to explicitly encourage others—whether family members or the general public—to give:

- A donor decides to be involved in his/her philanthropy on a full-time basis
- A donor makes a significant donation with a naming opportunity so that the family name will be prominently attached to a well-known organization or place
- A donor wants to raise awareness about a specific issue and has become a highly visible advocate for the cause
- A donor creates philanthropic resources for family members to allocate individually

Each of these critical junctures provides donors with an opportunity to engage family members in talking about philanthropy. Depending on the decision, some of these conversations can be very challenging and fraught with emotion and conflict. The National Center for Family Philanthropy recommends donors consider engaging outside help when necessary to plan and facilitate these conversations, as “even the healthiest, most loving, most charitable families get stuck.”¹³

¹² Rockefeller Philanthropy Advisors. “Talking to Your Family about Philanthropy.” pp. 7, 9.

¹³ The National Center for Family Philanthropy. “Family Dynamics.”

How can you engage your spouse/life partner in philanthropy?

“Some spouses like to blaze their own trails; others very much want to engage in their philanthropy together. The spectrum of involvement with spouses is very wide.”

Paul Shoemaker, Founding President
Social Venture Partners International

There are significant pros and cons associated with involving your spouse or life partner in your philanthropy. One benefit is that couples can partner in a new way and pursue shared interests through their joint philanthropy. A considerable challenge is that unhealthy relational dynamics, miscommunication patterns, and existing power dynamics can limit the effectiveness of a couple's combined philanthropy. Experts in philanthropy such as Paul Shoemaker, Founding Director at Social Venture Partners International, observe that “Money is an ‘amplifier.’ Whatever dynamics or patterns exist in a relationship will be accentuated by having or giving away money.” If, after weighing the various pros and cons, you choose to involve your spouse/life partner in your philanthropy, there are a few fundamental questions you should answer together before engaging in grantmaking.

Based on over fifteen years of working with donor couples, Shoemaker believes the basic “blocking and tackling” questions couples must answer first include:

- How much do you want to save?
- How do you want to invest your money?
- How much do you want to give to your kids?
- How much do you want to give to philanthropy?
- What kind of vehicle, if any, do you want to create for giving (versus just using the checkbook)?

Once these basic questions are answered, couples who decide to engage in philanthropy together should figure out how to divide their joint philanthropic work in order to maximize their effectiveness. Each individual will have a different level of availability and interest in philanthropy as well as different skills and abilities to invest in philanthropic efforts. Clear communication about each person's role and responsibilities and expectations is essential to avoid creating resentments about uneven workloads and miscommunications with grantees. A couple's successful division of labor and delegation of authority will result in greater enjoyment in their giving.

Overall, there is no single right or wrong answer to how couples should engage in their philanthropy together. In their publication, “Giving as a Couple,” RPA recommends couples find clarity around workload and roles and then “schedule regular reviews of this understanding to allow for the inevitable changes in circumstances, finances and giving preferences.”

How can you engage your preschool- and elementary-age children in philanthropy?

“As parents and caregivers, openly discuss your family values and the concepts of your family's philanthropy. Give your children concrete examples of the ways in which you give...”

www.learningtogive.org

Young children spend a lot of their early years imitating their caregivers. Philanthropy experts suggest the best way for you to engage your preschool and elementary age children in philanthropy is to get involved yourself and invite them into age-appropriate volunteer and learning opportunities. When introducing young children to philanthropy and voluntarism, the most important factor to keep in mind is whether the activity fits the child's personality and interests. Some children enjoy more hands-on experiences whereas others prefer to be more removed from direct involvement. Some families find volunteering with other families with children of the same age makes philanthropy more social, fun and memorable for all involved.

The following are possible activities to engage your young children in philanthropy:

- Read to your children about philanthropy: both giving and sharing
- See and talk about volunteerism in action
- Help your children make art for a gift for elderly shut-ins or children at the local hospital
- Practice philanthropy in your religion
- Participate in family volunteer activities together such as serving a meal at a homeless shelter
- Engage your children in helping at home
- Plan a fundraiser such as a lemonade stand or participate in a walk-a-thon to raise money for a specific cause or organization
- Talk with your children about why your family gives, for example, “We donate coats to the shelter because we want others to be warm during the winter;” or “We give money to support the museum because we love art;” or “Our family believes in taking care of the environment and that's why we reuse and recycle”

Shoemaker encourages parents to get their children involved in volunteering and philanthropy at an early age saying: “People don't realize how much they'll get out of getting their kids involved. The sooner they expose their kids to philanthropy and the more that they engage their kids in voluntarism the better. All of these activities teach children powerful lessons about philanthropy at an early life stage.”

For more ideas about how to engage your preschool and elementary children in philanthropy, please reference the extensive list of resources at the end of this publication.

How can you engage your middle school- and high school-age children in philanthropy?

“It isn’t rocket science. What’s really important to teenagers is their peer group. Almost everything we do at Social Venture Partners gets them engaged with each other. If you give them a little structure, a framework for philanthropy, they will learn more from each other...They are way smarter than we think they are.”

Paul Shoemaker, Founding President
Social Venture Partners International

Whereas preschool and elementary age children are primarily influenced by their caregivers, middle school and high school age children are primarily influenced by their peers. That said there are still ways you as a parent can engage your teenager in philanthropy. In addition to talking about your philanthropy and volunteering by example, you can introduce your children to a wide variety of issues to help them learn about different ways people get involved and help them find their own passion. You can also start to involve your children in making decisions about your family philanthropy. However, Esposito implores parents: “Do not teach your children, no matter what age they are, that philanthropy is about giving away someone else’s money.”

In addition to the activities suggested for younger children, the following are some activities to engage your teenage children in your philanthropy:

- Talk with your children about how much your family gives by issue area; perhaps using pie charts to illustrate
- Involve children with your decision-making in philanthropy
- Expose your children to a range of issues by volunteering together for a variety of organizations such as food banks and animal shelters and hospitals. Participate in trail cleanups, fundraising lunches, political rallies, and marches; take them to hear speakers on a diverse spectrum of topics
- Talk about your family estate plans when your children are in high school or college
- Encourage your children to participate in or start-up a local youth grantmaking group

Shoemaker believes this last suggestion of engaging your teenager in a peer grantmaking group may be one of the highest impact methods of helping your child own his/her own philanthropy. He notes, “At this age, kids don’t listen well, especially to adults. And experiential peer learning is far more effective with teens than learning out of a book.”

Since 2000, Social Venture Partners (SVP) Seattle has run a program called Social Venture Kids (SVK).¹⁴ The SVK members must be in high school to participate and most have parents who are SVP Partners. An adult provides guidance to the group of 8 – 15 teenagers but according to Shoemaker, the teens really own the program. Each year the group selects a community issue they would like to address. They raise funds, research the issue they’ve selected, solicit and evaluate grant applications, and make annual grants totaling \$10,000 or more. The SVK model is consistent with Esposito’s recommendation to have children engage in philanthropy through giving away their own money.

For more ideas about how to engage your teenage children in philanthropy, please reference the extensive list of resources at the end of this publication.

¹⁴ <http://www.svpseattle.org/what-we-do/connect-philanthropists/share-philanthropy-with-your-kids/social-venture-kids>.

How can you engage young adults in philanthropy?

“Every child born into a family of privilege automatically becomes an owner. Each becomes a stakeholder in the family as an enterprise, an owner of the heritage of that family and of a portion of the financial wealth. Every single person in such a family should be taught how to be a great owner...”

Wealth in Families

According to a 2010 study of high net worth individuals, approximately 72% of high net worth households did not involve their children or younger relatives in charitable decisions. The average age of the “children” of respondents to the study was thirty-one.¹⁵ Clearly there is an opportunity for families to more effectively engage their young adults in family philanthropy.

Sharna Goldseker of 21/64 offers the following advice on how to engage young adults in philanthropy:

- **Invite them:** Don’t presume the next generation knows they are invited to participate in the family philanthropy. Offer a specific invitation and ideally the opportunity to share in the philanthropic decision-making.
- **Consider them peers:** At age 21, children are adults and yet in the family context young adults are often not treated as such.
- **Provide opportunities for skill building:** Send young adults to philanthropy conferences or workshops as a pre-requisite for serving in the family philanthropy or provide them with a budget to create their own learning plans.
- **Give them a role:** Create a job description for the family philanthropy position to make clear the responsibilities and expectations.
- **Field a team:** Recognize that many of today’s young adults come with valuable experience such as a global perspective and information technology skills that can be an asset to the family philanthropy.

In addition to the activities mentioned in the previous two sections, you can also give your child his/her own money to give away. However, this approach should be thought through carefully. Dye suggests donors keep the dollar amounts in perspective, saying: “Providing an 18-year old with \$10,000 to give away may not seem like a large sum to the donor parent. But to a young person who has not yet earned a salary in a full-time job, this represents a lot of money and responsibility.”

Esposito recommends parents encourage their children to volunteer regularly for an organization outside of the family philanthropy context, perhaps in fundraising, and then eventually serve on the board of directors. She emphasizes the importance of educating and equipping young adults to be thoughtful nonprofit board members by sharing the story of a young person who joined a nonprofit board without realizing the organization expected his board seat would come with a \$50,000 financial gift from his family foundation—a foundation of which he was not a trustee. Esposito urges parents to “make sure young people understand why people invite them to join boards of directors and what expectations they might have for their giving.”

For more ideas about how to engage your young adult children in philanthropy, please reference the extensive list of resources at the end of this publication.

Family Philanthropy Watch-Outs¹⁶

- Donors alienate family members by not considering their input.
- Parents want to involve their kids in their philanthropy, but don’t give them any decision-making rights.
- Family members are engaged in roles that are not suited to their skills, expertise and/or interests.
- Family members try to honor too many different philanthropic passions and consequently spread resources thinly.
- Donors don’t think through how much personal time they want to spend on their philanthropy, which can result in an over or under-staffed foundation (where staff roles are undeveloped or overwhelming, or sometimes both).

¹⁵ Goldseker, Sharna. “What Will Really Engage the Next Generation?”, E-newsletter lead article, Family Giving News, August 2009. The National Center for Family Philanthropy.

¹⁶ “How Do I Work with My Family to Achieve High-Impact Philanthropy?” www.bridgespan.org. <http://bit.ly/1SRckWZ>.

Conclusion

“We are watching a whole generation of families grow up with a better sense of who shares the world. The power to teach younger generations that we are stewards of a shared world is the implicit message and value of family philanthropy.”

The Power to Produce Wonders:
The Value of Family in Philanthropy

Philanthropy can be one of the strongest glues that bind a family together over the years. This publication has been designed to help you contemplate how best to engage your family, however you define “family”, in your philanthropy. In their book *Generations of Giving* the authors suggest that success in family philanthropy “must be measured by the family members commitment to the foundation’s work, the satisfaction they take in doing that work together, and the foundation’s ability to evolve and remain vital from one generation to the next.” They conclude that, “In this sense, a foundation’s success will be measured in the eyes of every family member.”¹⁷

It is important to think through all the questions listed in this publication and remember that your answers and that of each of your family members will likely change over time as your family’s experience and availability for engaging in philanthropy evolves. An extensive list of recommended resources for each of the ten questions is included at the end of this publication. For more information on this topic or additional assistance with philanthropic topics, contact your Goldman Sachs Private Wealth Advisor.

¹⁷ Gersick, Kelin E.; Desjardins, Michelle; Stone, Deanne; Grady, Katherine and Howard Muson. *Generations of Giving: Leadership and Continuity in Family Foundations*. Lexington Books. September 2006.

Recommended Resources

1. Why should you engage your family in philanthropy?

- The Bridgespan Group. "How Do I Work with My Family to Achieve High-Impact Philanthropy?" www.bridgespan.org. <http://bit.ly/1SRCKWZ>.
- The National Center for Family Philanthropy. "The Power to Produce Wonders: The Value of Family in Philanthropy." pp. 12-15. www.ncfp.org. <http://bit.ly/1VwrFaR>.

2. Who is in your "family"?

- The National Center for Family Philanthropy. "The Power to Produce Wonders: The Value of Family in Philanthropy." pp. 26-27. www.ncfp.org. <http://bit.ly/1VwrFaR>.

3. What values are core to your family philanthropy?

- Goldman Sachs Philanthropy Fund. "Getting Started with Your Philanthropy: An Overview for Donors."
- Rockefeller Philanthropy Advisors. "The Giving Commitment: Knowing Your Motivation." <http://roadmap.rockpa.org/the-giving-commitment-knowing-your-motivation/>.
- The Philanthropic Initiative. "Raising Children with Philanthropic Values." February, 2009. <http://www.tpi.org/learning-center/raising-children-with-philanthropic-values>.

4. How do you want to involve your family members in philanthropy?

- The Philanthropic Initiative. "Giving Together: A Primer for Family Philanthropy." September, 2008. <http://www.tpi.org/learning-center/giving-together-a-primer-for-family-philanthropy>.

5. Which decision rules should you use in your family philanthropy?

- The National Center for Family Philanthropy. "Family Dynamics." <https://www.ncfp.org/topics/family-dynamics.html>.

6. When should you start talking with your family about philanthropy?

- Brill, Betsy. "How to Make Philanthropy a Family Affair." *Forbes.com*, April 19, 2011. http://www.forbes.com/2011/04/19/family-philanthropy_print.html.
- Rockefeller Philanthropy Advisors. "Talking to Your Family About Philanthropy." <http://roadmap.rockpa.org/talking-to-your-family-about-philanthropy>.

7. How can you engage your spouse/life partner in philanthropy?

- Rockefeller Philanthropy Advisors. "Giving as a Couple." <http://roadmap.rockpa.org/giving-as-a-couple>.

8. How can you engage your preschool- and elementary school-age children in philanthropy?

Books

- *A Rose for Abby* by Donna Guthrie (ages 5 and up)
- *Beatrice's Goat* by Page McBrier (ages 4 and up)
- *Chicken Soup for Little Souls: The Goodness Gorillas* by Lisa McCourt (ages 4 and up)
- *If You Made a Million* by David Schwartz (ages 4 and up)
- *Fly Away Home* by Eve Bunting (ages 4 and up)

- *Old People, Frogs, and Albert* by Nancy Hope Wilson (ages 7 and up)
- *Sophie and the Sidewalk Man* by Stephanie S. Tolan (ages 8 and up)
- *The Giving Box: Create a Tradition of Giving with your Children* by Fred Rogers (ages 4 and up)
- *The Giving Tree* by Shel Silverstein (ages 7 and up)
- *The Lady in the Box* by Ann McGovern (ages 4 and up)
- *The Legend of the Bluebonnet* by Tomie dePaola (ages 4 and up)
- *The Star Gift* by Flavia Weedn (ages 4 and up)
- *Uncle Willie and the Soup Kitchen* by Dyanne DiSalvo-Ryan (ages 3 and up)
- *What if Everybody Gave?* by Janet Wakefield

Websites

- **www.generationon.org** – A global youth service movement igniting the power of all kids to make their mark on the world. Provides tools and resources to kids, teens, families, educators and organizations to help kids change the world and themselves through service.
- **www.givingfamilies.com** – A community of parents and caregivers helping children find purpose and passion through intentional acts of kindness, compassion and generosity.
- **www.givingfamilies.com** – “Ten Intentional Acts of Kindness Every Kid Must Master.” January 6, 2016. www.givingfamilies.com. <http://bit.ly/1TYU41>.
- **www.learningtogive.org** – Equips K-12 teachers to educate students as philanthropists with knowledge, skills, and behavior to be more compassionate and engaged citizens and lifelong givers of time, talent, and treasure.

9. How can you engage your middle school- and high school-age children in philanthropy?

Books

- *A Kid's Guide to Giving* by Freddie Zeiler and Ward Schumaker (teens)
- *Catch the Spirit: Teen Volunteers Tell How They Made a Difference* by Susan Perry (teens)
- *Gracie's Girl* by Ellen Wittlinger (ages 9 and up)
- *Homeless* by Bernard Wolf (ages 9 and up)
- *Pay It Forward* by Catherine Ryan Hyde (teens)
- *The Kid's Guide To Service Projects: Over 500 Service Ideas for Young People Who Want to Make a Difference* by Barbara Lewis (ages 8 and up)

Websites

- **www.dosomething.org** – One of the largest global organizations for young people and social change with over 5 million members in 130 countries who tackle volunteer campaigns that impact every cause.
- **www.generationon.org** – A global youth service movement igniting the power of all kids to make their mark on the world. Provides tools and resources to kids, teens, families, educators and organizations to help kids change the world and themselves through service.
- **www.smartgivers.org/GreatGivers.html** – A unique youth-philanthropy program with lessons you can download for free. A section for youth has links and other sources for youth to become informed givers.
- **<http://grantspace.org/Subjects/children-and-youth>**– Information and stories about how young people have gotten involved in philanthropy. Links and stories about athletes, musicians, actors and celebrities who are all philanthropists.
- **www.ncfp.org/resource/academy** – The National Center for Family Philanthropy has developed a full set of resources that targets young people between the ages of 12 and 24, although many of the resources can be used with children as young as 6 and some are for those over 40. Through a series of five modules,

Generations Together: A Curriculum for Engaging Youth in Family Philanthropy, offers information, resources, ideas for activities and links to other supports for families interested in learning and engaging in family philanthropy. The Generations Together curriculum comprises five modules including: 1) Getting to Know our Family; 2) Getting to Know our Philanthropy; 3) Personal Development/Visioning; 4) Beyond the Basics; 5) Supporting Next Gen Involvement.

Based on almost two decades of work with families, these five modules can be followed step-by-step; serve as a collection of resources to tap when the time is right; or provide an ongoing source of inspiration and ideas. Each module consists of resources for different learning styles and includes real life examples from giving families.

10. How can you engage young adults in philanthropy?

Books

- *It's Our World, Too!: Young People Who are Making a Difference: How They Do It – How You Can Too!* by Phillip Hoose (young adult)
- *MacBurnie King in Soulmates: A Novel to End World Hunger* by John Henry Ballard (young adult)
- *The Ultimate Gift* by Jim Stovall (young adult)

Articles/Guides/Workbooks

- "52 Ways to Take Action" – A list of next steps young funders can draw from to help map out their paths into family philanthropy. <http://download.2164.net/PDF-newsletters/52WaysToTakeAction-2009.pdf>.
- "Family Philanthropy Glossary" – Definitions for many of the terms and lingo used in the field of philanthropy. <http://download.2164.net/PDF-newsletters/Glossary-2008.pdf>.
- Goldseker, Sharna. "What Will Really Engage the Next Generation?" Family Giving News. August, 2009. The National Center for Family Philanthropy. www.2164.net. <http://bit.ly/1W8oLYg>.

Websites

- **www.ncfp.org/resource/academy** – The National Center for Family Philanthropy has developed a full set of resources that targets young people between the ages of 12 and 24, although many of the resources can be used with children as young as 6 and some are for those over 40. Through a series of five modules, Generations Together: A Curriculum for Engaging Youth in Family Philanthropy, offers information, resources, ideas for activities and links to other supports for families interested in learning and engaging in family philanthropy. The Generations Together curriculum comprises five modules including: 1) Getting to Know our Family; 2) Getting to Know our Philanthropy; 3) Personal Development/Visioning; 4) Beyond the Basics; 5) Supporting Next Gen Involvement.

Based on almost two decades of work with families, these five modules can be followed step-by-step; serve as a collection of resources to tap when the time is right; or provide an ongoing source of inspiration and ideas. Each module consists of resources for different learning styles and includes real life examples from giving families.

- **www.resourcegeneration.org** – Organizes young people with wealth and class privilege in the U.S. to become transformative leaders working towards the equitable distribution of wealth, land and power.
- **www.sharesavespend.com/ForAdults.aspx** – Author Nathan Dungan provides tools to help young adults shift from a spend-centric mode to one that balance spending with saving and sharing.

Organizations

- **21/64** – www.2164.net – A nonprofit consulting practice specializing in next generation and multi-generational engagement in philanthropy and family enterprise.
- **The Society of Young Philanthropists** – <http://www.sypla.org> – A nonprofit established by and for dedicated professionals interested in giving back to their local and global communities by contributing their resources and skills.

Recommended Resources for Parents about Family Philanthropy, Wealth, and Parenting

Books: Families and Philanthropy

- *Creating Change Through Family Philanthropy: The Next Generation* by Alison Goldberg and Karen Pittelman
- *Philanthropy, Heirs and Values: How Successful Families Are Using Philanthropy to Prepare Their Heirs for Post-transition Responsibilities* by Roy Williams and Vic Preisser
- *Raising Charitable Children* by Carol Weisman
- *Raising Kids Who Will Make a Difference: Helping Your Family Live With Integrity, Value Simplicity, and Care for Others* by Susan Vogt
- *Teaching your Kids to Care: How to Discover and Develop the Spirit of Charity in Your Children* by Deborah Spaide
- *The Financially Intelligent Parent: 8 Steps to Raising Successful, Generous, Responsible Children* by Eileen and Jon Gallo
- *The Giving Family: Raising Our Children To Help Others* by Susan Crites Price

Books: Families and Volunteering

- *Chicken Soup for the Volunteer's Soul: Stories to Celebrate the Spirit of Courage, Caring and Community* by Jack Canfield, Mark Victor Hansen, Arline Oberst and John Boal
- *The Busy Family's Guide to Family Volunteering: Doing Good Together* by Jenny Friedman
Books: Families and Wealth
- *Family Wealth—Keeping It in the Family: How Family Members and Their Advisers Preserve Human, Intellectual, and Financial Assets for Generations* by Jay Hughes
- *Wealth in Families* by Charles Collier

Books: Money Messaging to Children

- *Children of Paradise – Successful Parenting for Prosperous Families* by Lee Hausner
- *Dollars and Sense for Kids* by Janet Bodnar
- *Kids, Money and Values: Creative Ways to Teach Your Kids About Money* by Patricia Estess
- *Prodigal Sons and Material Girls: How Not to Be Your Child's ATM* by Nathan Dungan
- *Raising Financially Fit Kids* by Jolene Godfrey
- *Silverspoon Kids: How Successful Parents Raise Responsible Children* by Eileen, Jon and Kevin Gallo

Articles/Guides/Workbooks

- "Exploring Family Philanthropy" – Seattle Foundation downloadable workbook for donors has a section on exploring family philanthropy.
http://www.seattlefoundation.org/aboutus/Documents/TSF_workbook_abridged.pdf.
- "Family Dynamics" – National Center for Family Philanthropy guide.
<https://www.ncfp.org/topics/family-dynamics.html>.
- "Giving as a Couple" – Rockefeller Philanthropy Advisors guide.
<http://roadmap.rockpa.org/giving-as-a-couple>.
- "Giving Together: A Primer for Family Philanthropy" – The Philanthropic Initiative.
<http://www.tpi.org/learning-center/giving-together-a-primer-for-family-philanthropy>.
- "How Do I Work with My Family to Achieve High-Impact Philanthropy?"
www.bridgespan.org. <http://bit.ly/1SRCKWZ>.

- “Next Gen Philanthropy” – Rockefeller Philanthropy Advisors guide. <http://roadmap.rockpa.org/next-gen-philanthropy>.
- “Raising Children with Philanthropic Values.” – The Philanthropic Initiative. <http://www.tpi.org/learning-center/raising-children-with-philanthropic-values>.
- “Scanning the Landscape of Youth Philanthropy: Observations and Recommendations for Strengthening a Growing Field” by Jen Bokoff and Amanda Dillon. Foundation Center. 2014. This report finds that more than 200 foundations worldwide offer youth grantmaking programs and more than 100 related resources exist. The appendix of the report provides a complete list of existing programs, foundations, and universities related to youth grantmaking that existed at the time of print | 2014.
- “Talking to Your Family About Philanthropy” – Rockefeller Philanthropy Advisors guide. <http://roadmap.rockpa.org/talking-to-your-family-about-philanthropy>.
- “The Power to Produce Wonders: The Value of Family in Philanthropy” – National Center for Family Philanthropy summary of the National Symposium on the Value of Family Philanthropy. www.ncfp.org. <http://bit.ly/1Sjr0W9>.

Organizations/Websites

- **www.doinggoodtogether.org** – A Minneapolis-based national nonprofit that works to make volunteering and service, along with daily kindness, easy for every family.
- **www.learningtogive.org** – Equips K-12 teachers to educate students as philanthropists with knowledge, skills, and behavior to be more compassionate and engaged citizens and lifelong givers of time, talent, and treasure.
- **www.ncfp.org/resource/academy** – The National Center for Family Philanthropy has developed a full set of resources that targets young people between the ages of 12 and 24, although many of the resources can be used with children as young as 6 and some are for those over 40. Through a series of five modules, Generations Together: A Curriculum for Engaging Youth in Family Philanthropy, offers information, resources, ideas for activities and links to other supports for families interested in learning and engaging in family philanthropy. The Generations Together curriculum comprises five modules including: 1) Getting to Know our Family; 2) Getting to Know our Philanthropy; 3) Personal Development/Visioning; 4) Beyond the Basics; 5) Supporting Next Gen Involvement.

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- **www.resourcegeneration.org** – Organizes young people with wealth and class privilege in the U.S. to become transformative leaders working towards the equitable distribution of wealth, land and power.
- **<http://youthgiving.issuelab.org>** – YouthGiving is a platform that elevates stories, resources, and data about youth grantmaking. This collection brings together a wealth of reports, articles, case studies, multimedia, and other resources for adults and youth already engaged in or looking to get involved in this work.

Family Philanthropy Advisors

- **21/64** – www.2164.net – A nonprofit practice specializing in next generation and multigenerational engagement in philanthropy and family enterprise.
- **Arabella Advisors** – www.arabellaadvisors.com – Arabella helps foundations, families, investors, and corporate clients achieve greater good with their resources. Arabella offers a comprehensive suite of philanthropy services including: planning and strategy development, outsourced foundation management and philanthropy support, family engagement, and support for impact investing. Arabella also offers platforms to support and host donor collaboration, new initiatives, and policy advocacy.
- **The Bridgespan Group** – www.bridgespan.org – Bridgespan is a nonprofit advisor and resource for mission-driven organizations and philanthropists. Bridgespan works with individuals, families and foundations as they align their values and beliefs to maximize the results of their giving. Bridgespan

generally engages with individuals and families as they are about to embark on or revise a significant philanthropic investment.

- **National Center for Family Philanthropy** – www.ncfp.org – The only national nonprofit dedicated exclusively to families who give and those who work with them. NCFP provide the resources, expertise and support families need to transform their values into effective giving that makes a lasting impact on the communities they serve.
- **Rockefeller Philanthropy Advisors (RPA)** – www.rockpa.org – A nonprofit organization that helps donors create thoughtful and effective philanthropy throughout the world, RPA currently serves more than 150 donors in facilitating over \$200 million in annual gifts and grants to more than two dozen countries. RPA provides research and strategic planning, develops philanthropy programs, provides complete grantmaking management services, serves as a fiscal sponsor for philanthropic initiatives, and communicates widely about philanthropy.
- **The Philanthropic Initiative (TPI)** – www.tpi.org – A nonprofit advisory team that designs, carries out and evaluates philanthropic programs for individual donors, families, foundations, and corporations. Since it was founded in 1989, TPI's goal has been to help clients to invest in their own values, communities and societies for maximum impact.

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