

# A Letter to Seniors (and will be seniors): Planning for your future in philanthropy

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PASSAGES

EXPLORING KEY ISSUES IN FAMILY GIVING

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*In 2008 I wrote a Passages paper titled “Passing the Baton? Generations Sharing Leadership.” That paper outlined a variety of ways that generations of family foundation leaders can overlap, take charge, let go, share leadership and pass the baton. As I looked for information for that paper, I discovered that there were many stories illustrating the ways that next generations learn and assume leadership. However there are very few stories of the paths senior generations take in these times of transition.*

This paper was developed from interviews with a dozen seniors, all over 60 and several in their 80s. Some of the individuals interviewed were still very actively involved in their family’s foundation. Others had moved on to new challenges. I talked with each person about his or her current role with the family’s philanthropy, their expectations for the future and the advice they would give other seniors.

Their stories are fascinating reminders of the many philanthropic paths available, whatever your age. My thanks to these generous elders for sharing their stories, experience and wisdom.

The seniors I talked with came to philanthropy through many different backgrounds. Most learned philanthropy

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from parents who took their community and philanthropic responsibilities very seriously. Many joined their family’s foundation board at a fairly young age, but didn’t necessarily have a voice. One said, “We were simply told we were going to be on the board. Our role was to shut up and listen for a long while.”



Their parents had a strong influence on their understanding of philanthropy and its value in their lives:

- *I lived at home for four years after college. My father was an insomniac and would sit up at night and talk about all the organizations in town, what they needed, how they worked.*
- *I trace my interest in nonprofit work to my mother who was very involved in charitable activities in our community... growing up she was always out and about volunteering, serving on boards, and playing other leadership roles.*
- *My father was motivated by his Catholic faith: we are all connected and responsible for each other.*
- *I grew up with a mother who immigrated to this country and brought with her those Old World values as well as a gratefulness and a responsibility to return to our society what they could because of what they received here.*

A number of these seniors had the luxury of spending most of their time on philanthropy or volunteer work. Others had active careers.

Their stories fall into four categories of approaches to how they planned their own as well as their family's philanthropic futures:

- Senior generation members who chose to stay actively involved in leading the family's foundation.
- Seniors who passed on leadership but stayed active in the foundation.
- Seniors who focused more on their personal or immediate family's philanthropy
- Seniors who moved entirely out of the family's foundation work and on to other or new activities.

Please note that all of the seniors I talked with remain interested and actively engaged with the next generation. Each has done a great deal to support members of succeeding generations engaged in the family's philanthropic work. However, that's not the focus of this story.

*One donor's goal in retirement has been to learn how to be a strategic grantmaker, while helping his daughters to learn and experience philanthropy.*

### **Senior Generation Members who have chosen to stay actively involved leading the family's foundation**

Two seniors I interviewed share a long history in corporate management. Each of them was very active in the family's philanthropy while working but became even more active at retirement. Each shares a very strong interest in his own community and its welfare, and, both continue to be active on boards and have provided many kinds of valuable leadership. Each has led campaigns for major projects in the community and has made personal as well as foundation contributions to this work. Each leverages his work in the community and his foundation activities.

Two other seniors I talked with are relative newcomers to their family's philanthropic leadership. One had the challenge of taking over the foundation at her husband's unexpected death. She and her husband were the donors of the foundation but he had provided most of the leadership. She has been learning herself and working to involve their sons.

The second relative newcomer is the donor of the foundation himself. After retiring, he realized that he had more money than he needed and began a foundation. Since his family had been "far from wealthy" he didn't have a background or experience in philanthropy, although his parents modeled caring for others in the community. However, his goal in retirement has been to learn how to be a strategic grantmaker. His daughters are now learning and experiencing philanthropy.

### **Seniors who have passed on leadership but stayed active in the foundation.**

Shirley Fredericks became president of her family's foundation, the Lawrence Welk Family Foundation, at a very young age. Maybe that made her more willing to pass on leadership to her daughter Lisa more than 10 years ago. Shirley exhibits another characteristic I found in a number of seniors: a deep and continuing philanthropic passion. Shirley's passion is getting kids involved in philanthropy. She now spends most of her time encouraging parents and grandparents at all levels of wealth to make sure the future generations experience philanthropy.

Another senior has worked to build programs that both generations in the family could understand and support together. The next generation has now taken over leadership. And, one other senior in that family continues doing much of the grant investigation for this small foundation.

As the senior generation ages and the portfolio increases—and as the next generation has less time due to their own careers and families—one option some families have used is to change the staffing structure. One senior talked about the way he and his family had gradually given more responsibility to staff so that the next generation could continue to be effective in their board roles. This senior is still very involved in the two specific issue areas that he cares most deeply about.

Another senior leader interviewed for this paper, Geri Kunstadter, continues to fund small international programs through her family's foundation. She can do this because she has many years of international experience, knows people in their fields of interest and can afford to pay her way to these places. She thrives on the work and believes the foundation is addressing terrible ills in the U.S. and abroad.

Geri and John Kunstadter were early international givers and have often been touted as a model for small foundation giving. Geri had a great deal of experience working with the UN; they travelled extensively and were able to make very effective, small, targeted international grants. “When John became ill, we decided we should have a lot of fun and make the grants of the size we really wanted to. By the time he died, we had given away three quarters of our corpus. When I die I hope there will be a million dollars that the kids could keep going for awhile, then ultimately give away. I want them to give in their own communities.”

Kunstadter says that for a long time it was expected that the next generation would likely spend down the foundation due to a lack of time needed to dedicate to these efforts, but recent discussions among the family have revised that perception. “Originally I thought that they would choose to spend out the foundation. Now we have all discussed the issue again and I expect they will want to continue the foundation for the longer term.”

### **Seniors who focus more of their time on their personal or immediate family's philanthropy.**

In one case, a senior has leveraged his own dollars and the foundation's dollars. He still leads the foundation, but has given the next generation their own foundation “with the hopes they would work together and make it run. Once a year they told us what they had done. Other than that they had to make all the rules.” He and his wife have continued to seek out innovative projects for their own support.

In another case, a senior I interviewed has actively participated in her family's large foundation for many years. She now wants to turn her attention more to her personal philanthropy and her immediate family's varied personal giving. She suggests that senior philanthropists should have fun giving away their own money. She described the foundation's style as extremely structured and very thoughtful, but her own philanthropy as much more fun and still effective.

**Seniors who have made the decision to move on**

One of the characteristics of the two seniors who have moved on, and the one who is planning to

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do so, is that each prepared for years for his/her transition. They've been clear in their intentions for many years and active in identifying and promoting future leadership. Each is looking forward to spending more time on volunteer activities for favorite causes.

These three seniors saw their roles as evolving from strong leadership, to shared leadership, to moving on and leaving things in the hands of the next generation. At each step of the way they planned for a transition. Although this characteristic is also true of many of the other seniors mentioned above, these three all have accomplished or envision a final stage of no longer being active in the foundation.

One led the family's company, then its family investment office and finally the foundation. After many years in leadership in the family's foundation, he established a "drop dead date" for the time he would leave. He is among the many seniors who suggested the importance of timing.

Another of the three in this group was involved in two of her family's foundations, assuming a leadership role in each at different times. She was able to leverage her experience in each to help plan for a smooth transition. She now spends more of her time on her personal volunteer interests. She has also been key in organizing family reunions, a role which is separate from but supports family connections as the family grows larger and can't include everyone in the family's foundations.

The third senior in this group was one of the younger "seniors." But he still has definite plans over the next few years to lead a transition in the family to the next generation. He wants to figure out how to step down, be an elder statesman and take some time for himself.

## SENIOR PHILANTHROPIC LENSES

As seniors think about their future roles, there are several lenses to look through. Each might look at his or her personal dreams, hopes for his or her nuclear family, as well as the direction the larger family may have set for its philanthropy.

### Personal Dreams

Increasing evidence indicates that seniors who continue to have meaningful lives are happier and live longer. In philanthropy we often talk about the dreams of the next generation and the relationship of those dreams to the family's philanthropy. Seniors need dreams also. A recent book, *Give Smart* by Thomas Tierney and Joel Fleishman (Public Affairs 2011) can help anyone at any age think about their personal philanthropic role.

The seniors I talked with all had ideas of what was important to them. For most, this took the form of a passion for something, sometimes the promotion of philanthropy itself. They knew what they wanted to accomplish in their own lives and philanthropy. This is an important starting point, as the following quotes from interviewees suggest:

- *I had other things in my life that I wanted to do. The foundation wasn't part of my identity so I didn't think I was giving up. The next generation will keep coming to you for advice; you become their mentor.*
- *The big thing is that you have to have something else that you want to do. It can't be just something you are leaving, but something you are going to do—work, write, whatever—something tangible to do next.*
- *I've learned that retirement is largely a myth; all you do is switch your activities to things that don't pay you a salary.*
- *Find what you want to do; do it sooner, rather than later, rather than sit back and let history take its course. Don't wait until the timing and politics are right. Try to change the situation and mindset now. The older I get, the more active I want to get.*

*Seniors who continue to have meaningful lives are happier and live longer. Anyone at any age can benefit greatly from thinking about their personal philanthropic role.*

- *I've learned that one of the functions of a working philanthropist is to promote the notion of philanthropy to others who may not have it in their sights... try to share the experience of seeing your money at work.*
- *My wife and I are doing something new (said by an 80+ year old). We are creating a campus for experiential learning in the city. If you find things you are passionate about you will be more philanthropic than if you are just following traditional things or things you feel you have to do as an obligation. I want to leave the city a bit better. Do the best you can; do what you feel your job is.*
- *Don't be afraid to give away more than you need to. Follow your heart. You're the only one who feels it inside of you and you know when what you are doing is right.*

### Learning and Hopes for Immediate Family

Today, many seniors are paying increasing attention to the philanthropy of their immediate family. Some, who have the means to do so, establish separate funds or branch foundations to provide their adult children with the opportunity to learn as the parents

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did with their siblings. Their experiences can then be shared and broadened within the larger family's foundation. Some are choosing to match next generation gifts out of their own resources. Others actively involve their grandchildren in understanding the importance of nonprofits and philanthropy. None of these activities require approval of the larger family but each prepares family members for participation in that philanthropy, including serving on the foundation board. Several of the interviewees were very clear about the ways that they wanted their family's experience with philanthropy to be different from the roles they had played growing up.

- I feel as if I've played some role in getting them to think differently about their own philanthropy. I've learned that I can change my own mindset and the thinking of some of our family members.
- I've encouraged our kids to be philanthropic but what they do is their own business.

### **The Larger Family and its Philanthropy and/or Foundation**

Most of the seniors I interviewed were giving careful thought to the role they want to have in the foundation or the larger family's philanthropy, now as well as 5 or 10 years from now. Most of them have been deliberate in preparing themselves, as

well as the next generation, for a different role or moving on. They suggest seniors:

- Be self aware and think about the long term future of the organization, the extent to which we are hearing from younger people and getting fresh ideas.
- Be self critical: play an important role, but don't hog all the jobs.
- Turn over responsibilities to the next generation—but stay in the game.

*The next generation needs to benefit from the wisdom we have accumulated, and it needs to be presented working hand in hand; let children loose to make some of the mistakes we made and also to learn from them.*

- Leave while they are still clapping... you ought to go when you are at the top of your game.
- Don't be afraid of change. It is marvelous and fun seeing young people learn about philanthropy.
- Play a positive role in larger family dynamics issues.  
*I make a contribution by trying to moderate some of the stronger feelings among the third generation.*
- Stay interested, but when it's time to let go, let go. Have faith in those following you.
- Step aside, you have to let go. Hopefully you can let go and let the foundation go the course it will take. Let every generation of leadership have some flexibility.

We're all going to be seniors one day. Those of us in philanthropy have a special opportunity to continue to make contributions of our time, experience, wisdom, and personal dollars. I have learned from these seniors the importance of having a passion, planning deliberately and recognizing and dealing with change. Thanks again to all of them for sharing their experience with the rest of us.

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