

Beyond Duty and Obligation: Engaging the Next Generation

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In a much-discussed intergenerational wealth transfer, Baby Boomers are predicted to inherit upward of \$40 trillion by 2052. Although this seems almost certain, with some room for market fluctuation, it is uncertain what the next generation will do with this wealth. Foundations anticipating this transfer are already considering how to incorporate the next generation into their family's philanthropy. And they are learning that engaging young adults in current family systems can be challenging.

Six years ago, at the Andrea and Charles Bronfman Philanthropies, we created 21/64 (www.2164.net), a nonprofit consulting division specializing in this intergenerational transfer with a focus on preparing the next generation. The name "21/64" symbolizes our multigenerational approach to philanthropy, as 21 often connotes a young person coming of age and 64 a seasoned person considering his or her legacy. In this era, as people are living longer, we have four generations above the age of 21 in American society at the same time; hence, multiple generations must learn to work together to understand each others' values and visions for their philanthropy, as well as the life experiences, talents, and skills they bring to their decision-making tables.

The consulting division 21/64 offers our research, resources, and know-how to families, foundations, and communities that would benefit from understanding the next generation. It does so by providing philanthropic tools to facilitate the process of values clarification, strategic visions, and communication systems that help the whole family, foundation board, or community achieve its goals.

One of the first lessons we learned from our consulting practice was that, although the actual wealth transfer is an event that will occur in each family at some time in the future, the preparation can and should start well before the actual event. Children growing up amid family wealth or philanthropy come to internalize these dynamics long before they are invited to join foundation boards. The earlier you communicate family values and practices and invite young people to cultivate their own interest in giving back, the better prepared they will be for their imminent roles.

For those of you who have already begun to involve next generation family members in your funds or foundations, you probably have also experienced how the very act of involving them changes the character of the foundation itself. The

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post-Baby Boomer generations of America today have grown up with access to opportunities across religion and global boundaries that previous generations did not experience. The questions they bring, the language they use, and even their values and priorities cause a paradigm shift in the way the foundation operates.

I once heard a rabbi describe a discussion she had with a Jewish family adopting a Chinese child. Although the parents thought they could include their adopted child in their Jewish American family, status quo, they quickly learned that they all had to become a Jewish and Chinese American family. The act of integrating the child into their lives required an acceptance of her heritage as well, and so their family learned to integrate the new culture as well as the child into the fabric of their lives.

I often reflect on this story when I talk with parents about involving their children in their family foundations. Incorporating the next generation into the foundation does not mean that children enter a static system; instead, their very presence requires the foundation to adapt. At the minimum, foundation boards have changed their meeting schedules to accommodate college-aged family members who can only meet during semester breaks. But some families have transformed the way they operate and invited their next generation members to bring their values, visions, and outlooks to the table as well.

The more a family can see that “involving the kids” does not merely mean adding children to an existing foundation system but shifting the paradigm to become a multigenerational philanthropy, the better prepared it will be for the next phase of its foundation’s evolution. This article offers lessons about the next generation as well as strategies and tactics for integrating them into the fund or foundation. Adopting a multigenerational approach is the first step in the process.

OPERATING IN A MULTIGENERATIONAL SETTING

For decades, Americans have attached labels to generations to describe a group of contemporaries experiencing common historical trends or a common social milieu. Although we assume we know the members of our family, we do not always know their “generational personalities.” For instance, we may know how dad views a particular grantee organization, but we do not always know why or how he came to hold that view. With four generations above the age of 21 around our philanthropic tables, complex set of motivations and experiences inform and underlie people’s decision making at all times. As authors Lynne Lancaster and David Stillman outline in *When Generations Collide: Who They Are, Why They Clash, How to Solve the Generational Puzzle at Work* (2000), with a deeper comprehension of our family members’ generational personalities, we can more productively operate in a multigenerational setting.

During the past six years, we at 21/64 have conducted new quantitative and qualitative research on the next generation. Our findings corroborate much of what we have witnessed anecdotally from consulting and training. Here are a number of lessons we have learned about involving members of Generations X and Y in philanthropy.

Who Are the Next Generation?

Identity Formation Although most parents and grandparents are concerned that their children’s interests will not reflect their own, we recommend focusing on

children's identity formation, motivations, and values, rather than on their funding "interests." Teenagers or young adults in the later stages of adolescence are still establishing their identities, learning who they are, and integrating the opinions of influential people in their lives to determine their own opinions. Therefore, rather than focusing on what *interests* you (i.e., Jewish education or Israel) we suggest helping them figure out who they are: their values, goals, and identities in their world.

I met a grandfather who funds scholarships in his local community and a granddaughter who wanted to fund legal services for immigrants. On the surface, they had different funding interests; however, at their root, their interests were underscored and motivated by the same value of providing opportunities for those in need. In fact, the granddaughter said she learned from her grandfather that Maimonides' eighth and highest degree of *tzedakah* was to strengthen the hand of the poor. It may not always be the case that values are the same across generations, but the process of unearthing those underlying values will foster dialogue across generations and prepare younger funders for future decision making. Tools for fostering that dialogue can be found on 21/64's Web site (www.2164.net/2164resources.html).

Multiple Identities Traditionalists (born between 1925–1945) and Baby Boomers (born between 1945–1964) were raised with a single identity that informed their philanthropic choices. Whether they lived through the Depression or the Holocaust or discriminatory experiences in America, being Jewish defined who they were, the jobs they could access, and their social circles—and *who* they were defined *how* they gave. For example, a Traditionalist client of ours saw himself as a Jewish New Yorker, so he supported Jewish institutions in his community. However in *OMG! How Generation Y is Redefining Faith in the iPod Era* (Greenberg, 2005), we found that members of Generation X, and Y even more so, have and choose multiple identities that inform who they are and how they give. Being Jewish is now one of many identities including gender, sexual orientation, and even other religions and ethnicities, depending on the mixed origins of their family backgrounds; therefore, *who* they are leads to multiple types of philanthropy and engagement.

The report, "*Grande Soy Vanilla Latte with Cinnamon, No Foam...*" *Jewish Identity and Community in a Time of Unlimited Choices* (Greenberg & Berktold, 2006), further emphasizes that Generation Y Jews are the most diverse Jewish generation in America. The majority of Gen Y Jews are self-confident about their Jewish identities but simultaneously maintain diverse social circles, mixing and matching Jewish activities to find communities that reflect their multiple identities. Next generation funders who have unfettered access to everything that America has to offer want their philanthropy to reflect their multiple identities and open-mindedness across religious divides.

Identity-based exploration can be as important in this stage of development as learning philanthropic skills. Therefore, promote Gen X and Gen Y funders' involvement in family philanthropy by encouraging them to take advantage of identity-based affinity groups and other networks that reflect their multiple identities (visit www.cof.org for a complete list of Council on Foundations-recognized affinity groups).

Preparing the Next Generation

Power of a Peer Group Growing up with access to wealth or philanthropic resources is often complicated for next generation family members. Many have mixed feelings about the opportunity and responsibility of participating in their family legacies. They harbor uncertainty about a range of issues, from how the money was made initially to why they are privileged and have resources that the majority of the world does not. Others question how the foundation's assets are invested or how the grants are allocated. We encourage younger funders to seek out peers with whom they can grapple with those complex questions.

For example, a Gen Y woman asked us to help her organize a peer group of younger funders. She knew she would be joining her family foundation board when she turned 25, but she did not feel comfortable talking to her friends about her family's resources. We helped her create a network called Grand Street (www.grandstreetnetwork.net) for 18- to 28-year-olds who are involved or will be involved in their family's philanthropy. Members of the Grand Street network then founded the Slingshot Fund (www.slingshotfund.org), to learn about grant making in a community of peers and to support innovative organizations, projects, and programs in the North American Jewish community today.

In addition to those ongoing networks, foundations can provide support to family members between the ages of 18 to 35 to attend next generation retreats. A small investment in this type of peer-based education and preparation for next generation family members is beneficial in the long run.

Meaningful Experiences Although Gen Xers are stereotypically considered "slackers," most members of their generation would tell you they are actively seeking meaningful experiences and want to learn by doing. They "work to live," not "live to work," like generations before them. Those with financial resources even prefer to volunteer rather than drudge through a job where they are not learning or helping others. Similarly, according to *OMG!* (Greenberg, 2005) members of Gen Y have been considered "drifters," but they too are seeking community as well as new skills and practices. Robert Wuthnow observed in *Loose Connections: Joining Together in America's Fragmented Communities* (1998) that even those who are only able to commit to episodic participation in foundation meetings desire meaningful experiences.

Therefore, acknowledge next generation members' passion for meaningful experiences and offer them more than way stations en route to full board participation. Consider making internships available for a summer or semester. Enable qualified family members to work for the foundation, as employing their expertise can be mutually beneficial for the foundation and the family members. If there is not room within the foundation, help younger funders find volunteer positions, internships, or even jobs at nonprofit organizations that align with their values and interests. Give them access to funding proposals and grantees through site visits. By engaging Gen Xers in meaningful ways and enabling Gen Yers to gain new skills, you will nurture real partners in multigenerational family philanthropy.

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Staying Involved

Personal and Informal More recent research has confirmed that younger Americans are a "generation of individuals." They are less interested in habitual,

formal practices and more engaged by personal and meaningful experiences. Even those working in the nonprofit field are more interested in helping their constituents than spending time on their administrative responsibilities. Continue to invite them to stay involved in personal and informal ways that resonate with them. One Gen Y man we work with helped his family create a next generation program for his other siblings and cousins because he was interested in the process. Another foundation established a fund for Gen X family members to award their own grants in addition to those that the foundation supported. Other foundations have set up matching grants or discretionary grants programs to enable younger funders to give to what interests them. On a smaller scale, foundations can provide an allowance for next generation family members to purchase philanthropic resources such as Tracy Gary's book, *Inspired Philanthropy: Your Step-by-Step Guide to Creating a Giving Plan and Leaving a Legacy* (2007) or the *Leadership Tools for Change* series (www.2164.net). Over time, the opportunity to have a personal and informal experience with philanthropy is invaluable and there are dozens of creative opportunities.

Strategic Philanthropy For decades, Jewish funders have been trying to solve communal issues. Whether by founding B'nai Brith and Hadassah for Jewish men and women who were excluded by American social groups, to establishing the state of Israel, or assisting with the release of Soviet Jews, strategic funders consider their values and align their interests with the challenges of the day. In such a simple but powerful way, many younger funders are just beginning to know the critical issues and the map of organizations responding to them. At 21/64, for example, we worked with twenty- and thirty-something funders to create *Slingshot: A Resource Guide for Jewish Innovation* (www.slingshotfund.org) as they did not know the map of the Jewish community or how to navigate it. *Slingshot* is now used by strategic funders of all ages who want to align their values with contemporary needs in the Jewish community and fund innovative responses.

Even if your next generation family members do not live in the same cities as their parents or siblings, young leadership programs offered by the American Jewish World Service (www.ajws.org) or the American Jewish Joint Distribution Committee (www.jdc.org) expose them to timely global issues, and the Jewish Funds for Justice (www.jewishjustice.org) and Etgar 36 (www.etgar.org) offer domestic service and travel opportunities for teens and young adults. In the nonsectarian realm, regional associations of grant makers (RAGs) offer programming on critical issues in scores of local communities. If your foundation is a member of your local RAG, younger family members can often attend programs in other cities for a nominal fee (www.givingforum.org). Foundation Center satellite offices (www.foundationcenter.org) offer extensive resource libraries as well as educational seminars on a range of timely topics.

OPTIMISM ABOUT THE FUTURE

Whether you decide to pursue these strategies for involving next generation family members in your philanthropy, we know the next generations are hungry for meaningful experiences of giving as well as ways to express their multiple identities. By using the lessons learned about identity formation, articulation of values,

meaningful experiences, and so on, you will find them eager to participate. However, if you are merely trying to invite your children to be part of your philanthropy without offering them a seat at the decision-making table, you will continue to struggle.

People are only motivated by duty and obligation for so long. But if we invest in our children, grandchildren, nieces, and nephews and invite them to bring their values, visions, interests, and experiences to the table, multigenerational philanthropy can succeed.

At 21/64, we are optimistic about the future. It is a rare opportunity to have the resources to give philanthropically and even more exceptional to be able to do so with four generations of family members around our foundation tables. Although multigenerational philanthropy can be a complex process, it seems well worth the effort.

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