

Difficult Discussions at Difficult Times

PASSAGES

EXPLORING KEY ISSUES IN FAMILY GIVING

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Crisis disturbs the order of our lives and send us searching for answers. Why did this happen? What does it mean? How does it change what we believe and the way we live? For family philanthropists making decisions affecting large numbers of people, these deep and searching questions have particular significance. This *Passages* issue paper examines the effect of crises of different magnitude on philanthropic families. Part One looks at personal crises such as death, illness, and interpersonal conflicts. Part Two focuses on community and national crises, including natural disasters, riots, economic recession, and terrorism. Crises occur with disturbing frequency. As funders, family philanthropists are on the front line in responding to them. Learning from past experiences—both one’s own and those of colleagues—can help family philanthropists avert or minimize predictable crises and prepare for the future.

Crises are periods of instability in which the accepted order of things is disrupted. Whether they strike abruptly or build slowly to a breaking point, crises shake our beliefs and loosen our emotional bearings. What was taken for granted no longer holds; yet nothing has emerged to replace it. Whether a flaw in human nature or divine design, dramatic and powerful events are catalysts for self-reflection. Faced with loss and uncertainty, the big questions—the purpose and meaning of life—loom large. At these times, family members want to sort through their thoughts and feelings with the people closest to them.

Curtis Meadows’ family is in the habit of talking to one another about a wide range of community and societal issues. Yet, says Curtis, former president of the Meadows Foundation in Dallas, in the days following the terrorist attacks of September 11th, their conversations took on a new depth and immediacy. “We’re a close and engaged

family, but suddenly it wasn’t enough to discuss dispassionately issues of concern; we needed to tell one another what we really believed in. We raised significant and probing questions not only about what was happening in our country and how it should respond to terrorism, but also about what kind of country we wanted to have. We talked about our love for one another, our common values, and how we, individually and collectively, should respond.”

Like the Meadows family, families across America came together in the days after the attacks to try to make sense of what had happened, to express appreciation for one another, and to ask how these events would alter their priorities. There was much talk that life would never be the same again, that not only family life but American society was forever changed. But while the aftereffects of a crisis may linger, the pressure to re-examine one’s life is fleeting. People cannot stay in a crisis state forever. Even after a tragedy on the scale of September 11th, rou-



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tine concerns soon return to center stage. The hard questions are pushed aside, emotions close down, and the tenor of discussions changes. People become more guarded, more impatient, more hurried.

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Crises are destabilizing, stressful, and frightening. No one welcomes them. Yet, for all the emotional and physical havoc they wreak, crises can have a silver lining: After they pass, people often say that the experience carried important lessons. Crises can indeed hold important teachings, but those teachings must be mined—and mined quickly. Amidst the confusion and anxiety, we are often moved to take stock of our lives, to ask difficult questions. What do I believe in? What do I hope to accomplish? Am I on the right track? Am I doing enough? Should I do things differently? Raising these questions has particular importance for philanthropic families who make decisions that have far-reaching consequences for individuals and communities dependent on grants. This is not to suggest that families can have meaningful discussions only when they feel vulnerable. Rather, it is a reminder that crises offer short-lived opportunities for families to have profound and, possibly, revelatory discussions about topics rarely touched on when things are going well. To miss those opportunities would be a shame.

PART I: CRISES WITHIN THE FAMILY

Change is the proverbial constant in life. No individual, family, or organization remains the same over time. The maturation process, internal and external pressures and, sometimes, pure chance create stress on the system. As long as the stress stays at a manageable level, most families can maintain their equilibrium. But when the balance tips, the family can be thrown into crisis. Most families can weather a short-lived crisis without damage. Once the storm passes, they pick up the pieces and resume their old way of life. Prolonged crises, however, rarely leave the family unchanged; some weaken under the strain and others discover a new strength and resolve.

A crisis occurs when the family's customary pattern of interactions is upset. The precipitating factor may be unforeseen,

such as a death, illness, or accident. Or it may be predictable—the culmination of tensions resulting from a breakdown of communication, a divorce, a festering conflict, destructive behavior that has gotten out of hand, or the failure to plan ahead. All families experience crises at one time or another—and the emotional turmoil that accompanies them. Crises test a family's resiliency: its coping skills, problem-solving abilities, and flexibility in adapting to new conditions. When the family has a family foundation, the organization is tested as well.

A Death in the Family

Two years ago, the O'Grady Foundation was jolted by the sudden death of Tom O'Grady, its original donor and recognized leader. While the foundation had a defined mission and guidelines, Tom reserved a portion of the annual grants budget for his favorite charities. After his death, the board faced a dilemma. Not knowing Tom's wishes, how were they to treat grants that fell outside the foundation's guidelines and that held little interest for Tom's widow, Kathleen?

Kathleen sought an exit strategy that would honor Tom's interests and that would be fair to the institutions that had come to rely on Tom's annual gifts. The board agreed to give each of these institutions a lump sum grant—the size of the last grant multiplied by five—with the understanding that they would receive no future gifts from the O'Grady Foundation. Having met those obligations, Kathleen felt free to revise the foundation's mission and geographic boundaries to reflect her funding interests.

Kathleen acknowledges that the lump-sum grants were probably too large, especially in view of the subsequent stock market decline. But, given the information at the time the grants were made, she felt they were appropriate.

“Tom and I reviewed our estate plan regularly,” says Kathleen, “but we never talked about how he wanted the foundation to handle his favorite institutions after his death or, for that matter, what would happen to the foundation. If we had revisited our plan for the foundation as often as we did for our estate plans, we could have avoided this situation.”

Families that have acquired wealth typically go to great lengths to preserve it. They seek out the best legal and financial advisors and create estate plans to ensure a comfortable life for themselves and their offspring. Yet, like the O'Grady's, many families that take care to protect their personal wealth neglect crisis planning when it comes to their foundations or family giving programs. Why do families avoid having these critical discussions?

One reason is that daily life interferes. Donors have good intentions to put their wishes for the foundation's future in writing, but they are too busy taking care of current business. As a result, succession planning is placed on the back burner—often indefinitely. Another reason is that succession planning requires making difficult choices about who's eligible for board service, how conflicts will be managed, and how power will be shared. A third reason for ignoring crisis planning is that families often find it too painful to contemplate or awkward to

discuss the death or incapacitating illness of family members. Rather than talk about what would happen after the loss of a family member, they bury their heads in the sand.

To help her clients have the difficult discussions necessary when a family member is sick, dies, or no longer able to manage the family giving program, Judy Barber, a California psychologist and consultant to wealthy families and family businesses offers the following guidelines:

- Address the change: how will the family be different?
- Reflect on what the changes mean to you, the family, and your giving program.
- Avoid making major decisions when emotions are running high.
- Assess the emotional effect of the loss: what will you miss?
- Determine the changes that have to be made to replace the person and whether the family is ready to make those changes now.
- Question how those changes will affect your family's dealings with the outside world.
- Set priorities for making changes and tackle one at a time.

Consequences of Failing to Discuss Family Conflicts

Benign neglect has slowly drained the life out of the Periti Foundation (a composite snapshot), a third-generation foundation. The executive director, the favored granddaughter of the donor, is completing her twelfth lackluster year as the foundation's sole staff person. Her aunts and uncle, board trustees, say that her work is perfunctory and uninspired. They want the foundation to hire an outside director, but they are fearful of confronting the donor, an ex officio board member. "Our hands are tied," says one aunt. "There's nothing we can do as long as our mother is alive. She won't even let us hire a program officer because she says her granddaughter, whose children are approaching college age, needs the money."

The board's feeling of powerlessness, dissatisfaction with the executive director's performance, and resentment over the granddaughter's special treatment have been persistent themes in the foundation for more than a decade. Yet, after all this time, the board has never broached the topics with the donor and her granddaughter. With the board's morale at an all-time low and the other grandchildren uninterested in serving on the board, the future of the Periti Foundation is precarious.

Like many family boards, the Periti family has a tacit agreement to avoid confronting family members about troublesome situations. While it is acceptable to complain behind family members' backs, it is unacceptable to talk directly to the people with whom they have differences. Why do so many families go to such lengths to avoid confrontations? Among the most frequently mentioned reasons are the fear of creating scenes, hurting others' feelings, putting a family member on the spot, making the situation worse than it already is, being ostracized or disowned by the family, and causing irreparable rifts

between individuals, generations, or branches. These are, of course, legitimate concerns. Initiating honest discussions in a family that has no history of talking openly is likely to upset the family order, and takes courage. What these families rarely consider, however, are the consequences of avoiding these difficult discussions.

The fictional Periti Foundation illustrates how avoiding difficult discussions undermines the foundation and divides the family. The board has acted as if it were powerless in the face of the elderly and controlling donor. In fact, the trustees have power; they just don't know how to use it. A healthy family would have acknowledged the donor's right to dictate the terms of service. But, unlike the Periti board, they would have tried to negotiate more appropriate terms. If the donor were unyielding, then the family members would decide whether to accept or reject the terms, and the donor would have to decide whether she really wanted a family foundation.

Similarly, the Periti board tolerated keeping an unqualified family member as the foundation's director for a dozen years. A healthy family would have written a job description before hiring an executive director. By outlining the responsibilities of the executive director, the qualifications for the job, and standards for performance reviews, the board would have defended its choice on the basis of objective criteria rather than on personal grounds.

Furthermore, the Periti family could not see a way out of their dilemma, short of the donor's dying. A healthy family would have recognized that they couldn't handle the situation alone. They would have turned to experienced consultants for guidance and, if necessary, found someone to coach them on communication and mediation skills. The warning signs of impending crises were evident in the Periti Foundation. Had they been alert to them and willing to discuss them, they could have anticipated the consequences and taken steps to avoid them.

HOW HEALTHY FAMILIES COMMUNICATE

- Create a safe environment
- Listen without judgment
- Speak respectfully
- Have a sense of play and humor
- Respect one another's privacy
- Work through differences when they arise
- Admit to and seek help for problems you cannot resolve

PART II: RESPONDING TO COMMUNITY AND NATIONAL CRISES

Conventional wisdom says that individuals should refrain from making important decisions in the midst of a crisis. For one, they can't make clear-headed decisions in the grip of high emotions. For another, it is too soon to assess the situation or to determine longer-term needs. That advice holds true for families dealing with personal crises as well as for family philanthropists responding to community crises.

When a crisis occurs in a community where the family has a philanthropic presence, family members, like all caring people, want to help those affected by the tragedy. When the family has a visible presence in the community, however, the decisions of how and when to help are complicated by the pressure—both real and perceived—to respond quickly and publicly. As a rule of thumb, the greater the pressure, the greater the need for calm discussions. These moments are opportunities for family philanthropists to remind themselves of their purposes, goals, and best use of resources.

What Distinguishes Family Foundations

Family foundations have a particular position in the world of philanthropy. They respond to crises not simply as a funding organization, but as an organization reflecting the history and values of the family. When a crisis hits the donors' hometown, it stirs up memories and feelings that reconnect the family to its roots: What motivated the donors to establish the foundation? Why was it important for them to support this community? What are the special institutions and relationships within the community that the family cares most strongly about?

It's consistent with family foundations to be there for the long haul. That's what families are for. The family unit survives because after Uncle Bob's funeral is over and the neighbors take their Tupperware home, the family still visits Aunt Millie. Those are the characteristics of family, and they apply to family foundations, too.

—D Matteson Pascal, retired program officer,
Meadows Foundation

Moreover, most family foundations are established to exist in perpetuity. Donors often plan to establish a legacy of philanthropy to continue over generations. As longstanding institutions, family foundations are ideally suited to take the long view in addressing crises. Family members feel a loyalty to the place where the family lived and developed its businesses. They know the town's history and its people. Even when succeeding generations move away, their commitment to the community usually endures. Many families establish donor-advised funds at the local community foundation or designate

a portion of the grants budget to the community to ensure family support over the generations.

Just as family foundations are well-positioned to give long-term support, they also have the flexibility to respond quickly when they spot an opportunity. Because their boards and staff tend to be small, when an emergency arises they can contact members by phone without having to call formal meetings or round up large numbers of people.

Learning from the Experiences of Colleagues

Funders working hand-in-hand with nonprofit agencies have become efficient in dealing with crises created by natural disasters such as floods, fires, tornadoes, and hurricanes. They are still learning how best to respond to community crises like the Los Angeles riots and the Columbine high school shootings. But when faced with unprecedented crises resulting from terrorism—the bombing of the Murrah Building in Oklahoma City and the attacks on the World Trade Center and the Pentagon—the philanthropic community, along with the rest of the country, was thrown into turmoil.

The constant media coverage fueled emotions of fear, anger, anxiety, and sadness. Americans wanted to do something—anything—to help. Impotent in the face of terrorism, they could exercise some control by contributing to one of the myriad fundraising and relief groups established to aid victims and their families. The result was an unprecedented outpouring of generosity from individuals and foundations alike. In a matter of weeks, agencies were flooded with more than \$1 billion in contributions—before they had a chance to discuss where the money was needed and how it should be distributed.

Each time family philanthropists make gifts, they must ask themselves the same questions: What do we hope to accomplish? Are we on the right track? Are we doing enough? Should we do things differently? These questions often lead to discussions of the values that underpin the family's giving. It is the process of identifying and enunciating those values that colors a family's choices. At the same time, crises can throw family differences into sharp relief. Family members may have very different ideas about how to help at times of crises. As frustrating as these debates can be, they also offer opportunities for families to think anew about their giving. The decisions families make in responding to crises may lead them to rethink their original goals. Or, conversely, it may reaffirm even more strongly the rightness of the path they have chosen.

Everyone hopes that we never experience another attack on the scale of September 11th again. But, given the terrorism afoot around the world, it is unlikely that the United States will be spared another attack. How will the funding community respond to the next crisis? The devastating attacks in Oklahoma City and on September 11th taught funders important lessons about thoughtful and intelligent responses to tragedies. The principles extracted from these lessons hold true no matter the scale or type of catastrophe—and they have particular relevance for family giving.

Research, Research, Research

The initial burden of dealing with catastrophes falls on trained workers and disaster agencies that are most qualified to determine immediate needs. It may take weeks, months, or even longer before longer-term needs are apparent. Family philanthropists can use the “in-between time” to investigate the needs of the community.

Typically, a problem is defined and then money is raised to address it. The opposite happened after the terrorist attacks in Oklahoma City and on September 11. The money poured in before the agencies had time to figure out how to spend it. Money is limited in its effect; it does not provide healing or encouragement. Right after a disaster, what's needed most are people who can do things. Money is effective when it is coupled with services that help people move on with their lives.

—Nancy Anthony, executive director,
Oklahoma City Community Foundation

A good place to start is with your local community foundation, United Way, or Regional Association of Grantmakers. As the “eyes and ears” of the community, they likely have a great deal of data and other information on which populations are underserved. Grantees are also excellent sources of information. Besides assessing how their organizations have been affected, they can report what they have been hearing from their clients and from other nonprofit agencies in the area. Talking with other family foundations is another good way to determine needs. But there is no substitute for getting out in the community and talking with people who have been directly and indirectly affected by the crisis.

In 1997, a series of destructive tornadoes struck central Texas. The Meadows Foundation has a longstanding practice of responding quickly and thoughtfully to crises and disasters in Texas. But before it acts, its staff gathers information firsthand. D Pascal, a program officer at the foundation, started by visiting three of the hardest-hit towns to assess damages and available services in key areas of housing, health, employment, education, municipal services, recovery, and reconstruction. Summarizing her findings in an eight-page report, she recommended that the board make only one immediate grant to the school district and, possibly, another to the volunteer fire department. But, she suggested, the foundation's most significant role would probably be several months down the line at the recovery stage—the period after the disaster relief agencies have left and before reconstruction begins—and when local resources are stretched thin.

“We don't look to the gatekeepers to tell us what to do,” says Pascal, “and we're not seduced by hero stories. It's easy to give to heroes. We want to find the less visible people, and we

do that by going out and talking to people in the community. Our best sources are the people working at the Diamond Shamrock gas stations; they know everything that's going on.”

Gaining Leverage Through Collaboration

When the Los Angeles police officers who had beaten Rodney King—a crime recorded on videotape—were acquitted, south central Los Angeles erupted in violence. The 1992 riots left more than 50 dead, \$1 billion in property damage, and a city in shock. The riots put a spotlight on south central, a huge district wracked by poverty, crime, and drugs. A city led effort, Rebuild Los Angeles, recruited business leaders and philanthropists to raise \$5 billion and to create 75,000 jobs in south central. After five years the project fell far short of its ambitious targets; in 1997, Rebuild Los Angeles asked the Southern California Association for Philanthropy (SCAP) to take over the project. Four family foundations, along with three private foundations, funded the initial feasibility study that prompted SCAP to form a new group, Los Angeles Urban Funders (LAUF). A coalition of local funders, LAUF is funded by contributions from its members.

The new group faced a difficult situation that required their asking hard questions. Where had Rebuild Los Angeles gone wrong? And how could LAUF find a strategic entry point into a large and troubled community? To answer those questions, it launched a two and a half year research project aimed at finding a new approach to working in south Central. LAUF's analysis of Rebuild L.A. revealed a major flaw: While the leaders had good intentions, they failed to engage the local communities in its planning process.

Learning from its predecessor's mistake, LAUF involved the community in its efforts from the start. It targeted three inner city neighborhoods and invited local residents and community groups to share their views on attacking the root causes of the riots. Committed to working with these neighborhoods for the long term, LAUF formed partnerships with local groups to increase the effectiveness of the organizations and to build local leadership. Using trained consultants and targeted technical assistance, LAUF started initiatives requiring collaboration among nonprofits, businesses, public officials, and religious institutions.

Five years later, LAUF's grassroots approach is paying off. Among its accomplishments has been funding projects that brought supermarkets to the neighborhoods, replaced liquor stores with businesses providing basic services, and created an afterschool mentoring program that's become a model for Los Angeles schools. Moreover, it has built a trust fund to develop affordable housing and assisted a community-led effort to pass a living-wage law and win living-wage jobs for local workers.

What has allowed LAUF to succeed where Rebuild LA faltered? One factor is the group's commitment to candid discussions. While LAUF's members were experienced funders, not all had previous experience working collaboratively. Bringing together people of different backgrounds accustomed to working by different rules inevitably leads to frustration and

clashes. Working through those difficulties requires a lot of talking and good humor, especially at the early stages.

Eric Johnson, Chairman of the Crail-Johnson Family Foundation of San Pedro, California, is one of 30 members of LAUF. “At the beginning we were collegial but not collaborative,” says Eric. “We talked and talked, but we were loathe to disagree with one another. But from all those conversations, we eventually charted courses of action. Once we got active in the community, the discourse at meetings changed. Then we had real issues to debate. We became better informed, more comfortable with the community, and more confident that we were on the right track.”

Family Influences

The characteristics that distinguish family philanthropists from other philanthropists are more apparent at times of uncertainty. At these times, families are more likely to draw on their history and values for guidance in shaping their response to crises.

That was the case with the Crail-Johnson Foundation in deciding how to respond to September 11th. The family has been in the oil and gas exploration business since the 1920s. Working in a field in which failures often outnumber successes, it has developed discipline in dealing with volatility and crises. “You have to stay focused to get the information you need to make the right decision,” says Johnson. “We’ve dealt with enough crises in our business to know that we had better have a plan in place before we react.”

Immediately following the terrorist attacks, most board members wanted the foundation to do something for New York City. The board decided to postpone its decision until the next quarterly meeting. By this time, so much money had poured into New York that the board decided that making a grant to a New York-based institution would have little

effect. “The September 11th attacks were rooted in international problems,” says Johnson. “We’re a place-based funder. Our mission is to support organizations from south central L.A. to the San Pedro harbor. We made the right decision not to jump on the September 11th bandwagon.”

By taking time to observe developments in New York, the Crail-Johnson trustees were able to reaffirm their commitment to the foundation’s mission. The discussions that ensued reinforced their belief that they could have the greatest impact by concentrating on the communities that they know best.

The Crail-Johnson Foundation was geographically removed from the tragedy, but for the Jenesis Group, a family foundation that funds primarily in Washington, DC and New York, the attacks hit home. “This is a family that values open communication among themselves as well as with grantees,” says Alexandra Carter, the foundation’s program officer. “They always make a point of telling grantees, ‘You can talk to us. Call us if you run into problems.’ So it was natural for them to spend an enormous amount of time listening and talking to grantees after September 11th.”

The board began by calling grantees in New York and Washington and, over the next few weeks, it talked to each one of its grantees to assess the effects of the tragedy on their organizations. As a foundation that favors giving general operating support grants under ordinary circumstances, the board was especially attuned to the budgetary constraints nonprofit organizations would suffer in times of crises. To ensure that its grantees could continue to operate, pay rent, and pay salaries, the board held a telephone conference to approve emergency cash grants and, when needed, technical assistance. One grantee, an organization that served large numbers of clients, was forced to evacuate its offices in lower Manhattan. For the next few months, it operated out of different locations using

OPTIONS FOR RESPONDING TO CRISES

Family philanthropists have a wide range of options for responding to crises. Your family can use this list to help guide discussions about the choices that best match your resources with community needs.

- Stick to what you know best: carrying out the mission of your family foundation
- Consider dipping into principal to make extraordinary grants
- Build reserve resources to be tapped for emergency use
- Make grants that meet emergency needs
- Make grants that address long-term needs resulting from the crisis
- Increase financial support to grantees affected by the crisis
- Make grants to strengthen local nonprofit groups not directly affected by the crisis and that may be overlooked by funders
- Collaborate with other funders in your community
- Make a grant to the local community foundation or some other public grantmaker (United Way, Catholic Charities, Jewish Federation, etc.) to disperse as needed
- Wait several months before making a decision

cell phones and laptops paid for in part by emergency care assistance supplied by the foundation. In another case, the board was deciding whether to renew a grant to an organization working with children and teenagers. After learning how traumatized the children at the center were, the board provided additional funding to allow the center to stay open longer hours and hire more staff.

Although The Charles Evans Hughes Memorial Foundation funds nationally, the family foundation has close ties to New York. Hughes, a former Chief Justice of the Supreme Court, had once served as governor of New York. “The family lives all over the country,” says Lauren Katzowitz, the fund’s secretary and executive director, “but it wanted to do something for New York City that reflected the foundation’s programmatic priorities, the Chief Justice’s values, and those of the donors.” The board voted to increase the grants budget by 5 percent and asked the staff to focus on long-term needs. Among the recommendations approved in December were grants to clean up air quality, rebuild a transmitter and antenna for WNYC Public Radio, which had been located at the World Trade Center, protect the civil rights of Arabs and Muslims, and provide grief counseling and follow-up care to family and coworkers of hotel and restaurant union members.

Whereas the staff at the Charles Evans Hughes Memorial spent three months researching options, the Steven A. and Diana L. Goldberg Foundation in Washington, DC, made a spur-of-the-moment decision to give Children’s National Medical Center in Washington, DC, a \$250,000 seed grant to launch the International Center to Heal Our Children. In fact, it was Diana Goldberg’s long association with the hospital that emboldened her to recommend such a large grant; for the past 18 years she has sat on one hospital board or another. And it was the flexibility inherent in family foundations that allowed her to respond quickly to an exceptional opportunity.

In the days after September 11th, the hospital recognized that it was unprepared to deal with crises of this magnitude. It did, however, have a valuable resource on its staff: Dr. Paramjit Joshi, a psychiatrist and international authority on treating children traumatized by disasters. At a meeting attended by Diana, the hospital director proposed starting an organization to educate and empower mental health professionals, teachers, daycare providers, and parent groups across the country to identify and treat symptoms of trauma. The organization would be chaired by Dr. Joshi.

“Those were difficult discussions,” recalled Diana. “As a mother, I was concerned about kids sitting in front of the television watching the same frightening images repeated again and again. But this was not a problem exclusive to September 11th. Crises are not going to go away. There will be others, and we will need an ongoing organization to assist kids traumatized by disasters. I made a gut decision to fund it, called my husband on the phone, and he okayed it. It was by far the biggest grant our foundation ever made.”

ADVICE FROM COLLEAGUES ON RESPONDING TO CRISES

Family funders interviewed for this *Passages* issue paper were asked what lessons they had learned from responding to crises. Talking over each of these points can help your family shape how it responds to crises.

- Pause before acting. Set aside time to talk with your board about how your foundation can be most helpful.
- Support experts in disaster relief.
- Be diligent in doing research: find out what services are being provided, what more is needed, who is likely to be overlooked, when help should be given, and for how long?
- Don’t rely solely on community leaders or government organizations for information. Talk with people in the community affected directly and indirectly by the crisis.
- Don’t put narrow restrictions on grants, such as naming a specific population as recipients. It’s easy to be swept up in stories of heroes and overlook the invisible victims.
- Share what you did and what you learned with foundation colleagues.
- Think long-term.
- Make grants that address systemic or root causes of the crisis.
- Engage people who live and work in the community in planning and implementing responses to the crisis.
- Learn from past mistakes.
- Be patient; change takes a long time.

CONCLUSION

Like all funders, family philanthropists are accustomed to grappling with long-running crises in health care, housing, education, the arts, and the environment. They have been called on to respond to emergencies arising from natural disasters, riots, school shootings and, most recently, terrorist attacks. While everyone hopes that this country never again experiences a crisis of the magnitude of September 11th, it is inevitable that new crises will occur.

After decades of responding to emergency situations, the funding community has garnered important lessons that cut across the spectrum of crises. In meeting the next crisis, family philanthropists can benefit from their own experiences as well as those of their colleagues. Funders confront two categories of crises: the predictable and the unforeseen. In the first category are “crises waiting to happen” in the family, the foundation, and in the community. By remaining alert to

warning signs, confronting problems head on, and addressing root causes, family foundations may be able to minimize or avoid some crises.

While family giving programs can do nothing to prevent unforeseen crises like September 11th or the Oklahoma City bombing, discussions about why they may or may not respond in different ways can still be educational. It is worthwhile for families to set general guidelines—even though they may need to be revised to fit extraordinary events. A good starting place is learning about others' experiences, either by interviewing individual colleagues or convening a meeting of funders. Later, they can set aside time at a board meeting or retreat to create policies. Options to discuss may be whether to stay within their mission and guidelines, to depart from it under certain circumstances, to allow the board chair or chief staff position to make discretionary grants in specified situations, or to set aside a portion of the budget for emergencies.

The overriding lesson of dealing with crises is the importance of sharing one's thoughts and feelings in the aftermath of a tragedy. When faced with loss and uncertainty, people's emotions are closest to the surface. It is at these times when they are most inclined to self-reflection, when they ask the most penetrating questions about what matters in life, and when they feel the most urgency to find answers. These philosophical discussions have particular importance for family philanthropists. The values they reveal provide the underpinnings of the foundation: its reason for being. But the time for these discussions is short-lived, and families must seize the moment before it passes.

ADDITIONAL RESOURCES

- "911: Family Philanthropy Responds" by Deborah Brody Hamilton, National Center for Family Philanthropy, 2001, <http://www.ncfp.org/about-whatsnew-911response.html>
- "Arming Your Family Against Crises," by Bonnie Brown, *Family Business*, Autumn 1997
- "The Best Intentions," by Michele Marchetti, *Smart Money*, December 2001
- *Disaster Grantmaking: A Practical Guide for Foundations and Corporations*, European Foundation Centre and Council on Foundations, 2001, <http://www.efc.be/ftp/public/IC/DisasterGrantMaking.pdf>
- "Lessons Learned for Charities from the Oklahoma City Bombing," by Nancy Anthony, Oklahoma City Community Foundation, 2001, <http://waysandmeans.house.gov/oversite/107cong/11-8-01/records/OKCommFound.htm>
- "A Planning Guide for Forming Neighborhood Funder Collaboratives," Southern California Association for Philanthropy, 2001, <http://www.scap.org/laufplanningguide.htm>
- "The Responsibilities of Nonprofit Boards in a Crisis," Alliance for Nonprofit Governance, 2002, <http://www.angonline.org/resources-crisis.asp>
- "September 11th Resources," New York Regional Association of Grantmakers website, <http://www.nyrag.org/homepage3192/index.htm>
- *September 11 Syndrome*, by Harriet Braiker, McGraw Hill Trade, 2002
- *Traits of a Healthy Family*, by Dolores Curran, Ballantine Books, 1983

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- 1) We value the participation of individuals and families in private, organized philanthropy.
- 2) We value the donor's right and ability to direct charitable assets through the philanthropic vehicles and to programs of choice.
- 3) We value both the concern for privacy and the responsibility of a public trust that are inherent in private, organized philanthropy.
- 4) We value the pursuit of excellence in philanthropy.
- 5) We value the role that philanthropy and philanthropic citizenship plays in a civil society.
- 6) We value the participation of new voices in our field.
- 7) We value collaboration and respect our colleagues in this work.

A full statement of these values and guiding principles is available on our website at www.ncfp.org.

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