FAMILY VALUES, FAMILY PHILANTHROPY

By Virginia M. Esposito

"Over time, family members change and program priorities change; what holds the family and its philanthropy together is the legacy of its values. This legacy provides continuity and our donor family believes it is that continuity—the family values—that gives the family philanthropy its special character."

—Bruce Sievers, executive director, Walter and Elise Haas Fund

Could it be only a decade ago that the phrase "family values" carried such intense political, religious, and emotional baggage? Fortunately, as with many rhetorical firestorms, as the smoke has cleared, the highly charged rhetoric of those first confrontations has given way to deeper, more richly provocative conversations. The very phrase that polarized now often connotes that which we hope is most universal: the nurturing and loving heritage that inspires and shapes our values and ideals. It speaks to shared experiences if not common results. We are left with the opportunity to think thoughtfully about the substance that eluded us in the earlier debate.

With increasing speculation on the generational transfer of wealth, the new wealthy, multicultural giving traditions, tax versus personal charitable incentives, and the debate over the social responsibility of government, perhaps no group should be more engaged in the family values discussion than those who care about the future of private philanthropy. How families inspire and shape values—particularly the value of giving— and how those are passed from one generation to another, may be critical elements in ensuring a healthy charitable future.

To begin to examine how this transfer of values takes place, two presumptions might be made: that families by their very nature influence the shaping of individual values as well as the values of the entire family; and that there is intrinsic value in having conversations about the personal and shared values of the family.

SHAPING FAMILY VALUES

How do families contribute to shaping the values of the individual members as well as the values of the whole family? Consider how a family embodies the cause and effect theory—an interconnected network with members dependent on one another for emotional and psychological security as well as for their functional and educational development. A few principles:

Families are systems. Understanding systems has been a decades-long endeavor for fields as diverse as biology, psychotherapy, and organizational management. In his work in systems thinking and organizational learning, Peter Senge describes a system as "a

perceived whole whose elements 'hang together' because they continually affect each other over time and operate toward a common purpose." Kelin Gersick, Ivan Lansberg, and others have explored how family systems influence the development and success of family businesses. In an important step forward in efforts to understand how effective family philanthropy can best take place, their attention has turned to how these systems and "life cycles" are influencing the organizational development of family foundations.

Systems are interdependent. Families aren't just the backdrops for our development. Nor do family members added together produce the system. If the first principle of systems is wholeness, the second is relationships. The family system is the result of the interaction among the connecting relationships. It is in the distinctiveness of our personal relationships, how we react and interact, that our individuality emerges. Consequently, very different individuals can be products of the same family. We humans are very social creatures and our image of self and image of family are reciprocal and interdependent.

Interdependence can result in predictable patterns of behavior. As we have an evolutionary heritage that has produced all kinds of human functioning, so too do we have an emotional heritage that influences our behavior. The more intense the emotional interdependence, the more predictable the patterns of behavior. What interdependent relationship is more emotional than the bonds of family?

Interdependence is multi-generational. Just when you're tempted to think that too much is made of preparing for a new generation of philanthropists, consider that our interdependence goes far beyond our nuclear family. While the strongest emotional bonds are clearly with the nuclear family, our behavior and values have been shaped by the generations that preceded us just as we will influence many successive generations.

Dan Hamilton is an advisory committee member of the Harris and Eliza Kempner Fund and great great grandson of the Fund's namesakes. The mantle of Hamilton's home is filled with photographs of his grandfather, great-grandfather, great uncles and other relatives dating back to his great-grandmother Hattie's generation (one of the eight children who founded the philanthropic dynasty). "It is important to establish roots in the center of my home that ground me in the history, values, and outlooks of those who have come before me. When I think about my values, I know I'm not reinventing the wheel. I can look to my grandfather, for example, and find a shared love of family and education. I have a history that is a part of me. My mom used a family tree to informally tell stories about the different family members. She used their family nicknames and anecdotes to help us develop connections to those who might have been faceless identities otherwise."

The quality of our family relationships and activities depends on what motivates us. Perhaps no American family has come to represent the deep, multigenerational traditions of philanthropy quite like the Rockefellers. In attempting to understand how the "Rockefeller Conscience" came to be developed and sustained over many generations, John Ensor Harr and Peter Johnson dismiss the myth that either guilt or public relations could have motivated the early giving of John D. Rockefeller and John D. Rockefeller, Jr. While those motivations may prompt a single act of charity or even motivate an individual's lifetime giving, they are not enough to sustain that tradition over time and through generations.

"There cannot be a philanthropic dynasty without two conditions being met—a set of principles to guide succeeding generations and the presence of an heir willing and able to live out those principles. In the case of the Rockefellers, the father's moral values were omnipresent ... and (John D. Rockefeller, Jr., was not) blindly carrying out his father's wishes but living out the spirit of them with great commitment and originality." (*The Rockefeller Conscience*, 1991). While raising children with very different personalities and interests, John D. Rockefeller, Jr., and his wife, Abby Aldrich Rockefeller, inculcated "the values of the Rockefeller family tradition in their sons... remarkably well. Each son grew up ... imbued with a strong sense of family, and determined to contribute to society in some form of public service." The long tradition of Rockefeller giving, like many other American families now reaching their third or fourth generation of philanthropists, has been sustained by its earliest motives: love of family; respect for others; the value of service; and strong religious principles.

PRINCIPLES OF FAMILY SYSTEMS:
IMPACT ON VALUES AND PHILANTHROPY

- *Families are systems.* Family systems influence the development and success of a family's philanthropy.
- *Systems are interdependent.* The family system is the result of the interaction among the connecting relationships within the family.
- *Interdependence can result in predictable patterns of behavior.* The more intense the emotional interdependence, the more predictable the patterns of behavior.
- *Interdependence is multi-generational.* Behavior and values are shaped by the generations that preceded us, just as we will influence successive generations.
- *The quality of our family relationships and activities depends on what motivates us.* These motivations include: love of family; respect for others; the value of service; and strong religious principles.

THE VALUE OF VALUES DISCUSSIONS

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Fast forward to the American family of the early twenty-first century. The family members, particularly the youngest, are exposed to society in ways unimaginable at the dawn of the last century. Cable television; Internet access; the school as social microcosm; the global village—a frame of reference that can overwhelm the influence of the family. Even our concept of family has adapted to include increasing numbers of single parents, working parents, grandparents as parents, parents on opposite coasts, any number of combinations and scenarios. Given the expanded and rapid-fire assault on our senses and psyches, how do families inculcate a set of values which include generosity, concern for others, and public service—the philanthropic impulse—and sustain that over time? How important are conversations within the family about shared and personal values?

Family discussions about family values can create a sense of legacy or place. Deeper, and even more basic than that, family discussion about values can help with the personal and character development of children. Developing values contributes to self-esteem and helps build self-reliant, healthy, active family members better able to contribute to healthy communities. Conversations about shared values become even more critical when there is a common enterprise such as a family business or philanthropy. The effectiveness of the enterprise may depend on the quality of the family relationships and the commitment to a set of shared values.

Of course, there are risks involved. Curtis Meadows, director emeritus of the Meadows Foundation of Texas and executive director of the RGK Center for Philanthropy and Community Service at the University of Texas, notes, "to articulate values is to commit yourself to be measured by your performance in relation to those values." But Meadows believes that any risk is outweighed by the enormous gains. As does past Z. Smith Reynolds executive director and current chairman of the National Center for Family Philanthropy, Thomas Lambeth: "the only thing more dangerous than having the conversation is not having it."

SO HOW TO BEGIN THE CONVERSATION

Consider the values of your family's "small world." Remember the importance of motivation in determining the viability and long-term success of the endeavor. Explore those things that have inspired your family and may well determine how motivated you are to engage in the shared enterprise of giving and how likely you are to succeed. What is important to you and your family? What religious traditions or spiritual guideposts have influenced you? Who are the "heroes" and what are the sources of family pride? In *Habits of the Heart*, Robert Bellah stresses how difficult it is for individuals to understand how we relate to one another in "morally meaningful ways," and urges a "strenuous effort to make of our particular segment of life a small world of its own." While he cites the

inherent flaws in this practice—the inequities among small worlds and the need to relate more globally, the "small world" is a manageable place to start.

Share the story. Family stories and traditions are powerful tools for sharing your family's heritage. One family requires the dividing of allowance into thirds: one-third for spending; one-third for savings; one-third for charity. Another family designates the Thanksgiving holiday as the family reunion and philanthropy weekend. The family makes its charitable contributions decisions during the weekend, tying that activity to the celebration of giving thanks.

Storytelling is a meaningful, entertaining, and satisfying family activity. In *The Family Storytelling Handbook*, Anne Pellowski encourages the intimacy, immediacy, and fun of storytelling, "building the special identity every person needs. For centuries and centuries, stories have been the best means of explaining and passing on the moral values a family or people wishes to retain."

QUESTIONS FOR DONORS AND FAMILY MEMBERS

Donors often seek effective ways to involve other family members from the start. Heirs, meanwhile, look for ways to appropriately honor the legacy of the donor(s). There are many questions and issues likely to be considered by both the donor and future generations.

Questions for the Donor:

- What motivated the philanthropy in the first place? What is needed to sustain it? What will inspire others to participate in it? How can I communicate what motivates me?
- Why was the foundation established as a family philanthropy? Why not as an individual giving program—one where I simply wrote checks directly to nonprofits? Why not as a general bequest to my favorite charity?
- How have I involved other family members in developing the vision for the foundation? What am I trying to accomplish for the family and for the philanthropy? Do others understand these goals?
- Does my vision reflect both my optimism and my trust—of my family and my community?
- Is there a clear understanding of the "life expectancy" for the foundation? Will it go on in perpetuity or will it have a plan for spending down? Are family members expected to develop their own philanthropic vehicles or to contribute to this one?

Questions for the Family:

- How well do you understand the donor's intentions in establishing the foundation? How do you interpret your responsibility to represent both the donor's and the public's trusts invested in you? Do you see this as a family endeavor or a source of personal privilege?
- What values do you share as a family? What values does/did the donor(s) represent?
- What shared experiences, traditions, and practices have helped to define your family and will likely shape your philanthropy?
- Why is it important to the donor and to the family that the family is involved in the foundation?
- How do/can family members participate—even beyond the board?
- How do younger family members become acquainted with the foundation's work? How are they trained to take a role? How are they selected for the board or for other roles within the foundation?
- How will issues of family—including family dynamics and interpersonal issues—be dealt with in the foundation?

Nonie Thompson has become the catalyst for the storytelling in the Kempner family. Thompson makes sure each family member involved in the family foundation is provided with a family tree and an album of photographs dating back to the founding eight siblings. She has commissioned a history of the family and shared her own stories of the "cousins by the dozens."

Involve the entire family, regardless of age. One of the most common questions families ask is when to bring the next generation into the work of the family philanthropy. Some who ask the question are referring to "children" in their thirties. Abby O'Neill, former chair of the Rockefeller Brothers Fund, tells of a past conversation with a senior family member. Excitedly describing leadership changes and roles, O'Neill was chastened to wait her turn; her day would come. O'Neill recalls replying, "I qualify for Social Security. How long should I wait?"

The longer they are made to wait, the greater the chance that family philanthropy will be something children and young people associate with their parents' and grandparents' generations—something that is remote and has little to do with them, their values, or their interests. Start early! Begin with the kinds of storytelling mentioned. Include children in family conversations about heritage and values. Talk about your personal and family giving traditions and help them start some charitable traditions of their own. Introduce them to the needs in your community and the challenges and opportunities of philanthropy. Shirley Fredricks, trustee of the Lawrence Welk Foundation and daughter

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of the founder, talks about the value of taking younger family members on site visits—valuable for the young people and valuable for her as younger perspectives and questions often enhance the site visit experience. No matter how old the "children," there are always age appropriate experiences that can acquaint them with the family's commitment to giving and inspire their own interest in joining in that commitment.

And while you're involving the young people, make it a multigenerational affair. It would be a shame if we devoted all our energies to preparing the next generation and didn't involve the generation of philanthropic leaders that have paved the way. Cherish the vitality of your family's living heritage and preserve it as the legacy of generations to come. Many family foundations include profiles of their donors or senior family members in their annual reports; others offer special tributes to senior family members at meetings of the foundation or during significant foundation anniversaries. Others renew the mission of the foundation by revisiting the people and values that started it all. Families experience something that is both deeply personal and intensely satisfying in recognizing their senior leaders and inspiring the leaders to come. But there is also a remarkable benefit for the organization – the foundation or giving program – that comes from the revitalizing process of revisiting and renewing your philanthropic heritage from time to time

"For our fiftieth anniversary, we had a two-day retreat to examine the future of the foundation. The first thing we did was review what the prior two generations had done," recalls Will Close, president of the Springs Foundation and grandson of Colonel Elliot White Springs, founder of the foundation. "Although we made some fundamental changes in the way we make grants, going so far as to call it our "new directions," I cannot overemphasize the importance of donor legacy and the work of past generations in our thinking. Although we now do things differently, the end result is to take care of and serve the people of our three-county area, exactly what Colonel Springs set out to do fifty years ago." The Springs Foundation also celebrated their anniversary by making a video of the history and purpose of the foundation and by instituting a community advisory board designed to seek direct input from the citizens of their geographic service area. Close notes the importance of keeping family relationships, donor intent, and foundation mission in balance. "You have to keep the family ties together, close together. But donor intent and the purposes of the foundation have to be equal parts of your thinking."

Children learn what you live. If the values of generosity and social responsibility are important to you, if you model these values by example, you inspire that in the young people around you. Create opportunities for involving them in your work. Charles Hamilton, director of the Clark Foundation (and a donor himself), brought his two sons, at ages six and nine, to a family foundations conference a few years ago. "I thought it was important for them to know what we're getting involved in right from the start. They are a part of it."

A CLOSING THOUGHT

Family philanthropy can be both a family value and a vehicle for expressing values. Its vitality begins in shared values and its future may be dependent on the family's ability to inspire and pass on these values. This doesn't preclude conversations – even arguments – about donor legacy, perpetuity, program priorities, board composition, or the role of personal giving. It provides the context for those conversations. It can also provide the common ground or understanding needed to make quality decisions and ensure satisfying family relationships over many generations.

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