



NATIONAL CENTER FOR
FAMILY PHILANTHROPY

Family Giving Online Knowledge Center Board Activities and Training Procedures

TITLE: Investment Training Methods for Family Members

SOURCE: *Investment Issues for Family Funds: Managing and Maximizing Your Philanthropic Assets*

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INVESTMENT TRAINING METHODS FOR YOUNGER FAMILY MEMBERS

Family foundations employ a wide variety of methods to teach younger and less experienced family members about financial stewardship. Common practices—both informal and more structured—include:

- Placing next generation trustees on the investment committee with more experienced board members/advisors;
- Sending future trustees to professional conferences, seminars, and workshops;
- Spending a day with foundation money managers at their offices;
- Requiring money managers to conduct a two- to four-hour instructional seminar for new/future board members;
- Making occasional educational seminars part of the investment counselor's job description;
- Incorporating one learning segment at every board meeting;
- Developing a formal orientation training program of from one to three days for next generation members (a significant portion of which covers financial management); and
- Establishing a separate "Next Generation" advisory board structure, that includes a small fund to manage and a requirement that the advisory board report on their activities at every full board meeting.