Motivations and Concerns of Philanthropic Donors

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"To give away money … is an easy matter and in any man's power, but to decide to whom to give it and how large and when, and for what purpose and how, is neither in every man's power nor an easy matter. Hence, it is that such excellence is rare, praiseworthy, and noble."

Aristotle

I. Understanding the Hopes and Goals of the Founder: Donor Legacy

To understand the concerns and needs of philanthropic donors, it is helpful to begin with the reasons why a philanthropic program – whether it is a foundation, a fund, or any other type of charitable giving vehicle – is launched. And perhaps more importantly, you have to understand the hopes the founders have in launching them. In a study and book on the development of family foundations to be released by the National Center for Family Philanthropy in early 2002, researcher and author Kelin Gersick calls this critical early phase, "Mission and Dream." He links the thoughtfulness of this phase to the path the family foundation will travel in succeeding generations.

Some people call this "donor intent" – an unhelpful and even troubling phrase to me for several reasons. It is a phrase that has been highly politicized in the past by those who would see donor intent as the "dead hand" (implying that the wishes and interests of the founders can't possibly be relevant to current and future stewards) and still others who see donor intent as "sacred shackles" (implying that there can't possibly be a reason to re-visit, re-interpret, and renew the founder's vision).

But perhaps the reason I most find "donor intent" an unhelpful phrase in understanding founder interests is that it misses the glorious complexity of motivations and hopes – some profound, others quirky, some perfectly understandable, others surprising – even puzzling. It is this complexity – so very personal to each donor and so relevant to their interests and choices – that guides their governance, grantmaking, and management choices. That is why I like to start any conversation with a donor or potential donor with questions of motivations, hopes, and dreams; they are the vitality, the commitment, and, ultimately, the contribution of individual and family philanthropy.

I believe a richer and more dynamic phrase to describe these dreams is "donor legacy." It gets to the heart of what the donor is trying to accomplish … and why. It can speak to the hopes for who will be involved … and why. The dreams for the communities to be served – the grantmaking strategies and the program interests – can be found by exploring the legacy the donor is trying to create … and why. Donor legacy encompasses both the glorious complexity and the gift of personal and family philanthropy.

II. Why is Someone Interested in Philanthropy and Community Involvement?

There are many reasons why someone creates a foundation, joins a donor collaborative, or chooses some other giving vehicle. But, even before that action, there are reasons why a person is interested at all. What is it – in character, background, and/or experience – that motivates someone to consider a charitable mission? In speaking with donors at the earliest stages of the philanthropic journey, six possibilities were noted most frequently:

- *Values:* Many donors, especially when encouraged, are happy to talk about the personal values that almost compel them to be active in their community – through philanthropy and through other forms of service. Compassion and justice are often named as guiding values. Interestingly, in cases where family members and others inherit responsibility for a foundation or fund where no specific instructions have been left behind, many engage in a process of considering the donor's values. Values can offer guidance as to the direction of the philanthropy. Similarly, in the second and third generations of family philanthropies – when a family is trying to determine what they can best pursue as a family – understanding shared values can be more helpful than the more elusive process of finding shared program interests.

- *Faith and Spirituality:* Every religious or faith-based tradition I can think includes some tenet that encourages concern for others. They may call it charity, tzedakah, communality, even love – but they call on those who share the spiritual heritage to give to others. More and more, donors understand the link between their faith or spirituality to the decision to give as well as to the choices they will make in that giving. Even in those grantmaking programs where there is no obvious giving to religion or for religious causes, there may be a powerful, faith-based impetus for that giving.
- *Mentors:* Most of us can point to those people who have made a profound impact on our lives. A grandparent or parent, another relative or a teacher, a colleague or a neighbor – someone may have encouraged us at an important moment, counseled us during a difficult situation, helped us decide on a career, or taught by example. Most donors can readily name their own mentors. Interestingly, in my conversations with donors, many named a family member (most often a grandparent) and few mentors were people of great wealth.
- *Personal Interests/Experiences:* Many donors note that their philanthropic point-of-entry came through an issue of special, personal importance or an event that was deeply felt and, therefore, transforming. A lifelong interest in the arts or the environment might have motivated the desire to give dollars and time. A personal experience such as the death of a loved one to breast cancer or receiving a much-needed educational scholarship are examples of life events that can lead someone to appreciate the value of private giving.
- *Community Involvement and Volunteering:* A large number of entrepreneurs who go on to be generous philanthropists were volunteers or active in their communities long before they had the potential or inclination to give away significant amounts of money. Some speak movingly about volunteering since childhood. Volunteering at a homeless shelter, acting as a docent for a museum or historical site, serving on a nonprofit board, or sharing a family custom of working the soup kitchen at Thanksgiving – all indicate a charitable tradition and/or inclination and all can also indicate a philanthropic tradition to come.
- *Business Skills and Experiences*: In a 1998 series of interviews with new donors, many mentioned that a business colleague who was already an active donor had prompted their interest in philanthropy. The willingness of the colleague-donors to talk about their experiences had encouraged them to think about what they might accomplish as a donor. The number of similar stories makes me wonder if we truly understand the role the workplace may play in stimulating charitable interest and in providing a ready-made

network of philanthropic support – much like churches and temples have historically done. The donor circles that begin with a group of work colleagues may be early hints at the power of groups who share both professional and philanthropic interests. Similarly, I have been impressed by those donors who got involved in giving to use their business skills in a different way and for a different purpose. Of those indicating this goal, most also noted their hope to be "hands-on" donors – active in the issues and institutions they would choose to support. In these cases, I believe donors appreciate the value of their education and professional expertise and, as they have used these skills to be financially successful, now hope to use them to contribute to their communities.

III. What does the Donor Wish to Accomplish through Philanthropy?

As there are motivations for considering a program of philanthropy, there are reasons – usually multiple reasons – why someone follows through. If I have any advice to someone who is considering a giving program or to someone advising that process, it is that the reasons for doing it be clearly understood and articulated.

I am asked dozens of questions about grantmaking policies and practices. Should we have non-family members on the board? Should we make discretionary grants? Should we accept proposals or seek out our own grantees? In these and countless other cases I ask what the donor is trying to accomplish. If I know what the donor is hoping to accomplish, I can help them understand how their options might or might not help them get there. In most every case, I am the first person to ask what their goals are.

Perhaps the saddest conversation I ever had with a new donor was one where he told me he had been "sold" his family foundation as a financial planning tool. He had no idea what it was, what it could do, or what he wanted to do with it. In this case, a single (external) factor had prompted the formation of the foundation. Perhaps a more thoughtful, comprehensive conversation could have helped the potential philanthropist think about all his goals and circumstances – program interests, family interests, time constraints, need for administrative help, and even whether the private foundation form was the best one for all his circumstances – including financial ones.

More recent conversations with donors have surfaced interest, puzzlement, and anxiety about whether articles, press coverage and conference conversations on the "new philanthropy" imply a value judgment: is one kind of philanthropy better or worse than another? As donors direct attention to their goals for giving, it makes sense to assume they may be influenced by trends in philanthropy and in public discussion of those trends.

The great genius of private philanthropy may very well be its diversity: of options, approaches, interests, and, yes, goals. The great energy of private philanthropy may come from the passions and purposes of each new person who comes to it: as donor, trustee, staff, or advisor. Each one can bring something fresh and exciting, renewing this great tradition. Or is it traditions? The fact is donors can choose to contribute to their communities many different ways. To pursue one or the other need not imply a value judgment about another's choice. To have been at this awhile need not imply staidness or bureaucracy. To be new to it needn't imply arrogance or ignorance. The range of donor options might begin, therefore, with a look at the traditions of giving.

Traditions of Giving

The late Paul Ylvisaker, one of the deans of American philanthropy and a family foundation trustee and donor advisor himself, once wrote about the three great traditions of giving:

- *The Tradition of Charity:* Motivated by altruism and compassion, the purpose of this giving tradition is to alleviate suffering. A foundation collaborative designed to address the ravages of a hurricane (as in South Carolina after Hurricane Hugo) or the aftermath of riots (as in Los Angeles in 1992) often moves first to deal with the terrible human impact.
- *The Tradition of Patronage:* Motivated by an appreciation of and desire to advance talent, this tradition seeks to nurture and support the gifted. Whether you establish a scholarship fund, provide scientific fellowships, or fund a program for children and the arts, you participate in a tradition that links you to the Medici family and generations of royal families.
- *The Tradition of Philanthropy:* Motivated by reason and a desire to look past immediate conditions, this tradition seeks systemic understanding and change.

Ylvisaker believed that all three traditions are important and appropriate in their time and place. But, he noted, because private, discretionary, charitable dollars are comparatively few and, therefore, even more of a precious resource, many donors hope to pursue the tradition of philanthropy – seeking systemic understanding and change.

In her 1998 essay, *The Pursuit of a Virtuous People* (*Advancing Philanthropy*, NSFRE, Alexandria, Virginia), D. Susan Wisely of the Lilly Endowment, offered three variations on these traditions. Wisely talks about the three traditions of philanthropy: philanthropy as relief, as improvement, and as social reform.

- Wisely, like Ylvisaker, notes that the tradition of benevolence or philanthropy as relief is motivated by compassion and is concerned mainly with alleviating human suffering.
- The tradition of philanthropy as improvement was "developed partly as a response to the perceived futility and wastefulness of the tradition of relief. This tradition "emphasizes the development of human potential" – not unlike Ylvisakers' tradition of patronage – but more in the spirit of Andrew Carnegie that advocated helping those who would help themselves.
- Philanthropy as social reform was also a reaction to the tradition of improvement. This tradition "encourages social change. Its practitioners believe that societal circumstances often shape human destiny; hence, philanthropy must help to change societal circumstances."

In a 1998 program with Microsoft employees and former executives, I discovered how useful it could be to new and potential donors to see these traditions as a way to understand the range of options and opportunities and to clarify their own philanthropic goals. These traditions offer not just a look at our history but also a look at the possibilities for the future – a way to understand what a donor might want to accomplish as a matter of purpose and style rather than a way to categorize charitable giving as better or worse.

Goals for Giving

In 1995, I asked a number of founders why they had started their family foundation. Since then I've asked the same question of donors to a number of different charitable giving vehicles. The responses have been strikingly consistent. Six are cited most frequently:

- *Give Back:* Without a doubt, almost every donor in my experience somehow, sometime mentions that they hope to "give back" through their giving. Sometimes this means giving back to the community where the family grew up and where the family business grew and prospered. In such cases, donors want to acknowledge and show appreciation for the region – and, thereby, the employees, customers, and colleagues – that is the family's (and, therefore, the philanthropy's) hometown.
- *Create a Vehicle for Working with Family:* In choosing to establish a program of family philanthropy, a donor implicitly acknowledges two sets of goals: goals for their family and goals for their community. The ongoing dynamism – and challenge! – often comes in the balancing of these dual goals. But whether the family goals are implicit and not well understood or explicit and well communicated, most donors to family foundations and other giving programs hope to accomplish something for and with their families: instill a charitable ethic; promote individual volunteering and giving; balance issues of great wealth and privilege with social concern and responsibility; raise responsible, community-minded children; create a legacy of family giving that may extend over several generations; and provide a place where the family can work together on issues of great importance – beyond the circumstances of the family and other family enterprises.
- *Express Values and Explore their Interests:* The values we profess and cherish guide our everyday decisions and actions. Our personal interests often drive our careers and how we spend our free time. Philanthropy is a remarkable opportunity for people to give practical expression to their values or to explore a special interest beyond a career or hobby. A strong interest in the pursuit of social justice or the desire to advance medical research can be a source of charitable purpose.
- *Avoid Taxes:* Yes, among all this talk of selflessness and greater purpose, there are some who come to this principally as a financial planning tool. Our system of policy – particularly with respect to taxation – makes philanthropy a welcome opportunity for those hoping to give the government a bit less. For these donors, understanding the range of purposes and possibilities can be even more important. As one Southern California donor told me, "taxes got me in the door, but they didn't keep me in the room." What he had discovered is that taxes are a great motivator, but you soon discover all the work to be done. Something else, he said, had to sustain him in this effort. And if taxes may not be enough to motivate the original donor/founder, what motivates subsequent generations?

- *Use your Talent and Skills for a Different Purpose:* People who have been very successful in a profession or business may be very new to philanthropy. By consequence, they may be uncertain about the "rules," and feel a little hesitant about moving forward. But one thing in which they often have a lot of confidence is the talent or skill that helped to make them successful. And they may see great possibilities in applying those skills to the nonprofit world. The communications person may want to contribute that expertise, the investment banker can lend that skill, and so on. One of the unsung gifts of many of the high technology donors is a real appreciation for the back-of-the-house operations and costs nonprofit organizations face. They are not only giving money but time and expertise to support favorite nonprofits. We may have among us a new generation of donors who understand the value of supporting operations!
- *Support the People and the Institutions that have been Important to You:* Many donors begin a formal giving program to provide a framework or structure to their ongoing giving. They have been active in the community, their church, their alma mater, and involved in a variety of causes. And all may have provided the opportunity and focus of their giving. The advent of a new structure for giving doesn't change that – and we read about it all the time: the donor who makes a generous gift to his college or the parishioner who unexpectedly leaves a windfall to her church. As many donors begin their formal giving program, they know what issues and institutions have been important to them and they intend to continue to support them. That is often the reason many new donors and donors who manage their own giving do not accept unsolicited proposals. It doesn't make logistical sense (they don't have time or staff for that process) and they often know where they expect to give. How they are made aware of other opportunities and what happens in subsequent generations are very different questions.

IV. What are the Concerns and Needs of Donors?

If the first two questions for donors are why are you interested in giving and what do you hope to accomplish, then understanding their concerns and needs from that point on can be structured around four additional sets of questions:

- Who Would You Like to Involve? Why? How?
- What are Your Giving Interests? What is Your Giving Style?
- How Would You Like to be Involved in and Manage Your Giving?
- What Kind of Support System is Available/Would be of Interest to You?

Who Would You Like to Involve? Why? How?

Earlier I noted that many donors intend to bring others into the philanthropic process to share in the joys and responsibilities as well as the decision-making. Particularly in cases of foundations and funds – where a distinct legal entity is being established and, often, when that entity is expected to extend beyond the death of the donor, finding the trusted circle of advisors – often the board of directors – is an important early step. And, because this area of establishing the philanthropy affects those valued and loved by the donor, this can be a particular and sometimes emotional source of concern – not just in the early days but in ways that can play out over many generations.

The legal advisor who set up the fund, spouses, children, and valued business colleagues are likely candidates for this circle. Many donors go about this selection process very quickly with little thought as to what they are looking for in the board/advisory body.   Further, countless donors don't share their intentions to name close individuals as trustees/advisors with the candidates much less their reasons and hopes for doing so.

A legal or financial advisor can pose the question, "who do you want to involve?" As philanthropic advisors, we have to go further: Why do you want them involved (clarifying intentions and, therefore, expectations) and how do you want to involve them (as full trustees, as "endorsers" of your giving, as trainees, as legal counsel, etc.). Further, philanthropic advisors can offer some helpful guidance on those issues that can determine or derail philanthropic intent:

- Be clear about the roles and expectations each person will play. Having this written down and understood before the invitation is extended can save confusion and pain later.
- Consider a statement of board qualifications and expectations. The universe of people that might be included is vast – it may not seem like it in the earliest days of the foundation/fund, but it gets larger as time goes on. Board qualifications can help family and others understand what they must bring to the table; board expectations can help them understand what they must do in service to the foundation/fund.
- Plan early. It is not difficult to determine if the children's spouses will serve on the board or if there will be age limits when neither possibility is in the immediate offing. It becomes more difficult when you're talking about real possibilities and real people. Then

you're not talking about what's in the best interest of the philanthropy; you're talking about Cousin Jimmy's fiancée or great aunt Martha.

- Visit early and often the question of balancing hopes for family and the giving. Choosing family members is often the first time that family interests can overwhelm philanthropic interests.
- Consider setting a terms and rotation policy for service on the board. Such a policy can help to renew the giving program, refresh the participants, and allow many more people to participate.
- Recognize that there are lots of ways others can be involved – beyond the board. Committee membership, site visit participants, and advisory boards are just a few of the creative ways donors have engaged a creative circle. If participation in the philanthropy is perceived to be limited to board service, lots of people may be disappointed and the donor may miss out on thoughtful, experienced voices.

Possible candidates include:

- *The Donor/Founder:* While seemingly obvious, few donors think about the role they want to play, particularly with regard to others. How much power will be concentrated in the founder? How well understood and articulated are donor intentions? What are the hopes/expectations for adherence to founder giving patterns and interests after death? Will the founder serve as chair/key donor advisor? What leadership succession plan – including identifying future leaders, training, and transition planning – would the founder like to see?
- *Spouse:* Increasingly, foundations and funds are being established by a couple. Will they serve as equal leaders or will authority rotate? Are intentions and plans jointly established? What about succession? And, while not the most pleasant a part of planning a philanthropic program, what happens in the event of divorce or death of one of the founders?
- *Children:* Possibly the most rewarding and complicated set of issues relate to the inclusion of children in the giving process. As mentioned, most donors establish their philanthropy with the express intention of involving their children as well as generations to come. Will all children serve? Will there be a board qualifications/expectations process or will all children serve based on birthright. What about adopted or stepchildren? Are the children aware of the plans? I speak often with adults in their 40's

and 50's who, while dealing with the death of their parents, discover there is a foundation and their responsibility for it – a recipe for confusion, distress, even resentment. And, again, a related but painful question: how does the philanthropy affect other financial plans for or expectations of the children? I have met several adult children of donors who feel anger that their "inheritance" was the philanthropy rather than the funds and didn't know about it. Visiting troubling issues of power, money, and poor communication on a nascent giving program distorts and detracts from the public purpose and torpedoes donor hopes for a family endeavor.

- *Parents:* In an era of great fortunes made by the young, there may be a wish to involve family, but the founder may not yet have married or had children. More often, these donors are involving their parents in the process. Parents may have long histories of community involvement, they may have retired and have more time available for this work, and philanthropy may represent a wonderful new way for entrepreneur and parents to work together and get to know one another in a different way. In these cases, again, role clarification is critical since the normal parent/child power dynamic may be altered.
- *Other Family Members:* In some cases, donors reach out to siblings to involve in the giving. This, too, can be a rewarding experience. However, in cases where the only significant family wealth is the founder's, there can be sensitive issues of power, prestige, and even the ability to take time off and pay one's own expenses to participate in philanthropic activities.
- *Legal and, Financial Advisors:* The counsel offered by these advisors is key to success but in what role? A board role can be enormously helpful; advisors can also dominate if their opinions are perceived to outweigh others or shut down discussion. All donors need expert legal and financial help. Program advisors can help added much-needed expertise in the areas to be funded.
- *Program Advisors:* Many of the same issues that apply to legal and financial advisors apply to those who advise the grantmaking in special program interest areas. But a different challenge exists here. Donors usually know where to find good legal and financial support; it is harder to know how to access good information about their giving interests and possible new interests. Further, many donors don't know that this kind of help even exists. There is much that needs to be done to make donors aware of all their program resources: those that would help identify a strategy; those that would support their giving interests or introduce a new interest; and those that provide help with evaluation.

- *Friends and Colleagues:* A high number of donors engage business colleagues and trusted friends early in the philanthropy. The level of trust gained over the years becomes an important source of support.
- *Community Representatives:* Often, a donor will turn to the voices of those the philanthropy will seek to serve. If you're funding outside your region or interested in supporting a community or population group with which you are unfamiliar, such voices can be a powerful addition to your deliberations, keeping you informed as well as sensitive to special circumstances.

What are Your Giving Interests? What is Your Giving Style?

Understanding a donor's giving style can be as key to framing a grantmaking program as knowing the program interests (arts, health, education, etc.) to be funded. Much attention has been paid recently to the varying styles and approaches used by donors – venture philanthropy, donor collaboratives, mission-related investing, etc. All reflect donors' desire to ensure that the substance and process of grantmaking are in keeping with their community interests and personal style. It is, perhaps, this area that requires greater support by philanthropic advisors. The range of grantmaking options and opportunities may best be explained by someone experienced in these strategies yet open to the interests and personality of the donor. While none of these is precisely an either/or dilemma, a few of these funding decisions include:

- *Issues or Institutions:* While a mix of funding is likely the norm, donors are frequently more attracted to issues (medical research, social services, etc.) or institutions (universities, museums, hospitals, etc.). Each begs different goals, screening processes, administration, and accountability.
- *Special Projects or Operating Costs:* The age-old discussion of whether funders should support special projects or provide general ongoing support of nonprofits visits itself on every new donor. Many new donors are recognizing the importance of basic costs, management effectiveness, and stability. Others note the scarcity of private grantmaking dollars and believe they are best spent in making it possible for nonprofits to pursue special project opportunities.
- *Seed Grants or Sticking with It:* Another frequent grantmaking dilemma, donors must decide if they like to help get things started – an historically-preferred role for many in private philanthropy – or whether they'll stick with a grantee over the long haul –

including through the bad times. Many donors resist offering multi-year funding in fear that organizations will become dependent on their support. Others believe it's important to invest in organizations and stick with them, particularly through difficult times. Interestingly, family foundations are known for their loyalty to organizations over several years.

- *Identify Grantees or Accept Proposals:* Many donors find the greatest energy in grantmaking comes from reading the unsolicited proposals that arrive on their desks – bringing with them new ideas, new organizations, and new opportunities. Other donors rely on volunteers working out of their homes and fear the logistical onslaught of unsolicited proposals. Still others are very familiar with the issues and organizations they wish to support and either maintain those relationships or enjoy the process of identifying grantees that can accomplish their objectives.

How Would You Like to be Involved in and Manage Your Giving?

In addition to program interests, related issues of style and preference also influence the grantmaking strategy:

- Does the donor prefer to be hands-on? To offer general guidance and let others take it from there? To be hands-off – providing the funding but content to let others determine the allocation?
- Is the process to be formal or informal? Such a decision can influence the application process as well as the approval, scheduling, and payment of grants.
- Is the giving to be donor-driven? Will the board or advisory body operate on a consensus basis or will a democratic/majority rules process be used?
- Will the giving program exist for a pre-determined period of time? For the lifetime of the donor? In perpetuity? The expected lifespan of the philanthropy plays a key role in the grantmaking strategy and the management needed to sustain it.
- Is the donor happy to work independently or interested in collaboration. Today, giving circles and donor collaboratives are increasingly popular to support donor education and development, to leverage dollars, and to share interests.
- Will the donor seek out opportunities for funding, be responsive to opportunities, or some combination of both? This decision influences the above-discussed issue of accepting or soliciting proposals.

What Kind of Support System is Available/Would be of Interest to You?

Determining how the grantmaking, governance, and finances will be managed is a key early – and ongoing – part of the decision-making. In addition, the world of organized philanthropy and nonprofit management also offers an increasing number of resources for the donor and the potential donor. All are available as support system for the philanthropic donor – if they are known and accessible.

- What kind of staffing/administration is needed? Based on grantmaking goals, costs, and personal preferences, options can range from an office with multiple staff members dedicated to managing the giving, to shared staffing, a part-time administrator, or making use of the services of the family business or family office. Law firms, community and other public foundations, banks, and others also offer opportunities – depending on circumstances and the type of giving vehicle chosen.
- Will family members be available as staff – whether as volunteers or paid? Choosing family members can provide wonderful synergy and continuity and can also raise difficult questions of accountability and power.
- What kind of legal, financial – including investment management – and other organizational expertise will be needed?
- How will expertise in the program areas or community to be funded be accessed? Are advisory boards, guest speakers, community panels, or other options of interest?
- How can the experiences of other donors be helpful and how can that be accessed? Collaboratives, associations, and affinity groups are just a few of the communities of grantmakers available to donors.
- How will the donor stay in touch with the nonprofit world if that is important? Will the donor encourage board and volunteer service? What about participation in associations and organizations of nonprofits or those that specifically encourage grantmaker/grantee communication?
- Resource material – printed and on the web – are available to grantmakers. How can that be prioritized given the time available (or not) to read through it.

Other Key Donor Concerns

In addition to the concerns implied by the framework of questions detailed above, there are several significant concerns that also occupy the time and energy of donors. In analyzing the requests for assistance of more than 3000 donors and advisors, these include:

- *Planning for succession*: Planning for the future of the giving program is the most frequently asked question of donors and advisors. Whether the transition is one of leadership, assets, grantmaking, or management, the organizational development of these funds is not well understood or supported. This is particularly critical because we are facing a generation of post-World War II foundations that are moving from the second to the third generation – a sometimes particularly fragile and potentially difficult transition.
- *Perpetuity*: While still the concern of a relatively small percentage of foundations/funds, I believe perpetuity will occupy a greater amount of our attention in the coming years. While most donors who establish foundations do so with the intention that the program will exist in perpetuity, some foundations and others choosing alternative giving vehicles expressly intend to limit the lifespan either to maximize immediate impact on a program issue or to eliminate concerns of donor influence and intent.
- *Multiple Vehicles for Giving*: The giving options available to donors have never been greater. Yet, it remains very difficult for donors to find good information that compares and contrasts the giving vehicles against the founder's wishes and circumstances. Often, such literature has been written from the perspective of a fund manager. Whether the donor intends to involve others, establish a fund in perpetuity or not, needs staffing support, gives away thousands or millions – or any other of a variety of objectives and circumstances – potential donors need to have access to good information on all the possibilities and better information on how to make the right choice.
- *Geography*: Those donors who have chosen to exist over time, often with a family board that moves around the country, sooner or later deal with the challenge of geography. Many donors begin their giving with a desire to give back to a particular community or region. As the fund/foundation moves further away from the donor generation, the key players may move away and there may be less knowledge of or personal loyalty to the "hometown." This is a particularly difficult and stressful issue for an increasing number

of donors and is affecting grantmaking focus, management, discretionary grants policies, and a host of related funding issues.

- *Privacy and Accountability*: Often a donor chooses a legal structure that carries tax advantages and, therefore, the obligations of a public trust. These obligations include a level of accountability that must peacefully co-exist with concerns about personal privacy. Whether motivated by a sincere desire for anonymity, personal safety, or fear of being inundated with proposals, the donor may have to better understand and address both the personal and public natures of the grantmaking process.
- *Making a Difference*: Donors – no matter what the level of giving – are interested in whether or not their giving is making a difference. Yet, the sophisticated evaluation strategies available to some funders may not be appropriate or possible for others. In an era of strategic grantmaking, outcome evaluations, and impact statements, how can reasonable and accessible information on evaluation be available and implemented?

V. Advising and Supporting Donors

Particularly since the economic boom of the end of the twentieth century, businesses serving the needs and interests of the wealthy and wealth advisors have been booming. It is a complex, multi-billion dollar industry largely focusing on wealth management. It should come as no surprise then that providing advice and services to the philanthropic wealthy would not be far behind. This, too, has become a booming industry. The twin challenges for donors are to: first, find out that there are many helpful services in every area (grantmaking, money management, etc.) available and, second, sort through the variety of options based on needs and circumstances.

Many of these philanthropic advisor and management organizations carry strong elements of marketing and advocacy. As the wealthy often encounter those who hope to advise in the management or spending of their money, so, too, do donors and those we hope to be donors encounter those who would like to help them structure their giving, invest their money, administer their operations, etc. And that can be a wonderful thing. *Those who want to advance their organizations and causes* should want others to share their excitement and commitment. Their enthusiasm, expertise, and experience can be of enormous benefit to interested – and potentially interested – grantmakers. *But, to be most effective, this must be done in the genuine spirit of service to donors and a sincere desire to encourage new philanthropy and/or increase awareness of a giving opportunity or strategy.*

As the Aristotle quote used to begin this paper states, philanthropy is difficult work. Many donors are eager for examples of good work, proven practices, and new ideas. Based on our work, donors and family grantmakers particularly respond to the stories and advice of their fellow grantmakers – particularly when that advice is offered in the spirit of sharing opportunity rather than judgment. Others, as this paper detailed, are really interested in following their own path – at least for now.

Above I mentioned that the number of individuals and organizations that seek to work with donors is quickly increasing. Many of these advisors have a wonderful skill and experience to share. To those who would advise and guide donors in their efforts to be effective grantmakers, I have a little advice myself:

- Understand clearly if you wish to play a facilitator or an advocacy role. Donors want to be clear about your motivations as well as your qualifications. Also, this can help you understand your strategy in framing your support – are you trying to draw out their interests and help develop a plan for accomplishing them or are you seeking to share information, convince, and move them to a new opportunity or way of thinking?
- Understand that it is possible to both act as facilitator and be passionate/stand for excellence. In founding the National Center we wanted to be open to many strategies of approach, focus, and goals. But we realized that in our openness we could lose our own sense of mission as well as our moral compass. The National Center Statement of Values and Guiding Principles was developed to explain our motivations and programming.
- Build on your own enthusiasm as donors find that kind of spirit and commitment very compelling. Seek to find areas of shared interest and be open to their questions and patient with their process. Many of these donors expect to be funding for a long time and their funds may exist in perpetuity. And as has been said, "perpetuity is a long, long time." If you are seeking to effect change, you must be prepared for the long haul.
- Liberally include the profiles and stories of other funders. While not necessarily implying that funders should be doing everything others are, you can provide context for new thinking and examples of exciting activity.
- Value that "glorious complexity" I mentioned – the profound and the quirky nature of individual and family giving. Work in this field is not an all-intellectual journey nor will it be an all-emotional one. In his 1995 speech, "Evolving Visions of Philanthropy and

the Public Good," former president of the Council on Foundations and former U. S. Ambassador to South Africa, James A. Joseph, emphasized that, "…the vision of philanthropy in this new age must continue to be a matter of both the heart and the head. Pascal said that the mind builds walls and the heart jumps over them. To be in philanthropy, however, is to refuse to accept the heart and the head as antagonists."

Finally, for those who work in philanthropy – as donors and as advisors – there can be no greater gift or companion than hope. It motivates and sustains whether you pursue one giving tradition or another, whether you seek to bring out the best in others or persuade them to your way of thinking, or whether you are pleased with your grantmaking or challenged by slow progress. As Ambassador Joseph went on in that 1995 speech,

> *"Despite all the reasons for concern, even dismay, I am hopeful about the future of our society because I am hopeful about the potential of philanthropy; but it is the kind of hope that Vaclav Havel had in mind when he wrote in 1990 that 'I am not an optimist because I am not sure that everything ends well. Nor am I a pessimist, because I am not sure that everything ends badly. Hope is a feeling that life and work have a meaning…I cannot imagine that I could strive for something if I did not carry hope in me. It is as big a gift as life itself'."*