



NATIONAL CENTER FOR  
FAMILY PHILANTHROPY

## Family Giving Online Knowledge Center Board Responsibilities and Training Procedures

**TITLE:** Next Generation Involvement

**SOURCE:** Voyage of Discovery: A Planning Workbook for Philanthropic Families

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### NEXT GENERATION INVOLVEMENT

Awareness of the complexity of family interactions should inform future planning. If the foundation is to continue as a family foundation, it is essential to plan for the involvement of the next generation. Issues to be considered in planning for next generation involvement include:

#### **What is the correct number of trustees?**

The optimum number for a working board in any organization, except perhaps hospitals, colleges, and universities, is generally agreed to be from 7 to 15 members. This allows for consideration in attracting a quorum and for maximum participation in making decisions. After the first or second generation, most families move to some kind of representative system, with either rotating younger members or branch representation to accommodate the increasing numbers of eligible trustees.

#### **Who will be eligible to be elected by the board?**

In some families, there is a tradition of branch representation on the board (branches usually begin in the second generation and continue with their descendants). Other families open board participation opportunities to the entire younger generation. A pool of potential board members, regardless of lineage, is assembled and the entire board selects its younger members. Some family foundations require younger members to apply for foundation trusteeship.

#### **How and when should the board involve the younger family members?**

There are many ways to train family members in philanthropy – even when they are too young to sit on a board. Examples of such education and training might include:

*For very young children....*

- Take children on a site visit to show them what the foundation's gifts make possible;
- Find children's books that illustrate the value of giving and relate that to the work of their family foundation;

- Find time at family meetings or reunions to gather children together for activities that focus on good works for others; for example, if a site visit has been part of the activity, ask the children
- to draw what they saw on the site visit and talk about their picture with their parents or – even better – aunts and uncles.
- Encourage cross-mentoring in a family, so that aunts and uncles talk about the family's giving values, even with very young children. (This strengthens family relationships and instills in the young a sense of common values.)

*For older children...*

- Create an adjunct board of younger generation members and have them direct a small portion of foundation grants each year;
- Allow for rotating seats on the board so that younger members have an opportunity to learn how the current generation conducts its business, while bringing to the board a fresh perspective; and
- Make the process of applying for board seats competitive, with some requirements of previous volunteer experience in the nonprofit world, so that younger members of the family value the possibility of being a member of the board of the family foundation.

### **How can a family remain involved when they are geographically dispersed?**

When a family stays geographically concentrated, connection to a given community often remains strong. When younger members grow up and move away, however, discussions often shift from funding programs in the geographic community of the founder to funding interests of current trustees. Family foundations that are planning for geographical dispersion have a number of options for addressing this problem.

The two most basic options are:

- Providing trustees with discretionary funds, which stimulate trustees' interest in their hometown communities while maintaining the common philanthropic focus of the foundation in the community of the founder.
- Honoring the value of family inherent in the creation of a "family philanthropy" and maintaining the majority of the resources for common decision-making by the full board.

### **Connecting to the larger family**

An additional element of next generation planning involves examining the connection between the giving program or foundation and the larger family. As generations grow, size and geographic distribution cause distance in a philanthropic family. When this occurs, family members who are not immediately involved become disconnected to the philanthropy. Usually, the responsibility for reaching out to the larger family belongs to the foundation board (unless there is a family business office from which the philanthropy is managed).

Frequently the planning process allows the board to review connections and structure future opportunities for communication or activities with family members beyond board membership.