

Philanthropy's Role in Developing Responsible Adults

By Sam Davis and Allison Sole



The child of divorced parents, Stanton Thalhimer was especially close to his maternal grandparents. His grandfather, who owned several department stores, brought Stanton to his flagship store during the busy weekends to teach him the value of hard work. It would have been easy for Stanton's grandparents to indulge him by providing gifts and money to meet his every desire. But they chose another path—one of love, discipline and giving back to the community.

Stanton remembers times as a 9- or 10-year old when his grandfather drove him around Richmond, Virginia, showing him parks, museums and community projects supported by his family. Stanton recalls those tours: “My grandfather always spoke of the family’s responsibility to the community, never about money.”

By the time he was a teenager, he learned from the example set by his grandparents and emerged as a responsible, engaged young adult. Today, Stanton carries on the Thalhimer legacy, sitting on the boards of several nonprofits and joining with his family members in providing philanthropic support to others.

We believe a more constructive approach to raising responsible adults emphasizes positive practices, such as philanthropy.

THE UNIQUE CHALLENGES OF WEALTH

Due to the influence of his grandparents, Stanton was able to avoid what confounds many families of wealth: the display of entitlement attitudes and behaviors by their offspring. The boundary between providing children the benefits of a successful lifestyle supported by a family’s wealth and generating unproductive and often corrosive dependence is often a



blurred one. Unlike Stanton, who received positive guidance at an early age, some children of wealth fail to receive such benefit and end up abusing the privileges of their economic situation, often depicted in the media through stories of consumptive or self-destructive actions.

Families of wealth face unique challenges. In most cases, children cannot avoid being set apart because of the communities in which they live, the kinds of cars they drive, the vacations they take, and the affluent friends whose company they keep. They can afford to attend elite private schools and receive the support of coaches and tutors. The extent of their wealth requires professional advisors. As a result, some children of wealth behave as if privileges are unrestricted, have less incentive to lead productive lives, and often feel estranged from their peer groups.

STRATEGIES FOR INHIBITING ENTITLEMENT BEHAVIORS IN CHILDREN OF WEALTH

Many advisors to families of wealth focus on overcoming counterproductive behaviors of their clients' progeny. We believe a more constructive approach to raising responsible adults emphasizes positive practices, such as philanthropy.

In our research, we identified four areas of philanthropic engagement which can contribute to inhibiting entitlement behaviors in children of wealth.

Financial Literacy

As challenging as such conversations may be, affluent families are wise to discuss their wealth with their children, sharing both stories of success and fear. In their 2009 article "From Entitlement to Stewardship," family business consultants Fredda Herz Brown and Dennis Jaffe point out that our culture avoids discussions about the role of money in our lives. Financially privileged families infrequently discuss their wealth, leading young people to either take money for granted or to feel anxious about its origins and expectations for their use of it.

As challenging as such conversations may be, affluent families are wise to discuss their wealth with their children, sharing both stories of success and fear.

Conversations about money should begin early in a child's life. In *Kids, Wealth and Consequences*, Jayne Pearl and Richard Morris recommend that families begin the conversation when their children are 6- or 7-years old to get them thinking about wealth as a responsibility, and to start to cultivate financial literacy. They recommend games to teach basic principles about managing money, including budgeting, saving, investing, and giving to others. In *Good Influence*, Daniel Heischman emphasizes the importance of family intergenerational dialogue in discussing values, including the meaning of money and what it represents to the family. This is a challenging charge: American culture focuses excessively on the accumulation of those things money can buy while tacitly perpetuating the notion that money is a taboo subject for family discussions. Heischman reminds his readers to be steadfast—by having regular discussions with their children about the family's wealth, the appropriate uses for it, and the role of philanthropy in the family's life.

The Power of Voluntary Service

Herz Brown and Jaffe maintain that an important way to defy "narcissistic entitlement" is to engage young people in voluntary service so that they may experience the inner reward of doing for others. Scholar Peter Frumkin goes further when he writes, "the process of getting outside one's own narrow needs is such that it often turns out to be transformative for the person who is giving." Herz Brown and Jaffe assert that young people who develop a positive self-image maintain stronger relationships with their immediate family and close friends, and are more likely to extend their network to include an outer circle that incorporates the community at large.

Modeling Positive Behaviors

We recommend parents articulate and model the behaviors they wish to see in their children. Joline Godfrey, a consultant who provides financial education to youth, is quoted in an article by writer Joanna Krotz as saying, “The culture speaks with a boom. The sounds of parents are much softer.” Parents play critical roles in helping their children develop self-esteem and awareness of the needs of others. Congruence between what parents say and how they act is important; children tend to adopt the behaviors of their parents even when those behaviors are contrary to what the parents say. Heischman affirms these points and emphasizes that young people require positive adult role models in order to gain self-confidence and to develop appropriate degrees of independence. According to Heischman, “Parents need to go beyond merely setting boundaries to demonstrating consistently positive behaviors for their children to follow.”

Power of Decision-Making and Industry

Younger generations must feel they have a stake in decisions. According to Herz Brown and Jaffe, “offering a young person a specific opportunity to contribute, have a voice and then vote in the family affairs is important. If a person is not involved by being informed or making decisions about family wealth, then that wealth becomes passive and in the background, not active and needing tending.” In cases in which inheritors are indulged, malaise may take hold, eroding motivation while nurturing feelings of helplessness. Some express it more strongly: “Malaise is a soft word for it,” says Soniya Luthar, a psychologist at Columbia Teachers College, in an article by Jennifer Senior. Luthar continues, “Anomie, alienation, anguish—this is what happens when we’re robbed of that sense of efficacy.”

Herz Brown and Jaffe allege that “for young people to succeed in the world, to have a sense of their own abilities, they need to develop the motivation to overcome obstacles, the skills to get things for themselves, and the capacity to get what they want.” A maturing individual needs an active sense of their life’s purpose.

FOUR STRATEGIES FOR INHIBITING ENTITLEMENT

***Financial Literacy:** start early, share both stories of success and fear*

***The Power of Voluntary Service:** help children and teenagers experience the inner reward of doing good for others*

***Modeling Positive Behavior:** remember that the congruence between what parents say and how they act is vital*

***Power of Decision-Making and Industry:** give younger generations a stake in decisions, and the chance to contribute*

PHILANTHROPY’S ROLE IN DEVELOPING RESPONSIBLE ADULTS: STORIES

To illustrate these themes, we interviewed Generation X and Y members from six philanthropic families. While our focus rested on wealthy families, the lessons learned about the benefits of philanthropy and service may also apply to young people from varying socioeconomic backgrounds. Whitney N. Van Der Hyde, Si Wofford, Ariella Lis Raviv, John Markowitz, Lisa Parker, and Stanton Thalhimier each engaged in philanthropy at an early age, and each continues this commitment today as a member of their family’s next generation.

Whitney N. Van Der Hyde: Stewarding A Family’s Philanthropic Legacy

Whitney N. Van Der Hyde, a fourth generation member of the Perdue family, exemplifies how a young person learned from her grandfather the importance of giving back. Although she was raised in Virginia, far from Perdue chicken-production facilities, Whitney spent holidays and summers visiting her grandparents and family on Maryland’s Eastern Shore. These visits allowed her to get to know her grandfather, Frank Perdue, and to

understand his passion for both the family business and his sense of responsibility to the communities where his company operated. Today, Whitney views her participation in philanthropy as stewardship of a proud family legacy.

Long before he retired, Whitney's grandfather established a private foundation, which he named for his father, Arthur W. Perdue, the founder of Perdue Farms. To this day, the foundation's philanthropic focus is on the communities where the company does business. Its board consists of both family members and company executives.

The boundary between providing children the benefits of a successful lifestyle supported by a family's wealth and generating unproductive and often corrosive dependence is often a blurred one.

Just after graduating from college, Whitney joined her cousin in serving on the Grants Committee of the Arthur W. Perdue Foundation. Shortly thereafter, she was elected to serve on the board of the foundation. Today, she serves on both the foundation board and the Family Council. In these roles, Whitney was introduced to a document in which her grandfather set forth his values and intentions for the family as stewards of the family business and foundation. "My grandfather's ethical will shapes my life today, as I know it does those of other family members," Whitney says. She recalls that her grandfather made it a priority to empower the next generation of family leaders in the business, the Family Council and the foundation.

"I definitely consider myself to be a steward of my grandfather's philanthropic legacy," says Whitney. She feels respected by her aunts and uncles and the company executives with whom she serves on the foundation's board. Whitney's roles on the foundation board and the Family Council—because they have granted her decision-making authority and genuine engagement—have reinforced her sense of industry and her passion for philanthropy.

While continuing to serve with other family members as stewards of the foundation her grandfather created, by day, Whitney is director of the annual fund for a leading global health nonprofit and plans a career in the field of philanthropy.

Si Wofford: Honoring Family by Helping Others

When he was barely in elementary school, Si Wofford's older sister Caroline died of childhood leukemia. Si's parents set up a donor-advised fund to honor the memory of their daughter by supporting programs serving those suffering from critical childhood diseases. Si joined his parents in hands-on volunteer work with a number of these programs.

By the time he was in middle school, Si's reputation as a community volunteer was well-known, and he was invited to join the The Community Foundation of Richmond's Youth Philanthropy program as its youngest member. "This experience taught me that philanthropy is more about building relationships with those in need through voluntary service than it is about giving away money," Si says. In addition, he credits the program with teaching him how to be a grantmaker—how to work with others to assess community needs, gain information from site visits, review nonprofit financial statements, award grants, and track grantee performance.

While still in high school, Si initiated his own philanthropic program—fighting famine by delivering food aid to two small African villages. In the first year, Si formed partnerships with his school and a church youth group to deliver more than \$20,000 in food and supplies. "I believe that philanthropy at its best is 'people helping people,' and I view volunteer work as making friends for life," he says. For Si, giving to others is a way to honor Caroline. What began as a local community-based orientation has evolved into one through which Si now reaches out across continents. Now in his second year of college, Si Wofford has demonstrated a precocious level of self-awareness, empathy for others and community responsibility. Parental role-modeling and the opportunity to make decisions as a youth have fostered in Si a sense of autonomy and the ability to think for oneself.

Ariella Lis Raviv: Developing Self-Identity and Autonomy

How do young people with philanthropic resources—current or future—find peer support to contemplate their values and identities? Grand Street, a network of young Jews between the ages of 18–28 who are or will be involved in their family’s philanthropy, is one such resource. Each year, a new cohort comes together to discuss the intersection of their personal, professional and philanthropic selves. Ariella Lis Raviv, whose grandmother founded the first and largest franchise of Weight Watchers International, joined Grand Street in 2008. Like many of her peers in similar positions, Ariella recognizes that “talking about affluence is hard,” but says her participation in Grand Street has “given me the tools and voice to talk about philanthropy.”

Ariella attributes much to her parents, noting that they did a good job of never allowing her to behave in an entitled way. With a BA and MA in Jewish studies from Brandeis University and currently employed with a start up as an educational technology consultant, Ariella states that her goal is to be financially independent and to live a lifestyle of which she’s proud. Ariella has been able to render decisions about her own professional life as well as the type of philanthropist she aspires to be. As she continues to develop her philanthropic muscle, she predicts that her philanthropic involvement will be separate from her professional life. She is quick to add though that such does not imply any less of a commitment. Ariella represents someone intent on developing her self-identity and autonomy when she concludes, “My parents are proud of me. However, they are on one ship and I’m on another. I need to be riding alongside their ship.”

John Markowitz: Grandparents’ Challenge Leads to Personal Passion

Prior to accepting his grandparents’ offer to use their donor-advised fund to participate in a giving circle of young professionals, John Markowitz felt that he could not take time from the pursuit of a career in investment banking to engage in community service work. Backed by his grandparents’ contribution—and enthusiastic encouragement from his parents—John

Parents play critical roles in helping their children develop self-esteem and awareness of the needs of others.

joined the Next Generation Giving Circle under the auspices of The Community Foundation Serving Richmond and Central Virginia and began a philanthropic journey that enlightened him about the power of philanthropy and opportunities to serve others. In the process, John found a new passion.

Participation in the Next Generation Giving Circle taught John the intricacies of grant reviews, site visits and group decision-making. “My understanding of the impact I can make in addressing community needs has changed dramatically,” he says, underscoring his sense of industry. “Now, I have a passion for volunteering with nonprofit organizations and want to get other young professionals involved.”

Today, John serves as the chair of the Next Generation Giving Circle and volunteers with two nonprofits with which he became acquainted during site visits. He understands philanthropy to be about much more than money and appreciates the opening it provides to meet and help others. “Philanthropy,” John maintains, “has given me the chance to provide leadership in an area I didn’t know existed until a couple of years ago.”

Lisa Parker: Having a Voice That Matters

Lisa Parker is president and executive director of the Lawrence Welk Family Foundation, named for her late grandfather, the well-known entertainer. Her involvement in the foundation started at age 14, when her mother became executive director and the foundation was converted from a corporate model into a family one. Lisa notes that her interest in philanthropy owes much to the example set by her parents. “Being engaged and invested in the community, and in individuals, was modeled really well by my mom and dad.” Lisa’s rise started with 10 of her peer relatives on the foundation’s junior board. They were present at all full board meetings and were encouraged to give input. “We had a

voice that mattered,” Lisa recalls, “and to have the ability to express an opinion was very empowering.”

Now a mother of two, Lisa knows something about how to cultivate the sense that you have your own impact to make. She cites some compelling statistics: when teens help others by giving time or money, they are three times happier than those who do neither, and teens who volunteer are less likely to fail a subject in school. It is a “mental health inoculation,” Lisa asserts. She tries hard to help youth, including her own children, “figure out their special gifts and their unique passions.”

Lisa works with her children and their cousins on the Welk Foundation junior board. However, she stresses her facilitative role: “I ask them to run their meetings, to help them figure out how it’s going to work and how they’re going to vote.” She tries to ascertain what issues are important to them by asking open-ended questions. Lisa understands the value in trying to give young people the opportunity to voice their interests much like she was allowed to exercise hers at their age.

Her profound appreciation of how service has enriched her life led Lisa to work with inner city kids on youth empowerment and entrepreneurship early in her career. “You must give them ownership of something,” Lisa asserts. “Having grown up in a Southern California community that focused on material success set against a backdrop of a moneyed drug scene, I know that youth philanthropy and finding your passion can safeguard against some of these pitfalls.” Lisa’s firm, Family Circle Advisors, works with families to help them do just that. She is convinced that young lives, irrespective of socioeconomic background, can be truly enriched if they develop their own capacity to do something that makes a difference.

Stanton Thalhimer: Values Shaped by Grandparents’ Example

Earlier we introduced you to Stanton Thalhimer, whose grandparents served as role models for him through their community leadership. Prior to their deaths, Stanton’s grandparents created and funded a family foundation following the sale of the family’s department store chain. Almost immediately, they

turned responsibility for leading the foundation over to Stanton’s two uncles, with the expressed intent of engaging future generations. That foundation, which was later converted to a donor-advised fund, the Barbara J. and William B. Thalhimer Family Fund, became the family’s primary focus and the means for continuing the Thalhimer legacy of leadership in the Richmond community.

Stanton currently serves as the first member of the third generation to chair the Thalhimer Family Fund and is joined on the board of advisors by two of his cousins, his uncles and his mother in roles that each takes seriously as stewards of the family’s philanthropic legacy. Grantmaking priority is given to those institutions and projects previously supported by their grandparents. Every family member is encouraged to serve on nonprofit boards and to take leadership roles on community projects. According to Stanton, third generation family members have voices as resonant as those of the second generation. Grant decisions are made mainly through consensus, but each individual is offered the opportunity to direct their own grants. Whenever there are differences, “We ask ourselves what Grandpa and Gram would do,” says Stanton. Stanton told us: “My values were shaped by my grandparents’ example in giving back to the community. I consider it to be a privilege to be a steward of their philanthropic legacy and to share that with my mother, uncles and cousins.”

OUR FINDINGS

Each of our interviewees reported being told at an early age about the nature of their family wealth, and each benefitted from the positive examples set by their parents or grandparents. They described increased self-confidence and a sense of independence in response to the setting of clear expectations and boundaries by their parents or grandparents. They were given opportunities to participate in philanthropy and to have decision-making authority at a young age through voluntary service and other means. Finally, each of the six young adults we interviewed said they were provided opportunities to have their voices heard and heeded by family members, which led to their subsequent participation.

STEPS PHILANTHROPIC FAMILIES CAN TAKE TO RAISE RESPONSIBLE ADULTS

- Share information
- Build trusting relationships
- Invite questions
- Share authority
- Walk the talk
- Communicate with consistency
- Learn together

As a result, we identified four paths through which philanthropy contributes to the development of responsible adults:

- *Stewardship* – Each of the young adults we interviewed cited the importance of tending to their families’ philanthropic legacies. Each said they assimilated the importance of philanthropy from prior generations, and each stated an intention to nurture and perpetuate a family legacy of giving to others.
- *Voluntary Service* – All those we interviewed are currently engaged in volunteering efforts. Each of them learned early on to find a sense of self-worth by offering their time and talents, not just the financial resources of their families.
- *Peer Networks, Giving Circles and Youth Philanthropy Programs* – Each of these vehicles was cited as being helpful to those we interviewed. Access to such resources gives young adults decision-making opportunities in a safe space with peers. Several of those we interviewed were engaged in youth philanthropy programs offered by community or family foundations. They cited the benefits of learning about the disciplines of strategic philanthropy and, similar to giving circles, the benefits of learning to work in groups and respecting the views of peers.
- *Family Legacy and Governance* – Four of those we interviewed serve on the boards of their family foundations, and most of them began their engagement in family philanthropy at a young age.

Each revealed a sense of ownership and authority when family members listened to their concerns and accepted their ideas as full participants in the family governance process.

CONCLUSION: STEPS PHILANTHROPIC FAMILIES CAN TAKE

Although our interviewees’ stories may sound exceptional, our experience working with philanthropic families suggests that the six we interviewed are representative of next generation members of philanthropic families throughout North America. So what steps might families take?

First, it’s helpful to remember that communication and sharing information are powerful forces for building trusting relationships. Information, presented in a way that invites questions, leads to the sharing of concerns and the genuine expression of feelings, even disagreement and frustration. Children want respect for their opinions and thoughts. Rising generations can be given seats at the adult table and allowed to be heard.

Parents should “walk the talk,” by not only writing checks but also by inviting their children to actively participate in volunteer and other activities related to the family’s philanthropic work. Messages should be age-appropriate and consistent with respect to addressing both the family’s material resources and its philanthropic values. If possible, parents will join their children in the learning process to achieve a sense of family commitment. Like those profiled here, the passions and commitments of young adults will be informed and animated by the philanthropic legacy and practices of their parents and grandparents.

If these narratives are any indication, there is much to be hopeful about for the future of philanthropy and its success in building self-awareness and a commitment to making the world a better place. While Whitney, Stanton, Si, Ariella, John and Lisa may be considered positive role models, they are also emblematic of how philanthropic involvement can be a powerful antidote to entitled behaviors. Affluence is thus transformed from being a risk factor for entitlement to one of great possibility for personal growth and societal improvement through philanthropy.

The Authors:

Sam Davis, formerly a partner in the firm of Relative Solutions LLC, continues to serve family enterprises and family foundations through The Davis Group of Richmond, VA.



Allison Sole is an advisor, speaker and writer on issues related to strategic philanthropy and humanistic medicine. Allison most recently served as deputy director of 21/64, the generational consulting division of the Andrea

& Charles Bronfman Philanthropies. Prior to 21/64, she served as director of programs for the Arnold P. Gold Foundation, a public foundation dedicated to fostering the relationship between practitioner and patient at medical schools and in clinical settings. Allison may be reached at allison.sole@gmail.com.

Susan C. Price and Jason C. Born, Editors

© 2011 National Center for Family Philanthropy
All rights reserved. No part of this essay may be reproduced or distributed in any form without the prior written permission of the National Center for Family Philanthropy. The information in this paper should not be taken as qualified legal advice. Please consult your legal advisor for questions about specific legal issues discussed in this essay. The information presented is subject to change, and is not a substitute for expert legal, tax, or other professional advice. This information may not be relied upon for the purposes of avoiding penalties that may be imposed under the Internal Revenue Service.

PLEASE SUPPORT THE
NATIONAL CENTER AND
FUTURE DEVELOPMENT OF THE
PASSAGES ISSUE PAPER SERIES.

We offer special thanks to Friends of the Family, our annual contributors who make it possible for the National Center to produce important content for the field. For information about becoming a Friend, email ncfp@ncfp.org or call 202.293.3424.

For organizations serving donors, foundations and advisors, we offer exclusive *Passages* sponsorship opportunities that allow your organization to align itself with topical content that is relevant to your services, products, or expertise. For more information, contact ncfp@ncfp.org.

WE WELCOME YOUR COMMENTS.

The National Center for Family Philanthropy, a nonprofit 501(c)(3) organization, is the only nonprofit resource dedicated exclusively to giving families and those who work with them. If you have comments, questions or suggestions for a future edition of *Passages*, contact: ncfp@ncfp.org.

BIBLIOGRAPHY:

Brown, F.H. and Jaffe, D. (2010). "From Entitlement to Stewardship," *Stewardship in Your Family Enterprise*. Charleston: Pioneer Imprints.

Frumkin, P. (2006). *Strategic Giving: The Art and Science of Philanthropy*. New York: University of Chicago Press.

Heischman, D.R. (2009). *Good Influence: Teaching the Wisdom of Adulthood*. New York: Morehouse Publishing.

Krotz, J. "Teaching Kids the Value of a Buck," Joanna Krotz Blog.

Pearl, J. and Morris, R. (2010). *Kids, Wealth and Consequences*. New York: Bloomberg Press.

Senior, J. "Rich Kid Syndrome," *New York Magazine*. Jan 7, 2008.

Additional Resources:

Grand Street. www.grandstreetnetwork.net

Share Save Spend: Money and Meaning.
www.sharesavespend.com