



# THE FAMILY FOUNDATION

## THE EARLY YEARS

The family foundation Stan and Dorothy Avery founded in 1960 was originally called the Avery Foundation and, in the early years, served as a pass-through foundation. After Dorothy Avery's death in 1964, half of her stock in the Avery Corporation was given to the foundation. At the time, the one million shares of stock had a market value of about \$1.00 per share.

Stan never articulated a mission for the foundation; rather he distributed grants in much the same way he had written personal checks to charities. During the 1960s, the foundation was giving away about \$20,000 a year. These were grants of under \$1,000, awarded to schools and colleges with which the family was affiliated, local hospitals and cultural societies, and traditional charities such as the Red Cross, the United Crusade, and CARE. It was not until the 1970s that the foundation made its first major grant: a \$5 million multi-year grant to the Claremont Graduate School and University Center to fund Avery professorships.

Originally, the board was composed of Stan, Dorothy, and two outside trustees. In 1965, following her mother's death, Judy joined the board and the following year, the outside trustees resigned to make room for Judy's brothers, Dennis and Russell. Then in their twenties, the younger generation did little more than rubberstamp their father's recommendations. "We wanted to help out," says Judy, "but my brothers and I had our own interests. We thought of the foundation as our father's; it was money earned from his efforts, and we went along with whatever he wanted to do."

To encourage his children's participation in the foundation, Stan set up a discretionary fund. Each received \$10,000 annually, later increased to \$20,000, to distribute to charities of their choice. Following their father's example, they gave gifts almost exclusively to schools they had attended and to established charities.

## A NEW NAME, A NEW DIRECTOR

As Avery International grew, the number of gift solicitations Stan received from fundraisers also grew. To end confusion between Stan's personal charity and the foundation's grantmaking, the family suggested changing the name of the foundation to the Durfee Foundation to honor his wife, Dorothy. In 1977, the name was officially changed. Coincidentally, the following year the company set up its own foundation, the Avery International Foundation. It is run by corporate officers and no family members have served on its board.

The Durfee Foundation's corpus was growing in tandem with the increasing value of Avery stock. Recognizing that the foundation needed professional direction, in 1979 Stan hired Robert S. Macfarlane, Jr. (Robbie) as the foundation's first executive director. Robbie had wide experience working in the nonprofit sector and extensive contacts in the art world, an area of interest to the trustees. In addition to managing the administration of the foundation, Robbie provided information about and access to community resources that the trustees lacked.

## THE SECOND GENERATION PUTS ITS STAMP ON GRANTMAKING

Prior to Robbie's hiring, Stan's children had played a passive role in awarding grants. Aside from distributing their discretionary funds, they had little say about how the money was allocated because Stan's grants amounted to most of the five percent annual payout the foundation allocated each year. Now that the foundation's assets were growing, the board would have more money to give away. Russell, in particular, felt increasingly uninvolved in and frustrated by the foundation's traditional approach to grantmaking. In 1980 he wrote what he refers to as his manifesto, outlining what he felt were the best principles and practices of grantmaking. "If I were going to go to all those meetings," he says, "I'd have to be more passionately involved. I was more interested in projects that were slightly off-center, projects that were hard sells and whose value wasn't immediately recognizable."

The manifesto Russell submitted to the board laid the groundwork for the grantmaking philosophy and practices that the foundation follows today. "The trustees of the Durfee Foundation believe that philanthropy is most effective, satisfying, and poignant when the transaction involves the interests, skills, experience, and creativity of the donor as well as the beneficiary." Instead of responding to grant solicitations as most foundations do, he recommended that "individual trustees actively seek out situations that invite a keen mutual interest."

The board endorsed Russell's manifesto and drew up new grantmaking principles and guidelines:

1. **Catalytic effect:** The Durfee Foundation is more interested in acting as a catalyst to endeavors whose success hinges on a financial boost at the right time than in assisting ongoing projects, however worthwhile.
2. **Short-term commitments:** As a general rule, the Durfee Foundation makes only single, nonrenewable grants.
3. **Projects with limited resources:** The Durfee Foundation is more interested in endeavors not able or likely to receive assistance from other resources.
4. **Magnitude of grants:** The Durfee Foundation seeks situations in which the extent of assistance given will be commensurate with both its capabilities and the needs of the beneficiary.
5. **Geographical location:** The Durfee Foundation places no restrictions on the location of projects.
6. **Cooperation with other organizations:** The Durfee Foundation will cooperate or participate with other organizations, public or private, in lending assistance, especially when such efforts will magnify the extent and impact of the assistance.
7. **Grants to individuals:** Ordinarily the Durfee Foundation makes grants to organizations with tax-exempt status. However, when Federal and State requirements can be met, grants will be made to individuals.

In keeping with the foundation's new guidelines, the second generation created programs that grew out of their own well-developed interests. Dennis, a lawyer, initiated the Durfee Awards, which were presented on three separate occasions between 1982 and 1989. The purpose was to recognize ordinary individuals who, through their private efforts, used the law or legal institutions to enhance human dignity. Dennis had full responsibility for the project, a time-consuming task. He placed ads in the *Wall Street Journal* and other publications soliciting nominations and, along with a team of prestigious judges he assembled, selected the finalists. The winners were honored at an award ceremony at which each received \$10,000 for their achievements. One recipient was commended for her campaign to install auditory signals at intersections to alert blind people when the light changed to green. Others were recognized for their assistance to Native Americans, immigrants, and other overlooked groups. "By design, the awardees were in no way individuals of national prominence either then or now," says Dennis. "We selected individuals working in the trenches, unsung hero types who merited recognition."

Russell, an architect who had studied in Mexico and speaks Spanish, developed a project along his line of interests. On a visit to the northern California town of Gilroy, he happened upon some murals painted by Mexican-American artists that he thought were outstanding. Knowing that the murals would soon be destroyed or allowed to fade away, Russell launched an effort to bring them to a wider audience.

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help, Russell identified three sponsoring organizations that had the staff and resources to document the murals with quality slides and conduct interviews with the artists. The project was completed in time to be included in exhibits held in conjunction with the 1984 Olympics held in Los Angeles. Afterwards, the collection of Chicano mural slide documentation was moved to the Smithsonian Institution's Archives of American Art at the Huntington Library in San Marino, California, where it is permanently housed.

Judy, whose field is American history, had been donating her discretionary money almost exclusively to schools and to the Santa Monica Heritage Square Museum, of which she was a

founding member. Aware of Judy's interest in historical preservation, Robbie introduced her to the director of programming at KCET, the Los Angeles public broadcasting station. The station was seeking funding to make a pilot video to be used to raise money for a documentary on the history of California, and Judy recommended that the Durfee Foundation sponsor it. This project evolved into a multi-part documentary series on the history of Los Angeles, funded in part by the Durfee Foundation. The foundation also funded the development of a school curriculum and materials for training teachers based on the series, which was distributed throughout the Los Angeles Unified School District. That project became a springboard for other projects Judy would initiate to document the city's history. At her behest, the Durfee Foundation gave a lead grant to the Los Angeles Central Library to enable it to take its very successful Shades of L.A. project statewide as the Shades of California program. Libraries around the state, under the leadership of and with training by the central library's staff, are building an archive of the state's diverse population using photos from family albums contributed by residents.

Judy also became intrigued by the work of Dr. Burton L. White, former director of the Harvard Pre-School Project. He was the author of a book for parents, *The First Three Years*, and producer of a television series of the same name. His studies on what went into the making of a competent child pinpointed the overwhelming importance of an empathic, approving adult who was focused on the child. With



help from Dr. White and Robbie's contacts, Judy developed a program of short radio spots to spread this important message in the Los Angeles area.

Stan often talked to his children about his 1929 trip to China, which he regarded as the pivotal experience of his life. To honor their father, in 1985, Judy, Dennis, and Russell created the American/Chinese Adventure Capital Program. The foundation awarded grants to students, staff, faculty, and alumni from the Claremont Colleges, Caltech, and other institutions of higher learning with which Stan had been involved who wanted to pursue avocational interests related to China. The program was originally intended to run for one year but it proved so popular with participants and trustees and so pleased Stan that subsequent boards have voted to continue it as a Durfee Foundation program to this day.

### MEMBERS OF THE THIRD GENERATION JOIN THE BOARD

Although the foundation had no formal policies regarding eligibility for board membership, the trustees had a tacit understanding that it would remain an all-family board. Stan and his three children had composed the board for more than two decades. Now it was time to introduce the third generation to the foundation. In 1986, there were five grandchildren: Judy's four children — Mike, Carrie, Jon, and Diana — who then ranged in age from 26 to 12 years and Dennis's daughter, Halina, who had just turned 20. Stan invited Judy's two oldest children, Mike, then 26, and Carrie, 24, to join the board.

Neither Mike nor Carrie knew much about the family foundation and they knew even less about grantmaking. Over the years, they had seen their mother working on foundation projects which she occasionally discussed with them, but as teenagers their interests lay elsewhere. At the time, both Mike and Carrie lived out of town and flew to Los Angeles four times a year to attend board meetings. Although the foundation had no formal training program, Mike and Carrie got their feet wet by participating in the China application review before joining the board. For the most part, though, they learned on the job.

Stan was delighted to have his grandchildren on the board and frequently sent them notes from "Grandpa" in which he complimented their contributions to the foundation. In a note to Carrie, written in December 1986, he wrote, "Judy, Dennis, Russell, and I have all been very impressed with the level and quality of your participation as an advisor to the foundation. Besides that, it is always fun to have a reason for an occasion when so many members of the family can be together pursuing a common purpose."

## REFINING GRANTMAKING GOALS

At the board's long-range planning meeting in 1989, the trustees set aside time to ask themselves what they had accomplished and where they were going. The trustees reaffirmed their wish to continue in the grantmaking direction originally laid out by Russell in his 1980 manifesto. In a memo from Dennis, dated November 22, 1989, the board expressed its unanimous support for "independent and unique types of sponsorships like the American/China Adventure Capital Program, the Mexican-American Murals, the Durfee Awards. ... Grants unique to the Durfee Foundation and generated by Durfee trustees would be the format of the future."

While the trustees favored giving grants to individuals and to projects not likely to receive support from other sources, they allowed for the possibility of participating in joint efforts with other funders and of providing emergency funding through the California Community Foundation. The memo also states that "major gifts to institutions, grants to established charities, and funds for endowments, buildings and art forms were out of favor with trustees and simply not what they wanted to fund." This decision marked a clear break with the traditional grantmaking practices Stan had followed.

Unlike some founders who have difficulty relinquishing control, Stan was content to step back and let the next generation lead. He used to say of his business that he didn't want to ride it out to the very end like other company founders he knew who couldn't let go. Stan graciously passed the reins to his successors in his business, and he did the same in the foundation.

"My father liked to grow things and grow them well," says Dennis, "and the foundation was one of them. He wanted family members to be involved, so he let us run things. He was a gentle man and he had difficulty expressing his disapproval even when he disagreed with us, and certainly not at meetings."

While Stan remained a presence in the foundation and participated in discussions, he no longer took an active role in grantmaking. Barbara Spaulding, Stan's administrative assistant of 31 years, recalled the pleasure with which Stan talked about the work his family was doing through the foundation. "He used to tell me how much he enjoyed sitting back in the meetings and listening to the discussions. 'They're good folks,' he used to say of his children and grandchildren. 'They're good thinkers and they've got good hearts.' He was proud of his children's contributions and he felt even more pride when his grandchildren got involved."

## FEWER MEETINGS REQUIRES BETTER PREPARATION

In the summer of 1992, the board held a two-day planning meeting to re-evaluate the foundation's long-range grantmaking objectives and to examine its grantmaking practices. The board had been meeting four times a year, which made it difficult for Mike, then living on the east coast, and Carrie in northern California, to attend all the meetings. The trustees voted to reduce the meetings to three times a year and to combine the summer meeting with their biennial board retreat. Fewer meetings, however, would mean fuller agendas. To ensure time to cover all the items of business, the trustees agreed to complete as much work as possible in committees and to handle small items of business in conference calls. It was further agreed that agenda items would have to be submitted at least 10 days in advance of the meetings. That would require trustees to be well organized and the foundation to streamline mailings sent to trustees.

"We used to bring piles of loose papers with us to the meetings," says Carrie. "Invariably someone would be missing a paper and we'd have to interrupt the discussion to xerox copies. Now, 10 days before a board meeting, each trustee receives in the mail a notebook containing all the paperwork we need for our meeting divided into sections. It's easy to read because all the documents and reports are organized and everything is in one place."

In reviewing its grantmaking practices, Carrie recommended that the discretionary fund Stan established in the 1960s for his children's personal gifts be discontinued. By giving money to organizations in their own communities, she argued, trustees were acting as individuals rather than as a collective board. Furthermore, making grants to organizations, as all the trustees were doing, was problematic given the foundation's guidelines to support individuals. Finally, by abandoning discretionary grants, the family could sidestep conflicts that might arise from political differences among the trustees. "By keeping our focus on funding individuals," says Carrie, "we could focus on what we agreed on and avoid areas where there might be disagreements."

In the past, trustees had given grants to organizations with which they were associated, most often as board members. Although such grants are perfectly legal and left to the discretion of trustees, Carrie thought it wise to go on record with the reminder that the board "scrupulously avoid any gifts that might have the appearance of self-dealing or of conflicts of interest and be sensitive to not making what might be called vanity or ego grants."

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Because the Durfee Foundation programs initiated by trustees were unusually labor intensive, Robbie recommended that the foundation compensate them for their time. In 1992, the board voted to pay trustees a modest annual fee and, in the case of family members who live out of town, reimbursement for travel expenses.

"I know that many foundations choose not to pay fees to trustees, and I respect that," says Carrie, "but from the perspective of a younger family member who joined the board while I was in graduate school, it helped a lot. Being on the board is wonderful, but it's a significant time commitment."

### LEADERSHIP OF THE THIRD GENERATION

After serving on the board for more than 25 years, Judy, Russell, and Dennis were ready to turn over the leadership to the next generation. Dennis, who had taken an active role in the foundation and served as president of the board for 10 years, retired from the board in 1989. Remarried and the father of young children, he wanted to turn his attention to his family. Russell, then in his sixth year as board president, had also wearied of board responsibilities. Although Judy had been either vice-president or secretary during most of her years on the board, she had no interest in becoming president of the board. With the second generation scaling back their participation, the board looked to the third generation to take a leadership role. Carrie stepped forward and was unanimously elected as the new board president.

This opportunity came at a perfect time for Carrie who was pregnant with her first child and working more than full-time as a lawyer, a hectic schedule she did not want to maintain. In the spring of 1993, Carrie replaced Russell as board president, a position now considered a part-time job. She works half time from her home office in Berkeley and travels to Los Angeles frequently to attend meetings and conduct site visits.

"I was very excited about being president," says Carrie. "The foundation's assets had grown to the point where we were capable of doing much more than we had in the past. I saw this as a terrific opportunity to shape and give identity to the foundation at a critical time. I wanted to get more involved in the day-to-day operations of the foundation and plan for its future. The idea of being able to devote more attention to the foundation was very appealing."

At the top of her agenda was the expansion of Durfee Foundation programs. The second-generation trustees had developed programs stemming from their interests, and now the third-generation trustees had a chance to do the same. Mike, a physicist, started the Student Challenge Awards to stimulate high school students' interest in



science. When Mike was a teenager, his grandfather, knowing of his interest in science, arranged for him to go to the Jet Propulsion Lab at Caltech to watch the first probe land on Mars. Mike never forgot the thrill of being in the control room with the scientists and seeing the first images of the landing. That experience inspired him to establish a program to provide similar experiences for other teenagers. Each summer the Student Challenge Awards program sends 70 to 80 talented students who excel in the arts and humanities to work at a scientific research station for two to three weeks under the direction of the project's principal investigator.

After graduating from law school, Carrie won a fellowship from Georgetown University's Women's Law and Public Policy program to work on drafting civil rights legislation at the National Women's Law Center in Washington, DC. A few years later, Congress was debating how much to cut funds for the National Endowment for the Arts. As a recipient of an award herself, Carrie was aware that the experience she gained from her fellowship program would give her entree into the competitive field of public interest law. Compared to law graduates, art students had little funding available to them. As a step toward correcting that discrepancy and bringing art to nonprofit settings usually devoid of art, Carrie created the California Institute of the Arts/Durfee Residencies to provide funding for art students to create new works in community settings.

Besides acting as the lead trustee on the Durfee Residencies, Carrie also oversees three other programs, the American/Chinese Adventure Capital Program, the Durfee Sabbatical Program, and the Durfee Community Fund. (Each program is described in the next section.)

### MORE FINE-TUNING OF GRANTMAKING PHILOSOPHY

With almost a decade of experience running programs the trustees themselves created, the board once again set aside time at their 1995 retreat to re-evaluate their grantmaking. Their experiences working closely with grantees and nonprofit organizations reconfirmed their support of the foundation's grantmaking principles. It also alerted them to problems they had not anticipated. As a result, they reworked their guidelines:

Durfee grantmaking is risk-taking and entrepreneurial. We reward these qualities in people, and the foundation itself aspires to these characteristics.

We do not make vanity grants where we expect something back for our contribution.

The foundation rewards individual effort and initiative.

The foundation responds to creativity and imagination.

We make grants where our dollars will have the greatest impact.

We expect careful and frugal use of Durfee funds.

We invest in people and ideas, rather than buildings and endowments.

We invest in specific projects, not institutional support. However, where the organization or grant is small, a general support grant may be better than funding a specific project.

We consider giving grants [in cases] where the outcome may be hard to measure or not be measurable until years later.

We select institutions whose leadership shares our way of doing things.

We add our creativity and experience where appropriate to strengthen a proposal. We believe we have something more to contribute than dollars and we want to work with people who want to work with us, rather than just accept money.

Generally, we do not repeat grants. This avoids the danger of the foundation becoming a maintenance operation.

The foundation prefers to fund projects not likely to get funds from other sources.

## TRUSTEES APPROACHING BURNOUT

As the foundation created new programs and expanded existing ones, the trustees' responsibilities mounted. Several programs involved recruiting, screening, and selecting applicants, a time-consuming process in which the full board participated. Says Carrie, "We would no sooner finish reading through a box of applications for the Student Challenge Awards, then a box of applications for the China program would arrive, leaving us two weeks to prepare for the next round of meetings."

Even with Robbie managing the programs and working alongside the trustees, the board felt burdened by the workload, which had turned into a part-time job for everyone. Russell announced that he needed a break. Remarried and the father of two young children, he didn't have the time or energy to meet his board responsibilities. In 1994, he went on an indefinite sabbatical from the board. Judy, who had gone back to school for a master's degree in history, also wanted to cut back on her participation on the board. And with their careers and young families, Carrie and Mike, too, had reached their limit.

It was clear that the trustees were on the verge of burnout. The current approach was not working; they needed to figure out another way to run the programs. Mike proposed that rather than require full board participation on each project, trustees would be responsible for shepherding the programs they initiated from start to finish. To help select grantees, he suggested that the lead trustee of each project appoint a team or panel of knowledgeable people from the community. The team approach had another advantage: it would bring to the foundation a range of viewpoints from panelists of different ethnic, socioeconomic, and other backgrounds. Drawing on Los Angeles' large pool of multicultural artists, academicians, and community activists, trustees could build teams that reflected the heterogeneity of the area and the populations the foundation served. Finally, Mike proposed that trustees would be welcome to participate in one another's projects, but their involvement would be strictly voluntary. The board unanimously endorsed his proposal.

The new system proved well suited to the trustees' temperaments and schedules. Because the programs require so much staff and trustee time, the funding cycles are staggered throughout the year. That way trustees have periods of intense participation lasting several months, followed by stretches of rest and recuperation when they are largely free of board responsibilities. "If the foundation makes too many demands on trustees, they will resign," says Carrie. "This optional approach has worked out well. Now the workload is manageable and we can drop in and out of others' programs depending on our time and interest."

### NEW EXECUTIVE DIRECTOR

During the 17 years Robbie served as executive director of the Durfee Foundation, he worked three-quarters time, an arrangement that suited him and the foundation. With the rapidly expanding roster of programs, however, it was clear that the trustees needed more office support and help in program management. Robbie, who was approaching retirement age, was not interested in a full-time position and decided to pursue his outside consulting work instead.

Carrie began her search for a new executive director by placing ads in two professional publications. The office was quickly swamped with responses. From the more than 100 resumes she received, Carrie selected a dozen candidates to interview. The board found that the strongest candidates for the position were those suggested by people who knew the foundation, its trustees, and its work. In the end, the perfect candidate was referred to them by a former grantee, Bill Rauch at Cornerstone Theater Company.

The trustees sought an executive director who could help take the foundation to the next stage of development. Claire Peeps possessed all the qualities and qualifications for the job. She had a strong background in the visual and performing arts and shared the trustees' interest in bringing art to nontraditional settings. She also knew nonprofit organizations from the inside out. Having worked for several, she knew what it was like to be a grantseeker, a sensibility that was important to the family. And as a consultant to arts organizations around the country, she had a good grasp of the needs of the arts community and the elements that make for a strong program. In the spring of 1996, Claire became executive director.

In addition to excellent credentials, Claire's personality and work-style blended in smoothly with those of the family members. Says Carrie, "Claire strikes just the right balance between working with trustees around their established interests and pushing the foundation into new territory that it should be occupying. Her great sense of humor works well with our family, too, because we can be very silly at times."

Claire views her role as a facilitator of the trustees' interests and concerns as one of her most important responsibilities. "I make sure that each trustee is connected to a program activity at all times," says Claire. "I want there always to be something in motion for each of them at their desired level of involvement."

During her first weeks on the job, she met individually with the trustees to learn about the history of their participation in the foundation, the grantmaking that brought them the most satisfaction, and how their personal and professional passions might be realized in new Durfee Foundation programs. "The fun part of my job is to partner with each trustee and to try to bring added dimension to their concepts," says Claire. "The fact that the trustees have widely different interests and expertise makes my job fascinating because I'm constantly having to educate myself in arenas outside my own ken just to keep up with them. That's a huge privilege and a delight."

#### REVIEW OF A DECADE OF GRANTMAKING: 1986 — 1996

When Claire had finished her first year as executive director, she and the board organized a two-day meeting to evaluate the foundation's past ten years of grantmaking. On the agenda were core questions they felt grantmakers should periodically ask themselves: 1) Do our grantmaking practices conform to our grantmaking mission and guidelines? 2) What grants have or have not been satisfying? 3) What would we like to see Durfee accomplish in the future?

The answer to the first question emerged from their discussion of individual grants: the more active trustees were in developing and implementing a grant, the more likely the grant was to conform to the foundation's mission and guidelines. Carrie assigned categories to the grants. Category 1 included projects generated by trustees that met the board's criteria of rewarding creativity, individuality, and risk-taking, such as the American/Chinese Adventure Capital Program, the Student Challenge Awards, and the Durfee Community Fund. The second category of grants, like the KCET History Project and the Pasadena Community College Sculpture Garden, were one-time grants for which designated individuals received funding to complete a specific project. Although initiated by trustees, they demanded less of their time. Category 3 grants bore the least conformity to the foundation's goals. In these cases, the grantor did not create the project but was approached by grantseekers. Examples included a project in sustainable agriculture at Conservation International and a grant to fund a project at the University of Glasgow. Instead of having a working partnership with a grantee, a relationship the trustees favored, the board did not do much more than hand out checks. And, as one of several funders, the Durfee trustees had limited influence over the projects.

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The board agreed that Category 1 grants best matched the Durfee Foundation's mission. They were also the most time-consuming, creating a burden on trustees and staff. As the board was trying to lighten its workload, they recognized that they could not manage those types of grants exclusively. Category 3 grants were too far removed from their guidelines, and they voted to eliminate those grants. Concentrating on a mixture of Category 1 and Category 2 type grants seemed to make the most sense.

The discussion of the second question — their satisfaction with grants — led the board to reconsider their earlier decision not to repeat grants. In fact, the board had given multi-year support to several projects: the China Program, the Student Challenge Awards, the Durfee Community Fund, and the CalArts program. These were among the foundation's most successful programs, and the ones that provided the "keen mutual interest" for trustees and recipients that Russell had initially proposed. Multi-year grants provided mutual benefits as well. For one, they allowed grantor and grantee to project their budgets over several years. For another, they gave grantees more time to stabilize and develop their programs and the grantor more information on which to evaluate the program's effectiveness. The decision not to provide repeating grants was made at a time when the foundation had limited funds



to allocate. Now, with the foundation's assets growing, the board decided it was in a financial situation to be more expansive in its grantmaking.

The board had voted to concentrate its giving in the Los Angeles area where Stan started his business and where the family had its roots. After reading a survey of philanthropic support in 50 metropolitan areas that ranked Los Angeles number 48, the

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board added a geographical restriction to its guidelines. In a 1996 memo, Carrie wrote, "The Durfee Foundation is strongly rooted in the Los Angeles area, and our dollars are needed here....There is great value in giving to what we know because we have greater confidence in our ability to judge and oversee such grants." The one exception to the Los Angeles restriction is the Student Challenge Awards, the Durfee Foundation's only national program.

Finally, the board considered the matter of evaluating grants. Other than informal discussions with grantees and among board members, the foundation had never defined its goals for grants. At best, short-term evaluations of grants provide only

a rough measurement of a grant's effectiveness, and that is particularly true for the kind of grants the Durfee Foundation awards. The benefits of travel in China or two weeks at a science research site may not be known for years to come or, indeed, may defy standard measurements. Nonetheless, the board agreed that it would benefit both trustees and grantees to articulate goals for each grant. That way trustees would know what to look for in evaluating the grant and the grantees would know what was expected of them. In addition, by incorporating interviews with the grantees into the evaluation process, the board could hear recipients' suggestions for improving the administration of its programs.

### ALL-FAMILY BOARD

The Durfee Foundation was set up to run in perpetuity and the family members are unanimous in their desire to see it continue. Given the staggered ages of the third generation, Stan's grandchildren can run the foundation for the next 50 years.

In 1998 Judy's four children ranged in age from 38 years to 24 years. Mike and Carrie have already served on the board for 12 years. Jon, 28, joined in 1995, and Diana, 24, will follow soon. Halina, age 30, the daughter of Dennis from his first marriage, joined the board this year and, repeating the early experiences of Mike and Carrie, will commute to meetings from the east coast. The young children of Dennis and Russell constitute the second batch of third-generation family members. Russell

has two children; Dennis and his second wife have a total of seven children. They range in age from 2 years to 13 years. As yet, the board has no policy on whether children who are not blood descendants of the founder are eligible for board membership. In the wings is a fourth generation, Mike's three children and Carrie's two children who range in age from one to nine.

Currently, Judy is the only member of the second generation serving on the board. Although she pulled back from her duties once Carrie and Claire assumed leadership roles, she enjoys serving on the board with her children. "It's interesting to see them as grownups and watch how they are developing," says Judy. "They're all so different. Their individuality is a tribute to my father who appreciated people following their own interests."

The Durfee board is notably free of rivalries and conflicts, which may account for the absence of formal policies regarding governance. Family members genuinely enjoy working and philosophizing together, and they have an inherent confidence that whatever issues might arise can be resolved through discussion. The position of board president, for example, is an annual office. At the first meeting of each year the board casts votes for the president, an act of formality. Dennis served 10 consecutive terms and Russell, six. Carrie has already been president for five years and is likely to continue for the next five. "The way it's worked out," says Carrie, "whoever wants to serve does so until he or she doesn't want to do it anymore and then someone else steps forward. If two people wanted the position, we'd talk about it and work it out." That is what happened with the position of secretary. Dennis held the post when Russell was president. He got tired of doing it and Judy took over. Carrie served as secretary until she became president, and Judy took over again. When she had had enough of taking minutes, her son Jon volunteered.

That spirit of cooperation permeates the board. Perhaps it was Stan's gentle demeanor that set the tone for the meetings and encouraged the healthy balance the board has struck between hard work and fun. Russell says that his only regret about being on sabbatical from the foundation is missing the meetings. "We're a witty bunch," he says. "We accomplish a lot and we have a good time doing it."

The foundation has provided a forum for three generations of the family to come together and discuss philosophy and values. For Judy's children, serving on the board allowed them to see another side of their grandfather, whom they knew mostly from Thanksgiving dinners and gatherings at the family ranch near Paso Robles. And for Stan, it was a chance to observe his grandchildren at work, and he was generous in complimenting their efforts. Once Carrie became president, a meeting rarely passed without her receiving a note from Stan telling her how much he liked

the way she conducted the meetings and what she was doing with the foundation. Mike's actions as treasurer also won Stan's approval and, as grandfather and grandson shared a mutual interest in science, Stan was particularly delighted by Mike's developing the Student Challenge Awards.

Jon, who was on the board for only two years when Stan died, had vivid memories of his grandfather's courtliness. "Here was this caring, giving old man with a ton of money," says Jon, "who would stand up at every meeting and give a speech about how great it was to have the family there. It sounds like something out of a Hollywood movie but it was really genuine. He always said how great everyone's project was and how happy he was that we were all involved in the foundation. I feel really lucky that I joined the board while he was still around."