



CHAPTER TWO

THE ROCKEFELLER FAMILY'S EXPERIENCE IN DEVELOPING COLLABORATIONS

This section provides historical and institutional context for the development of the Rockefeller family funding collaborations, as well as background on the family's experience and efforts to deal with the issues of "intra-family fund raising." It explains the structure set up by the Rockefeller family—The Philanthropic Collaborative (or TPC)—to coordinate their collaborative funding efforts. Finally, this section explains the operation, management, and structure of collaborations at TPC.

STRENGTHENING COMMON GROUND: ESTABLISHING THE FAMILY PHILANTHROPY COMMITTEE

By the late 1980s the Cousins—the fourth generation in the family of John D. Rockefeller, Sr.—had assumed responsibility for the operation of the Philanthropy Department at Rockefeller Financial Services. Since 1986, the department's staff of professional advisors had been providing services to family members to achieve their individual philanthropic and related goals. This was primarily done through donor-advised funds. The Cousins at this time also had responsibility for leading two family foundations, the Rockefeller Brothers Fund and the Rockefeller Family Fund.

ROCKEFELLER FAMILY GENERATION SHORTHAND

John Sr.	John D. Rockefeller, Sr.
John Jr.	John D. Rockefeller, Jr.
The Brothers	The five sons of John Jr.—John D. 3rd, Nelson A. Laurance S., Winthrop and David—and daughter, Abby.
The Cousins	The children of the Brothers and Abby R. Mauze
The Fifth	The children of the Cousins
The Sixth	The children of the Fifth

Through a series of family discussions about common concerns held in the late 1980s, the Cousins found that “the one thing we all had in common was philanthropy,” explains Steven Rockefeller. Thus, they made a decision to continue collaborating in their philanthropy and to develop a formalized structure for new ways of working together to enhance the impact of their philanthropy.

The Cousins created the Family Philanthropy Committee (FPC) to develop appropriate policies, procedures, and mechanisms for the operation of the Philanthropy Department. The FPC is an advisory committee composed of Rockefeller family members representing the family’s generational spread, as members of the Fifth Generation began joining the committee during the 1990s. They also began to join the board of the Rockefeller Brothers Fund and were already serving as trustees of the Rockefeller Family Fund. Because the family feels that continuity is important, the boards of The Philanthropic Collaborative and the Family Philanthropy Committee often share the same members.

The FPC focuses on providing methods for Rockefeller family members to work on shared concerns and increase the strategic impact of their philanthropic dollars. One of the key mechanisms created by the FPC were family funder “collaborations” to facilitate cooperation among individuals in their personal grantmaking.

Family members were particularly eager to develop a system by which they could continue to participate in collaborative activities without the pressures of excessive intra-family fund raising. Thus, from the outset, participation in collaborations has been entirely voluntary.

PROVIDING A STRUCTURE:

CREATING THE PHILANTHROPIC COLLABORATIVE

Not long after the FPC was created, it decided to develop an infrastructure to provide greater flexibility, efficiency, savings and coordination of their cooperative projects and the delivery of philanthropic services. In 1991, the FPC and the Philanthropy Department created The Philanthropic Collaborative (TPC).

One impetus for creating TPC was the desire to find creative ways for family members to increase the strategic impact with their philanthropic dollars. Individually, most Rockefeller family members no longer had the resources to launch big projects in the style of earlier generations. “Our collaborations started with the Cousins, which is the Fourth generation,” says sponsor and family

member Mary Morgan. “It was a way for this generation to get together and pool funds to make a difference.”

Additionally, many family members were funding individually in the same area, but weren’t aware of their shared interests. “For years, many family members were doing funding through the Philanthropy Department, but we didn’t always know who else was funding in our area,” explains sponsor Richard Rockefeller. “TPC staff can say, ‘we see some overlap’ and alert family members to others funding in the same issue and suggest ways of working together.”

If an individual believes that other family members may be interested in a charitable project with which he or she is associated, that individual may give information on this project to the TPC staff with a request that they share it with interested family members. It is then up to the staff to decide with whom to share the relevant material. The general rule is that family members are not to directly solicit financial contributions from one another unless two individuals have a mutual understanding that permits some form of solicitation.

In prior generations, our parents and grandparents were able to do mega-projects, but individually we can't.

Now maybe collectively, we can have a big impact.

Richard Rockefeller
Sponsor
Northern Forest Lands Collaboration

If a family member receives information of this nature from a staff member, he or she is under no obligation to respond or to explain why he or she may not be interested. This policy prevents individual family members from putting pressure on siblings, cousins, nieces, nephews, aunts, and uncles and avoids embarrassing situations. The policy has had a very positive effect on family relationships.

ABOUT THE PHILANTHROPIC COLLABORATIVE

The Philanthropic Collaborative (TPC) is a nonprofit, public charity established to facilitate (1) the philanthropic giving and projects of individuals and (2) the collaboration of groups of family members. The major portion of the work of the Philanthropy Department is now conducted within the framework of TPC.

TPC is similar in many respects to a community foundation or trust. It has three primary types of activities:

- donor-advised funds,
- special projects, and
- funder collaborations.

TPC currently has over 50 donor-advised funds, and administers and oversees ten special projects and five active funder collaborations. For more information about the options and opportunities of donor-advised funds, please see The National Center for Family Philanthropy publication, *Family Philanthropy and Donor-Advised Funds*.

Through its donor-advised funds, TPC assists donors in achieving their philanthropic goals through:

- Program development, such as: research and strategic planning; fundraising; monitoring grants and evaluation; networking and related programs; technical assistance to grantees; and convening meetings.
- Grantmaking and administrative support, such as: receipt and acknowledgement of contributions; disbursements, including grant processing; and preparation of accounting and financial reports.

TPC special projects have included conferences, meetings, short-term projects, publications, and the testing of new ideas before creating a new organization.

Since its establishment in 1991, TPC has received more than \$73.7 million in contributions and related income and made grants and disbursements totaling just over \$41 million.

HOW TPC COLLABORATIONS WORK

Initiating a Funder Collaboration

Collaborations are usually initiated by two or more family members or TPC clients. The specific strategic focus and operational structure of each collaboration is then developed jointly by the interested funders and TPC staff. Once a strategic plan is in place, the proposed new collaboration is discussed and approved by the Family Philanthropy Committee before going to the TPC Board of Directors for final approval.

Following the system for intra-family fundraising, TPC staff work with the family members or clients that initiated the collaboration to reach out to other family members to raise funds and secure additional participants in the collaboration.

Lifespan of Funder Collaborations

There is no set timeframe for a funder collaboration, although these projects generally have been short-term endeavors based on the commitment of family members and donors. TPC funder collaborations are evaluated periodically and adjusted in response to the interests of donors and changing status of the program issues.

FAMILY PHILANTHROPY COMMITTEE GUIDELINES FOR COLLABORATIVE FUNDRAISING

- 1) The Family Philanthropy Committee must first approve all new family collaborations before fundraising is initiated among family members by TPC staff.
- 2) Following this approval from the FPC, the TPC Board of Directors approves all collaborations to be done through TPC.
- 3) Sponsors of collaborations, along with staff, compose all communications to other family and collaboration members, such as newsletter articles, memos, and direct letter solicitations.
- 4) All such letters and communications to other family members are sent on behalf of collaboration sponsors (listed individually or as a group) on TPC stationery by staff.
- 5) All contributions are made to TPC for the collaboration designated by the donor.
- 6) If collaboration fundraising is conducted on an annual basis, a summary of the past year's activities, including a grants list, should be included with the annual appeal letter to family members.
- 7) Each collaboration is maintained in a separate fund for accounting purposes.

Roles of Collaboration Participants

Because TPC works both with Rockefeller family members and other clients, a funder collaboration can have both family and non-family members. The family felt it was crucial to monitor effectiveness of this new structure before including others. Having found the collaborations to be highly beneficial, they now reach out to others who may be interested in the benefits of this structure.

Funder collaboration participants fall into two categories: sponsors and donors. Sponsors help to start the collaboration and are then willing to have their names associated with it in a fundraising appeal to other family members. Sponsors also participate in the process of granting the money to meet the objectives of the funder collaboration. Individual sponsors may change over the years depending on their time and funding commitment. Donors contribute funds, but tend to be less active than sponsors. The tax-deductible contributions from sponsors and donors cover not only grants, but administrative and program development costs as well.

We have always hesitated to fundraise from each other for our individual projects. But with the collaborations, it was a group getting together to ask others to participate in a group effort.

Richard Rockefeller
*Sponsor, Northern Forest Lands
Collaboration*

TPC staff provide the programmatic structure, working in partnership with the family sponsors to articulate the collaboration's goals. They assist sponsors and donors with preliminary research; develop goals and strategies; prepare budgets; provide project leadership organization; and obtain formal approval. In addition, staff prepare updates to keep sponsors and donors abreast of what was achieved in the previous year; outline goals for the current year; and, when appropriate, make recommendations for funding.

Other family members and TPC clients are kept up-to-date on collaboration activities through the Philanthropy Department's newsletter, *Linkages*, and regular updates to the TPC Board.

Grant Approval Process

The grant approval process varies for each TPC funder collaboration. In three of the six funder collaborations profiled in this monograph, staff make funding recommendations that are then reviewed by sponsors—much like a foundation docket. In contrast, there is no formal approval process in the Rockefeller Park

Preserve Collaboration, as this funds only a single designated grantee. The collaboration of the 5th Generation family members—the Youth, Community Gardens, and Urban Environment Collaboration—uses a more hands-on approach, wherein sponsors review proposals, make site visits, and meet to approve grants. Once grants are approved, TPC's board acts promptly to issue grants, as it does not adhere to a traditional foundation grant cycle.

FAMILY PHILANTHROPY COMMITTEE CRITERIA FOR APPROVING A COLLABORATION

- 1) Specific members of the family or The Philanthropic Collaborative's clients have given significant leadership to the effort.
- 2) A wider group of family members or other TPC clients have discussed and expressed interest in the idea.
- 3) The Family Philanthropy Committee and the TPC Board have provided an independent and favorable review.
- 4) Where relevant, all appropriately related family philanthropic groups are consulted in the evaluation process.
- 5) If Rockefeller family public identification with an issue would provide specific benefit for a project, this is another reason to consider collaboration, provided the above mentioned criteria have been met.

