



# *PASSAGES Issue Brief*

EXPLORING KEY ISSUES IN FAMILY GIVING



## Things We Wish Our Founders Had Told Us: Interpreting Donor Legacy

FALL 2016

### IN THIS ISSUE

- 3 Favorite Grantees
- 3 Naming Gifts
- 3 Developing a Donor Legacy Statement
- 4 Support the Local Community
- 4 Family Involvement Goals
- 5 Specific Program Areas
- 5 Questions for Donors and Family Members
- 6 Perpetuity
- 6 Conclusion

by Susan Packard Orr

This year marks the 20th anniversary of our father's death. Our mother has been gone almost 30 years. During this time, we have worked to build the David and Lucile Packard Foundation into a highly effective member of the philanthropic community. We firmly believe that our parents would be pleased with the result, but of course it's impossible to be sure.

Our parents had strong values, and they lived these in their personal and business lives, as reflected in the values of Hewlett-Packard Company.

Our father, who lived nine years longer than our mother, was asked several times in his later years to write down what he wanted the foundation to support after he died. He refused, saying that he had changed his own mind over the years as new information, challenges and issues emerged and he could not foresee what were going to be the most important issues in the future.

So well imbedded in the minds of the family were these, that when asked independently to list the things that their parents believed in, two sisters came up with identical lists. One of the first things we did after father's death was to write down this list, and then add a second list, of guiding principles, to ensure that the values were reflected in the day-to-day procedures of the foundation.

The Packard Foundation trustees and staff expect that these values, "integrity, respect, effectiveness, belief in the individual, and thinking big," will be just as important fifty or a hundred years from now as they are currently. These values are defined and discussed by new trustees (both family and non-family) and staff, so that each new member understands them and will follow them both within the foundation and when working with applicants and grantees. The values have become an integral part of our grants program, our operating system, and our trustees meetings.

Our father, who lived nine years longer than our mother, was asked several times in his later years to write down what he wanted the foundation to support after he died. He refused, saying that he had changed his own mind over the years as new information, challenges and issues emerged and he could not foresee what were going to be the most important issues in the future.

I think, though, that we might have benefitted from a little more direction. So in the spirit of sharing some thoughts with foundation founders who are still here — and with others who may be interested in our experiences with this important topic in family philanthropy — here are some things, in addition to their values, that I wish our founders had told us.

## Who were your favorite grantees?

There were certain institutions that we know were important to you and that received your consistent support. These include large institutions, like your university, the children's hospital, your favorite research institute, and myriad smaller, local nonprofits who depended on your annual donations. Perhaps more importantly, some of these expected that you would make a lead gift when they were launching a capital campaign. These often come to us for support, and I know that you would have stepped up. How important is it that we keep supporting these? Could you have left a list of those that you especially cared about? Is there a time limit after which we should focus on those institutions that we care most about instead?

## What were your feelings about naming gifts?

During your life times you rarely put your name on anything. After you died, we received many requests to name buildings, schools, awards, memorials in your honor. We turned almost all of these down. Was that the right call?

### HOW DO I DEVELOP A DONOR LEGACY STATEMENT?

While some donor legacy statements are the product of the express wishes of the first generation of donors in a family foundation, some are the result of a more collaborative process. Some donor legacy statements are formal, detailing concrete goals for the foundation and board; others are less so, amounting to a collection of stories and anecdotes about the founding generation that convey a general sense of their lives and values.



Some things that might appear in or contribute to a donor legacy statement:

- The donor's life and accomplishments
- The causes the donor is interested in (generally or with reference to specific organizations) that grow out of that background
- The values, traditions, and perspectives that animate the donor's life and giving history
- The resulting specific intent of the donor for the foundation
- The way the donor wishes succeeding generations of trustees to perpetuate this legacy over time

For sample donor legacy statements and additional information on capturing and sharing family values, please visit the NCFP Knowledge Center at [www.ncfp.org](http://www.ncfp.org).

Source: *Living the Legacy: The Values of a Family's Philanthropy Across Generations*, NCFP, 2001

# How important is it that we continue to support the local community where the funds were created?

Since Hewlett-Packard Company grew up in Silicon Valley, we have felt that we should continue a robust philanthropic program in our local area, which we have done. Many of us still live here, so it matches our local concerns also. As we look to the future, however, it is likely that the next generations will be spread out around the country and may wish

to support their own communities, or at least not provide as much support to this area. Of course Hewlett-Packard has split into four companies and is spread all over the globe. Given the company history, should there always be a program for this geographic area specifically?

# What were your goals for family involvement?

Since you put your children on the board at a relatively young age (21), we assume the intent was to include the family into the indefinite future. You also invited non-family board members to the table from the first meeting. Did you wish that the family should be the majority? Is it important to include all family voices, even if there are conflicts?

When you were at the table, we generally worked through consensus building, rarely actually taking a vote. Of course since you were there, we had no trouble coming to agreement. We knew whose vote counted! During your time you also set aside funds within the foundation to focus on issues that were very important to one of your children, even if the rest of the family was not especially excited about the program.

Did you intend the foundation to be a source of funds for individual family members to use to work on their special interests, or did you intend the family to work together on things that were of interest to the group as a whole?



If family members have widely disparate views, how would you feel about the foundation splitting into several foundations, where each branch could work on their own projects? Would you be disappointed that your legacy foundation is not as large as it might be? Or would it please you to see your children and grandchildren using the resources to pursue their own philanthropic dreams?

# Did you have strong feelings about specific program areas for the foundation to support?

Periodically you gave us some direction about certain areas to avoid, like religious proselytizing. You gave us direction about continuing to fund one of the institutions you founded. However, these directives were few and far between. On the other hand, there were some program areas that you were very committed to. For the most part we have continued to work in those areas.

Is it important that we continue to work in any specific areas, as long as there are clearly important

things that still would benefit from philanthropic support? As we define new areas to work on, how much weight should we give to your views, as much as we can guess what they might have been, versus focusing mostly on what we think is important?

You were quite clear in spelling out a few things to avoid. Should we assume that if something was not on that list, it would probably meet with your approval? Or is that not important, now that you are gone?

## QUESTIONS FOR DONORS AND FAMILY MEMBERS

Donors often seek effective ways to involve other family members from the start. Heirs, meanwhile, look for ways to appropriately honor the legacy of the donor(s). There are many questions and issues likely to be considered by both the donor and future generations.

### Questions for the Donor:

- What motivated the philanthropy in the first place? What is needed to sustain it? What will inspire others to participate in it? How can I communicate what motivates me?
- Why was the foundation established as a family philanthropy? Why not as an individual giving program—one where I simply wrote checks directly to nonprofits? Why not as a general bequest to my favorite charity?
- How have I involved other family members in developing the vision for the foundation? What am I trying to accomplish for the family and the philanthropy? Do others understand these goals?
- Does my vision reflect both my optimism and my trust—of my family and my community?
- Is there a clear understanding of the “life expectancy” for the foundation? Will it go on in perpetuity or will it have a plan for spending down? Are family members expected to develop their own philanthropic vehicles or to contribute to this one?

### Questions for the Family:

- How well do you understand the donor’s intentions in establishing the foundation? How do you interpret your responsibility to represent both the donor’s and the public’s trusts invested in you? Do you see this as a family endeavor or a source of personal philanthropy?
- What values do you share as a family? What values does/did the donor(s) represent?
- What shared experiences, traditions, and practices have helped to define your family and will likely shape your philanthropy?
- Why is it important to the donor and to the family that the family is involved in the foundation?
- How do/can family members participate—even beyond the board?
- How do younger family members become acquainted with the foundation’s work? How are they trained to take a role? How are they selected for the board or for other roles within the foundation?
- How will issues of family—including family dynamics and interpersonal issues—be dealt with in the foundation?

# Did you intend for the foundation to exist in perpetuity?

We only touched on the question of perpetuity once. At that time you said we could consider spending down by the time your grandchildren were retiring. However, we did not explore that option in depth. It seems that your intent was to create a perpetual foundation. If we did decide to consider spending down, what criteria do you think we should use?

I have always thought that your legacy was more tied to the company than to the foundation. Would you have agreed?

## Conclusion: Your Continuing Presence

In general we are thankful that you did not burden us with a long list of do's and don'ts. We feel quite free to do what we want with the foundation. However, my generation spent many years at the table with you, and your views are well embedded into our minds. I certainly feel your continuing presence in the room and strive to make the work worthy of your legacy.

As we move on to the next generation, it is important that we find the right balance between honoring you while providing the freedom to make the work fun and exciting. A little more direction might have helped us down that path.



As we move on to the next generation, it is important that we find the right balance between honoring you while providing the freedom to make the work fun and exciting.



## About the Author

**Susan Packard Orr** is the board chair of the David and Lucile Packard Foundation and founder and CEO of Telosa Software, a company started in 1986 to provide fundraising and other software to nonprofit organizations. In May 2014, Ms. Orr was named the first Distinguished Fellow in Family Philanthropy by the National Center for Family Philanthropy (NCFP). In her role as Distinguished Fellow, she will work with NCFP to inform and shape resources for the field, including this special essay.

## About the Photos

Special thanks to the David and Lucile Packard Foundation for providing the photos used in this *Passages Issue Brief*.

## About the National Center for Family Philanthropy

The National Center for Family Philanthropy (NCFP) is the only national nonprofit dedicated exclusively to families who give and those who work with them. We provide the resources, expertise, and support families need to transform their values into effective giving that makes a lasting impact on the communities they serve. Together, we make great things happen.

## Support NCFP and the Passages Issue Brief Series

We offer special thanks to our Leadership Circle members, Friends of the Family, and our annual contributors who make it possible for NCFP to produce important content for the field. We also express our deep gratitude to the family foundations that agreed to share their stories in this paper. For information about becoming a Friend of the Family or Leadership Circle member, email [ncfp@ncfp.org](mailto:ncfp@ncfp.org) or call 202.293.3424.

## Sponsorship Opportunities

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](mailto:ncfp@ncfp.org).

## We Welcome Your Comments

If you have comments, questions or suggestions for a future edition of *Passages*, contact: [ncfp@ncfp.org](mailto:ncfp@ncfp.org).

