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# BUILDING ON YOUR BEST HOPES From Vision to Action

by Joseph Foote and Dorna L. Allen



Family values, philanthropic mission, involvement of family members — these are the three great building blocks of a family foundation. Serious consideration of each of these is essential for guidance and direction for the philanthropy. Every founder will find it not only desirable but also ultimately necessary to address each of these building blocks.

The first chapter examined the founder's best hopes for the foundation and family throughout the philanthropic journey. This chapter offers a guide to the beginning steps of

building a lasting family foundation. This chapter focuses on ways in which the founder and family can explore their personal and family values. From the bedrock of those values, they can

fashion a mission for the foundation. Then they can address involvement of family members. The National Center for Family Philanthropy encourages founders to consider gathering up this

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## From Vision to Action: A Grantmaker's Odyssey

### STEP 1: What are my values and my family's values?

Education: I was the first in my family to go to college. Education got me where I am today and has greatly enriched my personal life. As a family, we highly value the importance of education in preparing young people to be self sufficient, training them to be good citizens, and giving them the tools to pursue personal growth.

### STEP 2: What values do we want reflected in our philanthropy?

We value opportunity for underprivileged youngsters who show high promise.

### STEP 3: What values do we want to pursue in the family foundation Mission Statement?

Our family foundation supports enrichment programs and teacher training in the metropolitan public school system, with an emphasis on schools in underserved neighborhoods.

### STEP 3: How can we implement the Mission Statement in Grantmaking Guidelines?

Our foundation welcomes proposals from nonprofit organizations that develop elementary school enrichment programs and appropriate teacher training for implementation.

### STEP 5: What specific grantees are best suited to carry out the Mission?

We award a grant to the Wing School for a pilot enrichment and teacher training project.

### STEP 6: How can we evaluate grantee performance and help improve it?

We process evaluation by school administrators, teachers, students, and parents to help us review our grant and look at the program for the coming year.

effort into three written statements: Family Values, Mission, and Family Involvement Statements.

In guiding the founder and family through this process, this chapter addresses three fundamental questions:

- What are your family values?
- What are your philanthropic goals?
- How can family members be involved in the foundation?

Descriptions follow of ways to develop Family Values, Mission, and Family Involvement Statements, what the contents might be, and how some family foundations have prepared them.

## What Are Your Family Values?

Values are what we hold to be of the greatest personal importance and worth. Although seldom talked about, they show up in everything we think, say, and do. They directly influence our lives — motivating, activating, and directing. A penetrating look at these deeply held values can bring you and your family members to a new understanding and appreciation of each other.

For each founder about to open the door to philanthropy and walk into the world of family giving, values can show the way to an effective and fulfilling family foundation enterprise. What are your values and those of family members? How can you link those values to

**fig 2** Sources of One Man's Compassion

I have had a lifelong interest in how compassionate values are developed, nurtured, and activated. The formal research for my book, *The Charitable Impulse*, a study of wealth and social conscience in communities and cultures outside the United States, began while I was in residence at Nuffield College at Oxford University and Mishkenot Sha Ananim in Jerusalem, but the moral curiosity, the informal search, began in my father's church in the bayou regions of Louisiana. It took me later to the professional study of theology and peaked during my 14 years as president of the Council on Foundations.

I share this personal note to make the point that my concern with faith and philanthropy has deep and enduring roots. Yet, there is something of an irony in my personal experience. In the black church in which I spent my early years, the rivers of compassion ran deep. When we were hungry, we shared with one another. When we were sick, we cared for one another. However, we did not think of what we gave to others as philanthropy, because it was an act in which both the giver and the receiver benefited. We did not think for what we did for others as volunteering, because it was as much a moral imperative as an act of free will.

SOURCE: James A. Joseph, "Building a Foundation for Faith and Family Philanthropy," *Faith and Family Philanthropy: Grace, Gratitude, and Generosity*. Washington, DC: National Center for Family Philanthropy, 2001.

the foundation to mission? A foundation built on family values can stand the test of time. As we learn more about ourselves and those closest to us, the more incentives we have to write the legacy of a family foundation built on common goals and commitments.

### How Can You Identify Your Family Values?

How can a founder and family go about identifying and cataloging their values? Deeply held values come from many places, such as faith and spirituality,

traditions, mentors, personal interests and experiences, community involvement, etc. Founders have used various techniques to articulate and capture family values. Here are five:

- **Encourage family talks:** Start conversations, often informally, around the dining table and encourage family members to talk about their values;
- **Make a leadership statement:** Circulate a piece of writing about your dreams and aspirations for the foundation, based on values you hold dear;

- **Draw on important family circumstances:** Look close to home for matters of overriding importance and concern to family members, and build on those concerns;
- **Think creatively and expansively:** Create safe conditions so that family members can open up and talk about dreams, vision, values, hopes, aspirations — the whole ball of wax; and
- **Research the family and the founder:** Particularly in posthumously established foundations, family members can learn about the

founder's life, values, and reasons for creating the foundation.

### *Encouraging Family Talks Pays Off*

Family talks about major issues were not exactly an institution in the hustle and bustle of the busy family of Jerry Taylor and his wife Nancy Bryant. He ran MCI Corporation, and she had her hands full with family and community responsibilities. When he retired, they created their long-dreamed-of family foundation and finally found time to kick back and look at the big picture. “We talked informally at first,” Nancy Bryant says. “We are not a family given to meetings.

When we first sat down, to discuss the focus of the foundation, it was the first time that we had all sat down together to discuss something like this. I took the lead and asked Jerry and our son to think about the kinds of things that they considered important and that the foundation might support. What subjects? Which organizations?” Family members found that their values rested on concern for the elderly, a belief in the importance of education, and a passionate vision that computers were essential for the growth and development of young people. These values would later morph into the direction the foundation would take.

### *Making a Leadership Statement*

A founder may want to offer a leadership statement to family members. The statement might speak about the core of his or her vision, about the passion behind the idea of the foundation. In describing the origins of that core vision, that idea — be it a sense of caring, of giving back, of spiritually guided giving — the founder can share the deepest meaning of his or her philanthropy with the family. It's risky for a family leader who has seldom brought up values, but it can be inspiring to other family members, particularly the younger generation.

“Dad had a dream that he wrote out during his last month with us,” Frank Gibney says. The “Dream” encourages us to meet periodically to share our lives, learn more about each other, and

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## Examples of Family Values

Here are some examples of typical family values:

*“We believe strongly in family history and tradition. We have family reunions every few years. We all go to family moments — graduations, marriages, baptisms, and funerals. We all show up.”*

*“Our family keeps in touch. We're on the phone and the Internet all the time with the grandparents, the parents. We help each other out with advice and support.”*

*“Our family takes our name very seriously. We have a lot of pride in our ancestors. We have a history, and we're proud to be part of that history.”*

*“We care about our community and take part in community affairs.”*

*“We value diversity of opinion. Our family members represent a wide range of views.”*

*“Our family values education. Any time any family member graduates from anything, it's a big deal.”*

become educated about how each of us might contribute in a meaningful way toward making life better for others. “The children are now taking his dream to a new level,” Gibney says. The ones investing the time to better understand the challenges facing those who we are chartered to help will pave the way for others to follow. “The Family’s diverse background will only help to strengthen our foundation and make our grants more effective.”

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**GOOD ADVICE >** “The problem with oral tradition is that family members often have different memories.”

CURTIS W. MEADOWS, JR. PRESIDENT  
EMERITUS, THE MEADOWS FOUNDATION

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### *Drawing on Family Circumstances*

Family circumstances can be so powerful that discussion of family values starts right there. Don and Jane O’Keefe have long been personally committed to helping the less fortunate, with special emphasis on children, health, and education of the deaf. With profound conviction, they value the lives of all children with special needs, believing that every child should have a chance at a full life. The idea of a family foundation arose when O’Keefe sold his business and found himself in an unexpectedly favorable financial position. “We have a special interest in the handicapped, since our youngest daughter is deaf and has cerebral palsy,” O’Keefe says.

fig.  
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## Writing a Letter to the Family

I always encourage the founding couple to take the time and make the effort to write a lengthy statement, almost like a letter to the family. I advise them to state their reasons for starting the family foundation, and their specific goals and objectives, and describe the results they would like to see for their community and for the family. They should also make clear the types of philanthropic interests that are of no interest to them. I suggest that they go through several drafts and at least a week to give them adequate time to reflect, consider, and make changes. If the children are willing to honor the wishes of their parents, and most are, the children have clear guidance as to what their parents really wanted. They receive a magnificent benefit from their parents – a gift, really – which is that they can thoughtfully carry out the wishes of their parents. That is more than a gift, it is a blessing, because the children feel good about doing it. The children also meet interesting people, learn, experience and enrich their lives. Only after doing the work for several years will they fully appreciate the magnitude of the “gift” from their parents.

I had a client whose father established a family fund at The Cleveland Foundation. Of his two sons, one became interested in carrying out his father’s wishes, and the other was not interested. The one who is interested lives in California and comes to Cleveland at least two or three times every year to ensure that the goals his father set are being pursued and accomplished. His affection for his father and his loyalty are deeply touching to all of us who understand what he is doing.

Intent can create a connection that lasts the rest of your life. In philanthropy, you will meet wonderful people, you will do beautiful things, and you will gain great satisfaction. For this man, the happiest time of his life is to see the results of his father’s wishes working well.

MAL BANK, GENERAL COUNSEL, THE CLEVELAND FOUNDATION

### *Thinking Creatively and Expansively*

Thinking creatively and expansively is a characteristic of successful business people, of which John Colina is a good example, and it can lead to extraordinary results. He and his wife Nancy formed their Colina Family Foundation without much of any

written Family Values, Mission, or Family Involvement Statement. Not long thereafter, their two daughters asked if they could be involved. The daughters were adults, married, with life interests and value systems of their own. Soon the family found itself drawn into a deepening discussion of

fig  
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## How the Kennedys Linked Family to Mission

A statement of philosophy and values can emerge from family circumstances and lead to a Mission. When Ambassador Joseph P. Kennedy, Sr., established a foundation to honor his son, Joseph P. Kennedy, Jr., a heroic U.S. Army Air Corps pilot who died in World War II, he asked his daughter, Eunice, to find direction for the foundation. After lengthy research and consideration of family feelings toward her sister, Rose Mary who had mental retardation, Eunice Kennedy recommended basing foundation activities on concern for persons with mental retardation. Today, the foundation publishes this Values Statement.

The Joseph P. Kennedy, Jr., Foundation believes that persons with mental retardation have the ability to live, learn, work, recreate, and worship like everyone else. We recognize that people with mental retardation may need assistance to do these things. We believe that families of people with mental retardation, especially families of children with mental retardation, benefit from support and information to successfully include their family member with mental retardation in the everyday activities of their community. The foundation works to improve the lives of people with mental retardation and to prevent the causes of mental retardation.

fig  
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## Wealth as a Value

**One of the more important subjects in family discussion of values is (or can be) money. Among key questions that often arise in family talks are these:**

- How do family members really feel about money and about the family wealth?
- How do they feel about allocating a portion of family wealth to philanthropy?
- How comfortable are family members talking about family wealth?
- How much do family members know about the origins of the family wealth?
- How much do they know about the founder's estate and will?
- What happens when the family wealth is more and more widely distributed with each new generation?
- What experience do family members have in discussing family financial matters?

**Points that might come up in family discussions of money are these:**

- The subject of money is usually fraught with emotional overtones;
- Money is the economy's way of recognizing certain kinds of accomplishment;
- Money may play a role in a person's self-esteem; and
- Inherited wealth can become an emotional burden and a handicap.

values that encompassed the foundation, the family, and society at large. Talks took place over months at get-togethers (the daughters had moved away) and by telephone, email, and letters. Talks covered many subjects and ranged far beyond the matter of the family foundation. What is beauty, and what role does it play in our lives and in society? asked one daughter, who is an artist. What responsibilities do we all have toward Nature and the environment? asked the other, who is an environmentalist. "Eventually, we got around to talking about the foundation," John Colina recalls. "We shared views that we'd never discussed before. Our daughters and their husbands had become involved in the foundation. We had all had a profound and enriching experience."

### *Researching Family and Founder Can Be Inspiring*

Researching the family's history can be a deeply stirring and inspiring experience for family members. Many families have taken the opportunity afforded by formation of the family foundation to engage in deep genealogical research. The head of one large family foundation once took all interested family members back to the homestead in North Carolina where the family forebears had arrived from Europe and made their living generations before. The farm was still there, with its fields and forests amidst the gentle rolling hills. That was where the

family started in America. It was moving moment and a powerful reminder to the younger generation of the responsibilities that accompany the accident of inherited wealth.

Research into the life and values of the founder, or the donor, can be important to the family. The Helen Bader Foundation in Milwaukee is a family foundation started by the two sons of Helen Bader a few years after her death in 1989. The foundation recently observed two milestones — its first 10 years in operation and its first \$100 million in grants.

The two sons, Daniel and David, researched their mother's background to determine what values were closest to her heart. "Our mother was a dynamic woman," says Daniel Bader. "Among other values, she held community cohesion and development in high regard. She wanted to be involved in her life and times, and she encouraged other people to be involved. She believed strongly that those who have the resources should establish foundations." Daniel and David Bader learned much about their mother; they had a video made of her life. From that learning came personal understanding of and admiration for this remarkable woman on the part of family members. The Helen Bader Foundation is active in metropolitan Milwaukee affairs, in addition to its grantmaking; for example, it promotes community

**fig 7** Values Drive Grantmaking and Money Pays for It

**Money is a critical driver in grantmaking. Many founders make no bones about the importance on money in their philanthropy both in use of tax incentives and in use of money for doing good.**

Two brothers, who prefer to remain anonymous, have done very well with their investments and have set up a family foundation. "We made a lot of money at a young age," says one brother. "We weren't sure where to direct our interests, and we thought a private foundation would at least defer the situation. So we set one up, with \$1 million, which we later increased to \$6 million. Then, as a favor, we let friends donate low-basis stock or cash to the foundation, on the assumption that they could recommend giving as long as we were comfortable with it."

"Then we looked at what we cared about," the brother continues. "Our parents have had bouts of cancer, and were treated at the Dana Farber Clinic in Boston. So a large amount of our giving has flowed to a doctor there, for research. My family is interested in conservation, while my brother is interested in the environment."

"It's a classic family philanthropy."

dialog. The foundation also promotes formal philanthropy.

### Writing a Family Values Statement

The family exercise in considering values may be one of the more important activities in the early history of the family foundation.

Compassion, respect and support for others, improving people's lives, empowering others, communicating honestly and directly with those seeking help, fostering rich cultural expression,

deepening our connections to nature, and fairness are just a few of the guiding values of family foundations. Perhaps these are some of your family's and your own values as well. Whatever your family values, a concerted effort to express those values can have lasting effect on the family and generations to come.

Once family values have been articulated, it is helpful to put them into a Family Values Statement as one piece of the ancient papyrus that will link family members forever.

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**GOOD ADVICE >** We should have established priorities early on. We're setting them now. Education, medicine, arts, social and religious issues — our grantmaking is very broad! It would be easier to administer the foundation if we were more focused, and we would also have more chance of making a difference, having an impact.

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BILL CONWAY, SANDFAIR FOUNDATION

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### Developing a Values Statement: A “Sample” Scenario

When members of the Sample family come to the table to draft a Values Statement for the Sample Family Foundation, they bring as many differing perspectives and opinions as any other family. Chairman Richard Sample appreciates the power of cultural activities to soothe the spirit and spark his imagination. Vice Chairman Maureen Sample is a former elementary school teacher and, together with her son, Michael, volunteers regularly for a variety of children's organizations. Patrick Sample, their son, is studying medicine and is keenly interested in alternative therapies. Their daughter, Louise, is autistic. All family members share a commitment to the principles of their faith, particularly those that encourage generosity and charity toward the poor and disadvantaged.

It takes a bit of work, but the Sample family agrees that their shared values embrace:

- Concern for children and youth;
- Support for the role of arts and culture in society;
- Desire to support the disadvantaged and most challenged among us; and

- Willingness to support creative solutions to difficult problems.

Such a statement of values could lead — with a bit more effort on the part of the family — to a Mission Statement. The Sample Family Foundation might find that support of arts enrichment programs for disadvantaged youth or arts therapy for ill and disabled children embraces their shared values and also speaks to the passions and concerns of all family members.

### What Are Your Philanthropic Goals?

Once your Family Values Statement is in place, it is time to turn to the critical subject of philanthropic goals. Having gained insight into what you and family members hold to be important, the next building block — a Mission Statement — is ready to be cast.

Virtually every family foundation sooner or later develops a Mission Statement. Those that start operations with an unwritten mission almost invariably commit to a written document at some point. A Mission Statement is a necessity in issuing grant

guidelines. More important at startup, however, is the creative process itself: developing the Mission Statement can be one of the truly thrilling moments in the life of your family foundation.

Many founders find enormous satisfaction in writing the Mission Statement, which gives concrete purpose and direction to the foundation.

This section proposes a process that addresses four basic questions:

- Why have a Mission Statement?
- Who decides the final wording of the Mission Statement?
- How can you and your family create a Mission Statement?
- What does a Mission Statement contain?

### Why Have a Mission Statement?

Let's consider the ways in which a Mission Statement can give direction to every aspect of family foundation.

- **Give guidance to trustees:** As the governors, policymakers, and guardians of the foundation, trustees need a basis for developing a long-range strategy for the foundation, and the Mission Statement provides it. Trustees can also use the Mission Statement to ensure that the foundation stays in focus, on task, and supported with appropriate resources (see *Governance: Vision, Trust, and Moral Imagination in Trusteeship*, p. 85).

- **Bring focus to grantmaking:** The core reason for the Mission Statement is to direct grants toward a particular field, social change, research activity,



or other undertaking (see *Establishing Grantmaking Interests and Priorities*, p. 159).

- **Provide a framework for management:** Whoever manages foundation operations should start with a clear idea of the overall purpose of the enterprise. The Mission Statement offers a framework for setting up management activities (see *Setting Up Shop*, p. 115).

- **Drive portfolio investment:** Cash needs, risk tolerance, length of investment terms, program-related investments, and other dimensions of the investment strategy work best for foundation interests when they are tied directly to the time horizons, grantmaking levels, and policy outcomes expressed in the Mission Statement (see *Fashioning an Investment Strategy*, p. 137).

- **Shape communications:** Founders have wide latitude deciding what and how much to communicate about foundation or grantee activities. Founders may consider a communications program aimed at supporting the Mission (see *Communicating: Enhancing Process, Participation, and the Public Face of Your Foundation*, p. 191).

### What Process Is Right for Your Family?

A family foundation's Mission Statement can reflect founder and family values. It

**fig 8** Key Questions in Developing a Mission Statement

- Who will participate in conceptualizing the statement?
- Who will manage the process of developing the statement?
- What other voices might be sought, such as grantees, the community, and other family foundations?
- Who will write the draft statement?
- How will editing and finalization be conducted?
- How will the statement be communicated to family members?

can be cast in the founder's voice, the family's voice, or the foundation's voice. Some founders even want to add the community's voice. With individual family member insights providing direction, strength, and support for the philanthropic works, a family foundation can gain the momentum to endure and prosper for generations to come.

Experiences of family foundations demonstrate the diversity of approaches to determining the voice, the spirit, and the style of the Mission Statement. "We are four years old, and we're going slow on developing a grantmaking focus," says Alison Goldberg, trustee and daughter of the founder of the Robert P. and Judith N. Goldberg Foundation. "Why? We have young family members; non-family board members with different interests; diverse interests in general; and very different political perspectives. We're experimenting, feeling what's right, and learning from each other."

### Mission Statements Are Woven in Many Colors

"When the board started its work six years ago, we deliberately went with a very broad mission," recalls David D. Weitnauer, executive director of the Rockdale Foundation in Atlanta, Georgia. "This left room to experiment and learn from our grantmaking. After three years of experience, we conducted a strategic planning retreat and developed a more specific mission statement. Now, two years later, we've just completed another planning retreat and it helped us tighten our focus even more."

Elliott Springs's hopes, values, and intentions were clearly defined from the beginning — he knew exactly what he wanted to do, well before establishing his family foundation. Early in his career as a textile magnate, he sought ways to improve the lives of people in upstate South Carolina, thousands of whom worked in his mills. In the midst of the Great Depression, he created a

nonprofit organization to finance college education for local high school graduates. At the onset of World War II, he founded the Springs Foundations to “promote the general welfare of the residents” of Lancaster, Chester, and York counties. The foundation continues today as an important philanthropic force in that area.

### *How Can a Family Handle Differences in View?*

What happens when family interests are so varied that difficulty arises in developing a single mission? Jerry Taylor and his wife, Nancy Bryant, faced this situation and worked out an imaginative solution that energized the Mission Statement.

They wanted to start a family foundation, the Jerry Taylor & Nancy Bryant Foundation, and to include their son, Galen Taylor. Differences in view about mission soon arose. Gerald wanted to address education. Nancy leaned toward eldercare. Galen was concerned about helping immigrants get started.

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## What a Mission Statement Does

**The mission clarifies what the family hopes to accomplish through their grantmaking, and in what areas it will make grants to get there.** All founding documents for charitable vehicles include some sort of statement of purpose; the actual term can vary from state to state. The law does not require a mission statement separate from this statement of purpose and many family philanthropies don't have one, especially in the formative years when the original donor is at the helm. The mission does state the purpose of the foundation or fund, but it goes far beyond that basic function.

**The mission helps the family set a course that transcends generations.** Older family members must ultimately hand over the torch to the young. Free and open conversations about the mission can give all the generations a chance to build upon the original donor's legacy, as well as express their hopes for the future and their vision for the family's philanthropy.

**The mission enables the foundation to see where it is deviating from its expectations and goals so it can make course corrections.** By including several goals in the mission, the family foundation can act more strategically, building in review of its goals in three or five years to see how far it has come, and whether it needs to revise its thinking.

**The mission identifies gaps that the foundation or fund can fill.** Most family foundations are small, with assets of less than \$5 million. Taking time to think and talk about mission can focus the family on applying their resources where they can do the most good.

**The mission enables the organization to be more strategic.** For example, a mission can allow for grantmaking through collaboration and matching grants, thereby harnessing the power of larger organizations and compounding the impact of a family's grantmaking.

**The mission ensures that the family members are truly in sync.** Family trustees sometimes think they're in agreement when they may not be. The discussion around the mission early on can reveal and help reconcile important philosophical differences.

**The mission strengthens the role of the family in the foundation.** As family foundations grow and, sometimes, involve non-family members in the process, some families fear they will lose the family legacy and influence. By devising a clear mission, a family can assure that the foundation is headed in the direction that's right for them.

SOURCE: Virginia Peckham. *Grantmaking with a Purpose: Mission and Guidelines*, Practices in Family Philanthropy. Washington, DC: National Center for Family Philanthropy, 2000.

It fell to Nancy to iron out the differences. She went to work, gathered information, talked to people, and educated herself. She worked out a multi-purpose mission and a discretionary grantmaking arrangement that works just fine: Gerald directs a portion of grants to education; Nancy's field is eldercare and the arts; and Galen supports programs that provide computers for young people. Foundation grants are allocated to cover their multiple interests.

Some families may consider evolving from a multi-purpose mission to a more focused one. "Our family foundation has a large board made up

*"It's important to give in an area where you have some special interest and passion"*

focused grantmaking based on some shared family mission."

## How Can You and Your Family Create a Mission Statement?

Approaches to drafting a Mission Statement are as varied as family styles. One founding couple will write out the essentials on the back of an envelope during a quiet dinner together. Another will convene a boisterous, high-energy family gathering, with everybody talking at once, and finally restore enough order to start a stream of ideas and suggestions from family members.

— THOMAS KUBIAK  
Founder, The Oliver B. Merlyn Foundation

entirely of family, including six of us siblings," says a family board member of a midwestern foundation. "My father established the foundation. Because so many of us are on the board, we don't now accept outside, unsolicited proposals. Talking with other family foundations in the Indianapolis area, however, one of the things I keep hearing is, 'Focus your grantmaking. The more narrow the focus, the more effective your foundation can be.' I hope our foundation will evolve from giving to diverse causes, based on the individual interests of board members, to more

Here are some ideas for the drafting process, garnered from family foundation experiences:

- Hold a retreat at a family home, conference center, or place of historic importance in family history; the retreat might last a day or a few days. Many families work better together when they meet in low-stress settings, away from work, with no responsibilities for cooking and with ample facilities for the youngsters. The goal is to develop an atmosphere of trust in which family can focus on a subject that is sensitive

and important to all of them, well into the future.

- Appoint the founder, a family member, or a skilled outside person (an old friend, the trusted family lawyer, or a trustee of another family foundation) as discussion leader and facilitator. This person should be experienced at leading a group over emotional hurdles and toward consensus.
- Consider asking a neutral guide or professional facilitator to help the family develop its ideas and views. If a neutral guide is preferred, one with experience with family foundations would probably be more able to work with the family in this setting. (See *When a Consultant Can Help*, p. 110.)
- Try to keep everybody, including members of different generations, involved in the process. Grandparents may or may not want to be directly involved, but their counsel can lend a steadying tone to discussions. Siblings of the founding couple may want to be heard. Children and grandchildren, down to teenagers and younger, want to feel that they were present at the creation, and had a say. This experience can be a tremendously important learning opportunity, motivator, and life-direction experience for young people. They will observe how mature adults deal with complex emotional and value-rich issues that are consequential for the whole family.

- Thank everybody for attending. Consider circulating your personal reflections on family values discussions, the foundation, and the mission talks. Include a draft Mission Statement for everyone's comments.
- Keep family informed on your subsequent drafts of the Mission Statement, on efforts you have made to accommodate members' suggestions, on reasons why you have decided not to accept certain suggestions, and on the grand plan that your draft Mission Statement represents. The foundation is, after all, a product of the founder's dream, and the Mission Statement is simply a practical articulation of that dream — heated and blended in the crucible of family attention.

Philanthropy, like any new discipline, requires learning a new language, and creation of the Mission Statement offers a good opportunity to begin this learning. A founder and family might, for example, establish that one of their most basic values is family cohesion.

How to translate this value into an element of the Mission Statement? Family cohesion in grantmaking talk takes the form of “family-based support” or “programs for children, youth, and families.” The Mission Statement might state the importance of family cohesion and say that the foundation supports nonprofit organizations that specialize in family-building programs.

#### *Moving from Family Meeting to Mission*

The England family found that intense discussion of family values opened the way to rapid resolution of views on Mission Statement. In 1994, Lois and Richard England, long-time community leaders and philanthropists, asked their immediate family to join them in establishing a family foundation. They formed a board of members of two generations of the family.

The Englands then held a two-day retreat at a conference center and hired a facilitator. “It was 9 to 5, both days,” says Cathy England, the board chair. “Some of us were excited about the possibility of the foundation; others

were nervous and wondered about family dynamics. The facilitator spent most of the two days talking about the family — family stories, common values, and common heritage. It was very structured, so we could talk about difficult things without getting hung up about them. I think it's really critical to use a facilitator. It goes beyond getting our ideas together. It's really a common together of the family to feel comfortable about the whole process.”

The family did not reach the mission until the afternoon or the second day, but by then members were “ready to make a plan,” says England. “My advice to new family foundations is to be strategic. You don't need a foundation just to write checks. A family foundation is a way for different people — who happen to be from the same family — to put their heads together. It's a group process where people think together about what most important.”

#### *Mission Statement of the Lois and Richard England Family Foundation:*

*Much of the Foundation's support for human services reflects its interest in comprehensive services that enable a low-income family or individual to become self-sufficient, to live independently, or provide employment and training to move toward the goal of independence.*

*In education, Foundation grants focus on pre-school, elementary and secondary education, and well as enrichment pro-*

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**GOOD ADVICE >** *When we were starting up, we organized a family retreat for my parents, my husband and myself. We hired a facilitator to guide the family through the process of developing a grantmaking program. We asked our parents to describe the reasons why they wanted to create a foundation, and we made an audiotape of my father's remarks — this was very wonderful. His words shed light on what's important to him, and they help other board members to focus. His remarks also will be helpful for future generations.*

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MICHELE GOODMAN, J.W. & H.M. GOODMAN FAMILY CHARITABLE FOUNDATION, HILLSBORO, OREGON

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grams, particularly for children in underserved communities.

Arts and cultural program support is directed at local institutions, especially organizations with community outreach. Access to arts education for disadvantaged children is a key interest.

Board members have a strong commitment to strengthening Jewish life in the United States and Israel. Local grants support core community institutions; grants in Israel focus on peace and religious pluralism, and human rights. National Jewish grants support educational efforts to combat racism and anti-Semitism, as well as to support antipoverty work.

### What Does a Mission Statement Contain?

Some family foundations choose brevity for their Mission Statement. The following are notable examples:

- **The Sobrato Family Foundation:** The mission of the Sobrato Family Foundation is to build a strong and healthy local community by supporting programs that have a lasting impact and to create opportunities that empower individuals to reach their full potential.
- **The McCune Foundation:** The mission of the McCune Foundation is to enable communities and nonprofit institutions to improve the quality and circumstances of life for present and future generations

- **The Mott Foundation:** The Charles Stewart Mott foundation affirms its founder's vision that each of us "is in a partnership with the rest of the human race" — that each individual's quality of life is connected to the well-being of the community, both locally and globally.
- **The Joseph P. Kennedy, Jr., Foundation:** The mission of the Joseph P. Kennedy, Jr., Foundation is to provide leadership in the field of mental retardation and service to persons with mental retardation, both those born and unborn, and their families.

A Mission Statement need not be limited to the grantmaking program. As described elsewhere in many places in *Splendid Legacy*, founders and family foundations have many ways

to implement their philanthropic mission. "There's so much that family foundations can do beyond grant-making," says Anne Marie Kemp, director of the Greenlee Family Foundation in Boulder, Colorado. "Be listeners, offer help with strategic planning and board development, help nonprofits to diversify their funding base, refer grantseekers to other foundations." The Mission Statement can contemplate, and perhaps even state explicitly, that the foundation provides various forms of support in addition to grants.

Each of us has a personal mission, and when our missions come together to guide family giving, the outcome can be nothing less than spectacular. When the building block of philanthropic mission

fig  
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## Elements of a Mission Statement

The elements of a Mission Statement are entirely up to the founder and family. Many family foundations combine some or all of the following elements with the Mission Statement:

- History of the family: its origins, values, patriarchs and matriarchs, business interests, public service, traditions of philanthropy, etc.
- History of the foundation: founder, when founded, funding source, etc.
- The field of interest of the foundation (education, environment, etc.) and what the foundation intends to accomplish;
- Program focus and specifics of where grants are targeted; and
- Key goals and desired outcomes.

has found its place in the foundation of family, it is the right time to look to how family members can be involved in and contribute to that mission.

## How Can Family Members be Involved in the Foundation?

By now, your values and those of your family members have been articulated and expressed in a Family Values Statement. You have completed the crucial task of translating those values into a Mission Statement. The blueprint for the family foundation is complete and you are ready to begin construction.

What role do you want family members to play? How would you like to involve your children in this enterprise? And what about grandparents, grandchildren, inlaws, spouses, aunts and uncles, and cousins? This group might include some highly talented and experienced people who could help you. Finally, what about the next generation and generations beyond? What plans might you make for their involvement?

Founders give deep thought to these most sensitive and consequential of subjects. Some founders start the foundation with their spouse and perhaps a trusted friend or advisor as the board of trustees. The Bill & Melinda Gates

fig  
11

### Founding Documents and the Mission Statement

It is important that your foundation's Mission Statement be in harmony with the founding and governing documents — the articles of incorporation or the statement of trust, as the case may be, and the foundation Bylaws. All these documents taken as a whole constitute the founder's legal and philosophical legacy and should be given much close attention (see Facing Important Legal Issues, p. 73, for an in-depth legal look at these subjects).

Foundation, for example, was started with the founding couple and Bill Gates, Sr., as the board (see *One Family's Story: An Interview with Bill Gates, Sr.*, p. 50).

Many founders want to involve family members from the beginning. A process appropriate to family style is needed: perhaps a family meeting or a retreat, perhaps one-on-one contact, perhaps an open invitation for expressions of interest.

You may also want to pay particular attention to the role of family elders — your own or your spouse's parents, or even grandparents. Other considerations may evolve when two family members seek the same job; or when more family members seek board seats than are available.

### Family Involvement Reflects Values and Style

Family involvement in the foundation is likely to flow from the work that family

members did on preparing the Family Values Statement. It is also likely to reflect the style of the family — collegial, independent, loners. Involvement in a common enterprise, especially one aimed at the good of society, may be something of a new experience for the family.

Here are a few examples of real-life families.

“Our whole family is involved in the foundation,” John Colina says. “From the very beginning, for my wife Nancy and me, the family foundation was a big plus. The very idea of the foundation encouraged us to hold family meetings and look for common interests.”

With four children and 14 grandchildren, Don and Jane O’Keefe decided on a board of six, which consists of the two of them and their four children. (After the first five years of operation, the O’Keefes added the family lawyer to the board.) John and Nancy Colina have the same arrangement for the

(The following story has been fashioned to show how a family can unite around values, create a mission, and commit to involvement in the family foundation.)

1. Bob and Terry Austin, both in their 50s, have sold their software company and retired to enjoy the fruits of their labor. Now they want to form a family foundation with the proceeds of the sale, after providing for their three children: Anne, Tim, and Tom, who live in distant parts of the country. The Austins ask their children and spouses to take part in forming and managing the foundation.

Bob and Terry invite their children, as well as Anne's husband, Jim, and Tom's wife, Diane, to a daylong family retreat at a conference center near their home. They choose a quiet, neutral setting where everyone can focus on the family and the foundation, with special attention to three questions:

**What does our family value?  
How can these values guide our family foundation?  
How can each of us be involved?**

## 2. DEVELOPING A FAMILY VALUES STATEMENT

Terry opens the family meeting by asking: ***"What do you value in your life?"***

***"What do you mean by value?"*** asks Anne. ***"A value is something that has significant meaning for you,"*** Terry responds. ***"It can be an abstract thing, like honesty, but can also be expressed materially."***

Terry records each family member's responses on a flip chart. She asks members to prioritize their values and combines the top five values into a draft statement. Lively debate ensues, and by late morning the family agrees on this Family Values Statement:

**The Austin Family values education of young people, social justice in our community, individual self-sufficiency, a healthy environment, and creative expression.**

## 3. MOVING ON TO MISSION

***"How can we translate these values into the work of the foundation?"*** Terry then asks.

***"I think we have the makings of a foundation purpose right in our values,"*** Bob observes. ***"Let's each write a Mission Statement using the Family Value Statement as a guide."***

After lunch, everyone shares his or her draft. A Mission Statement soon emerges, which the family discusses and edits. They adopt this final product:

**The Austin Family Foundation is committed to enabling disadvantaged young people to achieve self-sufficiency, to protecting the natural environment, and to encouraging creative expression in the performing arts.**

***"This statement represents our deepest family values,"*** Bob says. ***"It will guide our foundation in all aspects of its work."***

## 4. FAMILY INVOLVEMENT STATEMENT

Finally, it's time to talk about running the foundation.

***"Mom, why don't you and Dad be co-chairs?"*** asks Tom. ***"That suits us just fine!"*** Bob responds.

***"How can we be involved if we live all over the country?"*** Tim asks. ***"Well, the board could meet only four times a year,"*** Terry suggests, ***"family members could carry out assignments from their home, we could correspond by email, and we'd have a website to keep everybody informed."***

In the late afternoon, in a rising spirit of good-natured cooperation and commitment, this Family Involvement Statement emerges:

**The co-founders, and their children and spouses, will constitute the Board of Trustees of the Austin Family Foundation, with the co-founders serving as co-chairs. Tom will serve as Treasurer, Anne as Secretary, and Tim as Investment Advisor. Jim, a lawyer, will serve as General Counsel. Diane will serve as Office Manager. These appointments will remain in effect for 2 years, after which the Board will review assignments.**

In closing the meeting, Bob proposes a toast: ***"To our unity as a family, to the good works to come, and to the legacy we have begun this day!"***

Colina Foundation. Jerry Taylor, Nancy Bryant, and son, Galen Taylor, are their own board at the Jerry Taylor & Nancy Bryant Foundation.

The Gibney Family Foundation recently offered the entire extended family, over the age of 10, an invitation to make limited discretionary grants in order to raise the level of interest in philanthropy, family wide. The Grantmaking Guidelines were relaxed for these small grants. However, to keep the Foundation mission oriented, the greatest support will go to grant proposals that are closely aligned and most likely to be effective in accomplishing the Gibney Family Foundation Mission.

The communication “hub” for the foundation is its internal website, which provides information to family members about grant activity, stories that recognize the efforts of each family member, lessons learned, quick links to other useful information, family members, and foundation friends.

Ellis L. Phillips, founder of the family foundation bearing his name, chose strong immediate involvement for his family as soon as the foundation inaugurated its active life (16 years after it was established, having languished for lack of money). The founder named himself as president, his son as vice president, and his wife and a niece’s husband as trustees (along with the founder’s per-

fig.  
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## Parent Involvement in the Foundation

**What do you do if a parent wishes to be involved in the family foundation? Here are some helpful hints for those who are considering this matter.**

- Taking an objective look at the history of your relationship with your parent, how will his or her involvement help or hinder the formation of a family foundation?
- How well can you and your parent work together comfortably?
- How able are you to share decisionmaking easily with your parent?
- How capable is your parent? (What skills, expertise, and talents does he or she have?)
- Does there exist, or can you create, a contributing role for your parent that can be successfully accomplished?
- In the event that your parent’s participation in the foundation doesn’t work out, do you have a plan in mind to redefine or discontinue involvement?

If your responses to these considerations have been positive, capitalizing on your parent’s capabilities, energies, and desire to be involved in the family foundation can bring much needed support and satisfaction. And an encouraging word, sprinkled with a bit of wisdom from the past, can mean a lot when it comes from such a close family member!

fig.  
14

## A Memorable Moment

At one of his first board meetings in the chair, John S. Darrow, the great-grandson of the founder of Weiboldt Foundation in Chicago, was told by his mother, Anita Straub Darrow “Sit up straight, John.” Family members might have been slightly surprised, but community board members were astonished. Today, the foundation uses the story to give prospective community members some understanding of how different a family board can be.



sonal legal counsel and four friends and colleagues). Moreover, Ellis L. Phillips, Jr., supplemented his father's gift of appreciated stock, which triggered activation of the foundation, with a healthy gift of stock of his own. Financial contributions certainly constitute one of the highest expressions of family involvement — and some family foundations require significant contribution as a prerequisite for board service.

A Family Involvement Statement can describe just how family members would contribute to and participate in the foundation and its mission. Such a statement can draw upon appropriate family resources to run the foundation (trustee duty, management, investment oversight, etc.), clarify roles of family members in foundation activities, and involve any number of family members (including next generations) on advisory committees or other vehicles. The statement can be amended and updated as necessary.

As parents themselves and as family leaders, many founders are careful not to characterize family involvement as a right or entitlement. For these founders, selection as a trustee brings certain expectations.

For example, trustees are expected to prepare for meetings, attend meetings, participate in discussions, work at committee assignments, make site visits, represent the foundation at public

events when asked to do so, and so on. Younger family member might also be expected to learn about philanthropy — and perhaps other areas of life as well — by working with the founder or other older family member trustees.

### Joining Family Involvement with Mission

One of Albert L. Gibney's dreams in founding The Gibney Family Foundation was to establish a "focus that Gibney family members could rally around." The founder wanted to

encourage his family to think beyond themselves and unite in efforts to help others. For the first 10 years, involvement on the part of the Gibney Family was primarily limited to occasional site visits, phone calls, and communications geared to increase their own understanding of the organizations and to ensure that they were comfortable with their use of foundation grants. In Frank Gibney's own words, "this approach met legal foundation requirements, but did not support the true intent of the Founder or serve to strengthen the foundation."

fig  
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## How Family Members Can Be Involved

- Serve as a trustee or board secretary (prepare board books, keep minutes, etc.).
- Serve as General Counsel.
- Serve as C.P.A. or help keep the books.
- Manage the grantmaking process (write checks, keep records, etc.).
- Administer the office or help answer the phone, reply to inquiries, etc.
- Advise on or manage the investment portfolio.
- Scout for charitable investment opportunities (program-related investments, low-interest loans to nonprofits, social venture capital collaborations, etc.).
- Take on communications responsibilities (help create a website, prepare a family newsletter, etc.).
- Serve on an Advisory Committee (for adult relatives or for members of the next generation) that can recommend grants, explore for new opportunities, accompany board members on site visits, etc.).
- Make financial contributions to the foundation endowment.

## Maintaining Active Family Participation

**Curtis W. Meadows, Jr., president emeritus of The Meadows Foundation, was designated Distinguished Grantmaker by the Council on Foundations in 1997. He was interviewed by Thomas W. Lambeth, recently retired as executive director of the Z. Smith Reynolds Foundation, Inc., in Winston-Salem, North Carolina.**

**Lambeth:** When did you first realize there was a Meadows Foundation?

**Meadows:** Well, my uncle formed it back in 1948 and he involved the family in it very, very early on. The foundation was essentially a gift Al Meadows was making to his family on behalf of others, because he was saying to the family, “I trust you above all others that I can think of to do this right and appropriately, and do it keeping with my interests and concerns.”

**Lambeth:** How important is donor intent in The Meadows Foundation?

**Meadows:** After my uncle’s death, when the family accepted the legacy of responsibility for governing and administering the foundation he created, I was really kind of overwhelmed with the sense of trust he placed in his family.

When I became president of the foundation, I hung my uncle’s picture in my office and I got up every morning and looked at the picture and asked the question, Are we doing OK? Are we still on track with your values? Because the world has changed and the circumstances are so different. I always tried to be accountable to him.

Honoring donor intent is a trustee’s first obligation, but it does not exist in a vacuum. It must be considered in the context of the changing times, public expectations, and other legal and moral responsibilities that are attendant to the existence of the foundation.

**Lambeth:** You have really made your board and staff about as family-oriented as you can. Why is that important?

**Meadows:** After my uncle’s death, one of the first things I did was go around the country and look at foundations that had started with the family connection to see those that had sustained it over time and to ask the question, What did they do that made it sustainable?

What I found was that there was a natural evolutionary process away from family involvement that would occur in a family-based foundation if the family didn’t work at maintaining a connection through active, direct participation.

**Lambeth:** How do you keep it from being in-bred?

**Meadows:** It is a great fallacy to believe that families — because they are family — are all going to be cookie-cutter replicas of the same mentality. They aren’t — particularly a large family, scattered all over the United States, as we are.

So, there are very diverse views and interests, plus an accumulation of different life experiences within the family. But what united us as a family were the commonly held values such as responsibility, respect, caring, fairness, and a spiritual faith — not necessarily by denominations, though — but by a belief in the role of a Supreme Being in our lives.

The blood is why we are genetically related. The values we share make us a family.

But we realized that our life experience didn’t prepare us to make judgments about all that was needed in terms of grantmaking, without help from others who had gone through experiences different from ours.

Once we decided upon an area of interest, then we would try to bring in people who had extensive experience in that kind of work to educate us, to help us look at what were successful models, and to try and find those models that worked as we went about doing the grantmaking. And so, that was one way to bring into the family a lifetime of experiences and learning that we needed to deal and cope with unfamiliar issues and solutions.

SOURCE: *Foundation News & Commentary*, Highlights, March/April 1997 Issue.

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**GOOD ADVICE** > One way we are involving younger family members is through a matching program, available to children of junior high age and up, including grandchildren. The foundation matches their contributions, using 20 percent of its annual contribution, which we set aside for this purpose. Another way is to ask children to do site visits with us.

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BILL CONWAY, SANDFAIR FOUNDATION

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To better ensure attainment of the Founder's intent, the foundation recently developed four goals for family:

- Understand the basic challenges facing those whom the foundation intends to help;
- Increase family communication with a focus on helping others through the foundation;
- Employ more effective philanthropic processes by making new tools available; and
- Develop leadership in family foundation philanthropy.

Many family foundation founders have the same dream as Albert Gibney. What the Gibney foundation is doing to encourage family involvement and, equally important, strengthen familial bonds, is a wonderful lesson for all — within and outside the foundation world.

### Involving Young Family Members

You may want to contemplate where the members of the next generation of the family might fit in, perhaps now, perhaps later. Many founders want to instill in the children and

grandchildren a family tradition of philanthropy, a passing on of the legacy. They want to introduce the younger generations to the excitement and satisfaction of grantmaking. They want to prepare them for board service or other foundation duties. And they also want to benefit from the ideas and suggestions of the younger set.

Here are some suggestions for families that want to involve young adults:

- Be clear why you want the next generation to be involved, explain your reasons, and ask what their own reasons are for wanting to become involved.
- Discuss your philanthropic finances openly.
- Keep the young adults informed on foundation activities.
- Be clear about roles they can play.
- Allow them the opportunity to become involved while they are still young.
- Consider allocating discretionary funds to them.
- Encourage them to contribute personally, either through the foundation, some other family giving vehicle, or on their own.

- Connect them with young people in other family foundations.
- Listen and respond to their ideas.
- Create a youth-friendly foundation organization.
- Make philanthropy accessible to young adults.

Adapted from "Opportunity of a Lifetime: Young Adults in Family Philanthropy," National Center for Family Philanthropy, 2002.

## Building an Enduring Foundation

The goal of this chapter has been to offer guidance in putting the basic building blocks of a family foundation in place. The most challenging and rewarding task of all is putting the family in the family foundation. When a family finally does surround and support the founder, and make the foundation its own, wonderful things can happen. Family strength and determination may in the long run prove to be the most valuable assets the foundation possesses. Family giving built on values, mission, and family involvement will stand and endure in this changing world. With these resources and supports, as generations come and go, the foundation will remain as a splendid legacy to those who came before.