



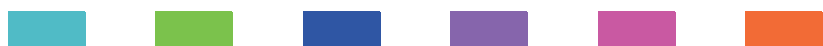
# NATIONAL CENTER FOR FAMILY PHILANTHROPY'S 2015 TRENDS STUDY

Results of the First National Benchmark Survey of Family Foundations

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The Urban Institute

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



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# STUDY ADVISORS

The Trends in Family Philanthropy's National Advisory Committee was tasked with guiding this national research initiative to identify (1) emerging issues, (2) changes in funding priorities, (3) innovative approaches to giving and decisionmaking, and (4) anticipated giving patterns among philanthropic families. Members of the committee also suggested ways to use the survey results to better understand the implications of this new knowledge and to stimulate discussions, additional research, and action throughout the field resulting from those implications.

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Positive Tracks: lacrosse with kids

The Lawson Foundation: six previous board chairs

Positive Tracks: kids at the starting line

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# FOREWORD

I am very pleased to introduce this latest piece in the National Center for Family Philanthropy's (NCFP's) research into the history of the field.

One of the very first projects that NCFP took on when it began almost 20 years ago was the groundbreaking publication *Generations of Giving*, which was based on in-depth interviews with 30 families and which examined continuity and leadership over time. Written by Kelin Gersick and a team at Lansberg Gersick and Associates, it has proven to be of continuing value to many families as they face stages of growth and transition in their families and foundations.

Over the years, NCFP has sponsored other groundbreaking research, including a study with the Foundation Center that helped to more clearly identify the scope of family foundations and a self-assessment tool for board members. *Pursuit of Excellence* covered some of the same subjects explored in the new research in this Trends report. This practical, in-depth research was one of the reasons NCFP was founded, and it continues to be an important aspect of the organization's work.

This *Trends* study has two unique features: (1) it is based on a nationally representative sample of all family foundations, and (2) it is designed as a benchmark report. NCFP expects to produce this study every three to four years, thereby making it possible to compare today's answers with those in the future so people can better understand trends and changes in the field.

The findings in this publication are just part of the story. NCFP will use the results for many years as it plans programs and services to meet the daily needs of families.

I'd like to thank all the people who helped to make this research and report possible: the funders (listed in the appendix); the advisory committee members, who provided advice and suggestions all along the way; the Urban Institute, which partnered with us to do the research; and the staff members, especially Jason Born, who shepherded the process.

Alice Buhl

*Chair, Trends in Family Philanthropy National Advisory Committee*  
*NCFP Senior Fellow and Founding Board Member*

# OPENING ESSAY

## UNDERSTANDING THE TRENDS IN FAMILY PHILANTHROPY FINDINGS: A BEGINNING

It's a daunting challenge to articulate a few early impressions of the data from the *Trends in Family Philanthropy* study, which you have in your hands (or are reading on your screen). We are just coming to understand what is included in the material described in this report.

We have had a few early conversations with the following: (1) the National Advisory Committee for this study, led by Alice Buhl, senior fellow at the National Center for Family Philanthropy; (2) staff members of the National Center for Family Philanthropy (NCFP); and (3) our research partners at the Urban Institute. Much needs to be done to mine all that we can in order to understand and support the field of family philanthropy. And the second portion of the project, an opt-in study of philanthropic families with different giving vehicles, has yet to be vetted.

But the opportunity to dive into the existing results is irresistible. So, in the spirit of starting a conversation rather than concluding one, I offer a few insights into some key questions:

- How are family foundations structuring their giving and their family participation to achieve their goals for both?
- Are practices changing? For comparisons, I can look back at 35 years of personal observations that I bring to this 2015 portrait. My great hope is that this study proves to be only the baseline and that it will be repeated at some reasonable interval, thus allowing us to see how the field to which we are so committed is developing and is serving our local and global causes.
- What does all this mean for family philanthropy going forward? Are there potential trends that are exciting or concerning? What can we learn about the information, resources, and encouragement that the next generation of giving families will need?

**I really admire those family philanthropies that have a sense of place—a commitment to a place. That is very empowering especially to low-income organizations that are place based. Where there is a really strong family foundation that works with humility and as a partner, community development organizations do so much better.**

—Interview subject, *The Power to Produce Wonders: The Value of Family in Philanthropy* (National Center for Family Philanthropy, 2010)

## PLACE-BASED AND ISSUE-FOCUSED GIVING

**History.** Most family foundations of all sizes—but smaller ones particularly—began with a geographic orientation to their giving. Reflecting a different model of growing a business, charitable giving has long been motivated by the desire to give back to the community or region that nurtured the family. Thanking customers and employees was deep motivation. A more “mobile and global” business-building world was yet to be.

**Study findings.** Historic impressions are borne out by this study. Some 80 percent of the older family foundations, those created before 1970, still have a largely place-based giving mission. Younger family foundations, those created since 1990, are more likely to be focused on issues, with just over 60 percent describing themselves as such. However, the idea that younger family foundations haven't a strong sense of place is belied by a solid 40 percent making gifts on the basis of geography. One-third of all family foundations report focusing on both issues and geography in their giving.

Of those that report issue-based giving, the top two issues reported are (1) education and training and (2) poverty. Other issues cited include health, children, religious causes, and arts and culture.

**Questions for ongoing consideration.** Is the move toward funding issues solely a result of newer foundation motivation and behavior? As families move beyond the first couple of generations, will family dispersion—combined with a need to find common ground—lead to even more issue-based giving among older foundations?

**Caring is the virtue that is born from the struggles to tackle responsibility. None of us knows the single way to the greatest good... But the justification for foundations existing at all is that private wealth can risk the search for ways to enhance the broader good.**

—Margaret E. Mahoney, former president, The Commonwealth Fund

## FOUNDERS AT THE TABLE

**History.** A few decades ago, family foundations were primarily the products of an estate. Most frequently, the donor made provisions for a foundation, usually in his or her will. Getting the foundation up and running was left to the second generation. Everyone had an opinion about what the donor would have wanted, but rarely did those donors leave instructions about a mission or causes.

**Study findings.** Arguably the presence of the donor is the biggest shift in trends, with two-thirds of family foundations reporting that the founder is still active in the foundation (this finding varies according to the age and size of the foundation). Of those foundations created since 2010, 86 percent report the founder's participation. Perhaps even more remarkable—and encouraging—is that of those foundations created before 1970, 21 percent report still having an active founder.

Because of the overwhelming numbers of newer foundations, it might come as no surprise that most family foundations report that participation is limited to the first (founder) and second generations. Fewer than 10 percent of family foundations report having third and fourth generations involved in governance.

**Questions for ongoing consideration.** The first generation of family foundations to have taken advantage of early 20th-century tax laws is poised to celebrate its 100th anniversary. What can we learn from those foundations that have established effective giving patterns over three, four, and five generations? Also, does having founders involved—often over a long time—help family foundations answer questions of governance and grantmaking more deliberately than in those cases where foundations must create governance policies after a donor's death?

Can the stress that often affects the third- and fourth-generation members as they wrestle with participation and competing interests be eased because of the stronger “foundation” and the clearer sense of donor legacy established in the early years? Regardless, we can look forward to many transitions of generational leadership in the years to come.

**The vision of philanthropy in this new age must continue to be a matter of both the heart and the head. Pascal said that the mind builds walls and the heart jumps over them. To be in philanthropy, however, is to refuse to accept the heart and the head as antagonists.**

—Ambassador James A. Joseph, family fund donor and former CEO, Council on Foundations (“Evolving Visions of Philanthropy and the Public Good,” speech at the 1995 Council on Foundations Annual Conference)

## CRITICAL GOALS OF IMPACT AND CAPACITY BUILDING

**History.** Anecdotal information and stories captured by older foundations point to gratitude and giving back as the core motivations for giving. Whether it sprang from (1) community support as discussed earlier, (2) alma mater loyalty, (3) religious institutional giving, or (4) some other personal experience, gratitude was a powerful inspiration for generosity.

**Study findings.** Although alma mater giving will always be with us, the portrait painted by this *Trends* report points to serious reflection and responsibility for effective giving. Philanthropic families seek to provide strategic support that builds their nonprofit partners and that results in lasting, long-term effects. Achieving meaningful effects was the second most frequently mentioned challenge to giving—second only to the responsibility for bringing on the next generation.

Of newer foundations, 56 percent commented that they are exploring options to assess the impact of their giving. In less of a gap than might have been expected, 48 percent of older foundations report the same. The numbers are not as strong for foundation self-evaluation. Depending on age, 25 percent to 50 percent of respondents have some system in place for assessing their own performance.

Providing long-term and flexible support for grantees is also a strong concern for family foundations. Of those foundations, 83 percent provide general operation support, and 68 percent provide multiyear grants. Further, 63 percent of family foundations report making grants specifically designed to build the capacity of their grantee partners.

**Questions for ongoing consideration.** This interest in both assessment and the overall capacity of grantees holds great potential for a lively, constructive discussion about what is effectiveness, what grantor-grantee relationships are, and what our grantmaking and communications practices say about initiating change and responding to others and their ideas for change.

How do we bring the expertise and experience needed to the family foundation board table? What does inclusiveness mean for a family-based entity? How can foundations consider the variety of opinions and options about what creates positive effects? Who bears the responsibility (and burden) of assessing these results?

Further, what does it mean to provide financial support that nonprofits can use to advance their agendas (agendas that family funders share)? This study offers strong evidence that family foundations provide general operating, capacity building, and multiyear support (currently reported to be “best practice”). How do we share the results of our efforts—including things that didn’t go as well as hoped—to advance not only our own performance but also that of the field as a whole?

Although there is some debate in philanthropy about the question of perpetuity, in the end no single correct approach is right for all donors. The decision to create a foundation for the ages or for the moment is a highly individual choice. It should be guided by the philanthropic goals laid out by donors and their families. The bottom line is that some charitable purposes require urgent attention and others will plague society for many generations. Philanthropic resources should be available to deal with both types of issues.

—Vincent Stehle, executive director, Media Impact Funders (“Considering the question of perpetuity,” from *Investment Issues for Family Funds*, NCFP, 1999)



## PERPETUITY VS. THE LIMITED-LIFE FOUNDATION

**History.** With notable exceptions, perpetuity has not been a conscious choice in the creation of a foundation. Chances are very good that the pre-1970 foundations were established in perpetuity because the attorneys drawing up the founding documents assumed that to be the choice.

**Study findings.** To some extent, the findings support the historical perspective that older foundations are more likely to have been established in perpetuity. Thirty-nine percent of pre-1970 foundations have chosen perpetuity compared to 30 percent created since 1990. Reflecting evolution of families and giving, 20 percent of family foundations have decided to revisit or renew their decision from time to time. Whereas 10 percent of the universe of family foundations have decided to limit the life span of the foundation, 20 percent of newer foundations have made that choice.

Regardless of the choice to exist in perpetuity or not, foundations have strong payout rates. Sixty-two percent report a payout of 5 percent to 6 percent while 30 percent have a payout rate of more than 6 percent and half of those pay out more than 10 percent.

**Questions for ongoing consideration.** There is a tendency to position the perpetuity or limited life discussion to a “better or worse than” choice. Discussions to come will focus on how the goals for the foundation—in charitable contributions and in family participation—should guide this choice, as those goals should guide most every other foundation practice. In addition, because most of this study’s universe is in the first and second generations, how will future generations of those perpetual foundations face challenges to ongoing family participation or to a shared giving focus?

Over time, family members change and program priorities change; what holds the family and its philanthropy together is the legacy of its values. This legacy provides continuity and our donor family believes it is that continuity—the family values—that gives the family philanthropy its special character.

—Bruce Sievers, former executive director, Walter and Elise Haas Sr. Fund (*Living the Legacy: The Values of a Family's Philanthropy Across Generations*, NCFP, 2001)

## FAMILY PARTICIPATION AND GOVERNANCE

**History.** Over the years, governance was typically limited to family members only. If nonfamily members were on the board, they were often the family attorney or financial adviser. Participation was passed along to family members who may have been in their 50s and 60s.

**Study findings.** The shift to taking responsibility for preparing new generations to be charitable and up to the task of governance is clearly indicated in this study. As mentioned earlier, next generation issues were cited as the most significant challenges facing foundations (presumably, perpetual foundations).

Benefits for foundation participation come largely from the privilege of participation. Fully 85 percent of foundations offer no compensation (although they may reimburse reasonable expenses). Discretionary grants are a much-discussed practice, and 85 percent of foundations offer that opportunity to board members. Some 80 percent of those require the grants to be within the mission and focus areas of the foundation.

**Questions for ongoing consideration.** As foundations move beyond the first or second generation, will family foundation boards adapt to changing family structures and governing needs? Will the patterns of the early participants (lifetime appointments, few nonfamily members, allocation of seats by branch or generation) serve the needs of future generations? How will family foundations access the best information and guidance: community convenings, more nonfamily board members, and advisory panels? How will personal benefits such as discretionary grants keep families focused on a central mission or create tensions between family members who are and are not board members?

## SMALL, YET WITH POTENTIAL FOR GREAT GROWTH

**History.** Foundations—all foundations—are usually small. Given the whole universe, relatively few have more than \$1 million in assets. Periods of great foundation formation have been linked to great economic events. Before the foundation formation that accompanied the economic boom of the late 20th century, the post-World War II period was the most significant period of new foundation formation.

**There is something distinctive and precious about family foundations that suggests they should remain as they are: a unique opportunity for families to make and leave their mark on the society around them, to share with others the fortune they have enjoyed and the creative energies they so often possess.**

—Paul Ylvisaker, former family foundation trustee (*Conscience and Community: The Legacy of Paul Ylvisaker*, Peter Lang International Academic Publishers, 1999)

**Study findings.** Again, the findings support the historical perspective—to some extent. Of family foundations created since 1990, 78 percent have fewer than \$10 million in assets and fewer than 2 percent have assets of \$200 million or more. However, fully half of all respondents expect to receive additional assets in the future. That figure rises to 60 percent for foundations created since 1990. Other vehicles provide structure for additional giving and potentially more gifts. In addition to the family foundation, nearly one-third of family foundations also use a donor-advised fund managed at a community foundation, whereas 10 percent use a donor-advised fund managed by another entity.

**Questions for ongoing consideration.** Given the significant number of smaller foundations (whether or not there will be more assets going forward), how can smaller, mostly newer foundations be supported to be as effective as possible? How will issues such as governance and family participation, varied giving interests, family and foundation transitions, and perpetuity be raised and considered? How can the field embrace more inclusive approaches and other varied giving vehicles to enrich its practice, add to its numbers and community, and make organized philanthropy available to those inspired and prepared to take on the privilege?

**Foundations change, like it or not. The fundamental issue is whether they will change by chance or for significant reasons. The latter comes about only with conscious effort.**

—Frederick deWolfe Bolman, former executive director, Exxon Education Foundation

## CONCLUSION (CONTINUATION?)

It is difficult to think about a conclusion when we are just beginning to understand what all of the *Trends* report research tells us. We hope that the new data will inspire conversations—both regional and national or international—to explore the findings and to discuss others’ interpretations. The issues and challenges identified here, as well as other interesting trends and topics covered in the report, should be considered for how they can be advanced and for how new tools and resources can be developed to help families in this important work.

We will be sharing information about how the complementary study that included vehicles other than foundations either supported or contradicted this research.

As mentioned, we will be mining this material for years to come. *Trends in Family Philanthropy* is a rich addition to the National Center for Family Philanthropy’s commitment to understanding and advancing the practice of family giving. The *Trends* report joins social science research such as “Generations of Giving” (NCFP, 2005) and interview studies including “The Power to Produce Wonders” (NCFP, 2010) and our special series on the roles and responsibilities of chief executive officers in family foundations.

We invite you to browse the extensive list of resources included in this report’s appendixes to learn more about the wealth of information already available to donors, board members, and leadership staff members of family foundations. With this *Trends* report, the first statistically representative study of the sweeping scale and diversity of practice of American family foundations, we hope not only to illustrate a point in time, but also to benchmark current practices with high expectations of enhancing future practice and impact.

In many ways, the field of family philanthropy is still in its infancy, and much work still needs to be done.

Virginia M. Esposito  
President, National Center for Family Philanthropy  
October 2015

**The Trends Executive Summary  
is available online as a PDF**  
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it, or visit [www.ncfp.org/  
resource/trends-research](http://www.ncfp.org/resource/trends-research)



# PURPOSE OF THE STUDY

The field of family philanthropy is growing quickly. Between 2002 and 2013, the number of family foundations grew by 44 percent—increasing roughly from 29,400 to 42,300. During this time, total giving by family foundations almost doubled—from \$12.4 billion to \$23.9 billion.<sup>1</sup> These trends reflect the overall creation of family wealth in the United States as well as the growing sense that through philanthropy individuals can have a positive effect on serious issues here and abroad. Entrepreneurs in the 21st century are amassing greater wealth earlier in their lifetimes than did other generations of entrepreneurs. At the same time, they are seeking added meaning outside of (and, in some cases, through) their businesses. Although there are many other types of charitable vehicles, some discussed in this report, family foundations arguably offer donors more control, flexibility, and visibility than do other vehicles. Involving family members in grantmaking through family foundations is valued as a way to educate the family members about philanthropy and to share values from generation to generation.

Yet despite the rapid rise and importance of family philanthropy over the past decade, little is known about the size, structure, values, governance, and investment strategies across this growing philanthropic field (box 1). The unique aspects of giving through a family-run vehicle also are not well documented. How does a foundation shape its identity, especially after the founder is no longer active? How does it handle family succession issues, engage younger family members, and include (or exclude) nonfamily members on the board of directors? How does it decide whether it wants to limit the life span of the foundation after the donors and immediate family members die? Those are just a few of the questions for which we don't have sufficient information.

Further, the limited information that is available about family philanthropy often lacks methodological rigor. Studies may be based on a relatively small number of cases; they may be specific to a particular geographic area; or they may use convenience samples rather than a randomly drawn, representative sample. Whereas existing studies provide useful insights into the field of philanthropy and can be instructive for building a

## BOX 1

### WHAT IS FAMILY PHILANTHROPY?

Although the term is used widely, there is no standard definition of *family philanthropy* in the research literature. Nor is there a standard definition of *family foundation*, because this type of entity is not part of the Internal Revenue Service's legal classification system for nonprofit organizations and foundations.

In practice, however, family foundation typically connotes the active involvement of donors or members of the donors' family in the foundation. This definition becomes increasingly difficult to measure—especially over time as the original donors die and as donors' descendants exhibit various levels of involvement with the foundation.

For this study, the Urban Institute relied on the Foundation Center's definition of family foundation, which uses a multistep process to identify and to classify foundations as family foundations. This methodology includes self-designation by the foundation, computer searches to identify potential family members listed on the foundation's board or leadership staff, and other matching strategies. (For further details, see the Foundation Center, <http://foundationcenter.org/getstarted/topical/family.html>.)



more rigorous research agenda, findings from such studies cannot be generalized to the broad range of family foundations that engage in charitable giving.

To correct for those shortcomings, the Urban Institute conducted a nationally representative survey of family foundations for the National Center for Family Philanthropy. The study creates a profile of family foundations while documenting the current number, size, age, assets, and giving levels of family foundations across the nation (box 2). It also explores issues of concern to the family philanthropy field, such as board governance, succession planning, engagement of the next generation of family members, giving strategies, payout rates, future directions of the field, and more. This groundbreaking study serves as a baseline for tracking trends in family philanthropy over time.

## BOX 2

### DEFINING SIZE OF FAMILY FOUNDATIONS

For analytical purposes, the survey classified family foundations into small, medium (or midsize), and large categories. Classifications were determined by the foundation's level of giving. The cutoff points for each category were created to (1) reflect the distribution of family foundations across giving levels and (2) have a sufficient number of foundations in each category for analysis.

- Small foundations reported giving fewer than \$500,000.
- Medium (or midsize) foundations gave between \$500,000 and \$1 million.
- Large foundations reported giving \$1 million or more.

**“Despite the scale of giving and the prominence of givers, despite more than 100 years of charitable history, the values, processes, and contributions of organized family philanthropies are not well understood or appreciated for what they ultimately accomplish – including by some who benefit from their gifts. Perhaps of greater concern, the value of family philanthropy eludes many who might begin a family giving program as well as those charged with shaping the public policy that encourages and monitors this practice.”**

– Virginia Esposito, president, National Center for Family Philanthropy  
(*The Power to Produce Wonders: The Value of Family in Philanthropy*, NCFP, 2010)

## OVERVIEW OF STUDY'S DESIGN AND METHODS

Information about family foundations was collected through a 45-question, mixed-mode survey (i.e., mail, web, and telephone) conducted between April and June 2015. Data were collected by Washington State University's Social and Economic Sciences Research Center.

The survey was based on a randomly drawn, nationally representative sample of US family foundations, and it used the Foundation Center's family foundation database for the sampling frame. To be eligible for the sample, a foundation had to have assets of at least \$2 million or annual giving of at least \$100,000. The random sample of 2,000 family foundations was supplemented with an oversample of 500 large foundations. In total, 2,500 family foundations were surveyed.

The survey yielded 341 responses, which was a 17 percent response rate. Most survey respondents were family members or board members. Nearly half (47 percent) were founders. Fewer than 15 percent of respondents were paid staff members. Sample weights were applied to the data to take account of possible nonresponse bias. The survey weights adjusted for slightly lower response rates among small family foundations and for the oversample of large foundations. Further detail on the survey methodology appears in appendix A. The findings from the study can be generalized to family foundations across the country.



Ike Leighty, founder of the Leighty Family Foundation, surrounded by his family.



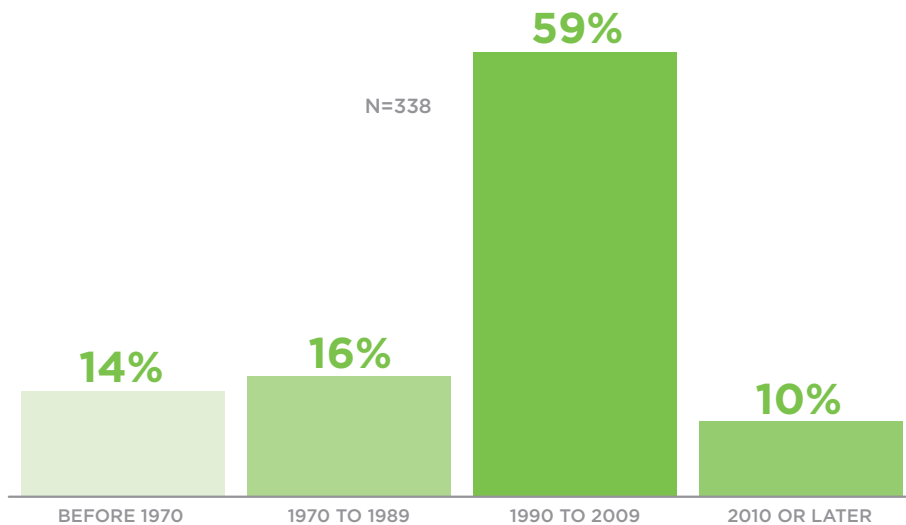
## KEY FINDINGS FROM THE SURVEY

### FOUNDATION IDENTITY: SIZE AND SCOPE

When people hear the term *family foundation*, they often think of very large and well-known foundations such as the Annenberg, Bill & Melinda Gates, or Charles Stewart Mott foundations. But in reality, the majority of family foundations are relatively unknown, small, and young.

- Nearly 70 percent of family foundations were created since 1990 (figure 1).

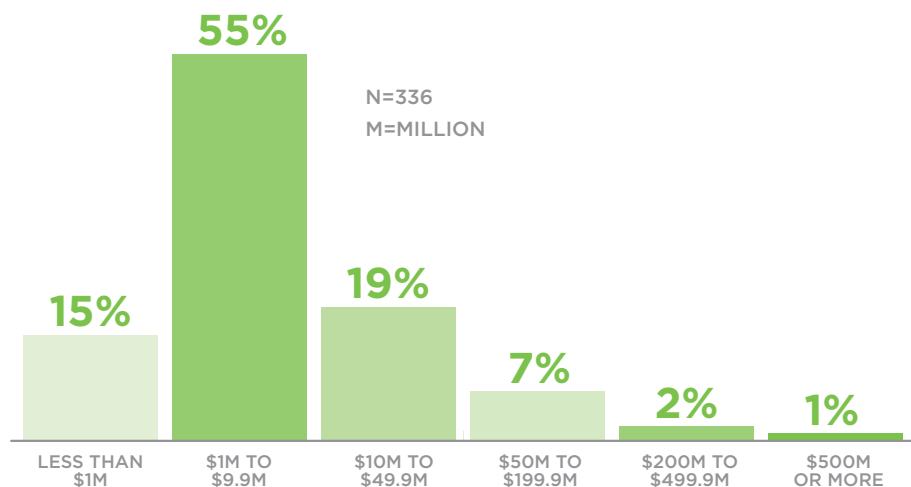
**FIGURE 1. FAMILY FOUNDATIONS, BY YEAR FOUNDED**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

- Of the family foundations, 70 percent have under \$10 million in total assets, and 3 percent have assets of \$200 million or more (figure 2).

**FIGURE 2. FAMILY FOUNDATIONS, BY TOTAL ASSETS IN FISCAL YEAR 2014**

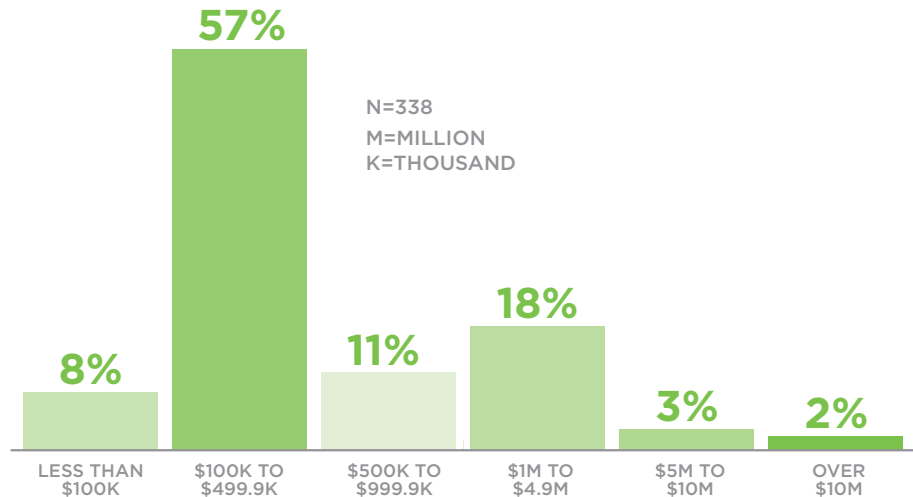


Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.



- About two-thirds (65 percent) report total giving fewer than \$500,000 in 2014, and 2 percent report giving more than \$10 million (figure 3).

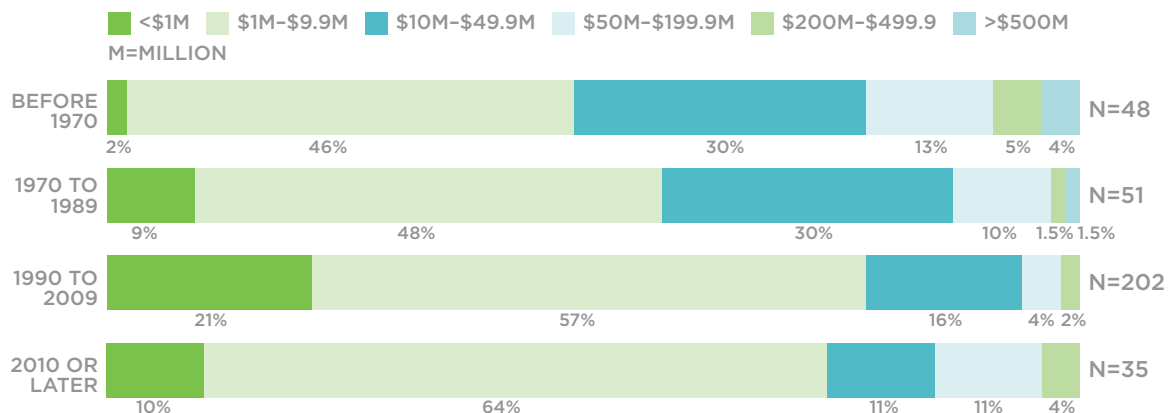
**FIGURE 3. FAMILY FOUNDATIONS, BY TOTAL GIVING IN FISCAL YEAR 2014**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

A foundation's age and size are positively associated with one another; that is, as the age or size of the foundation increases, total assets and giving typically increase. As figure 4 shows, generally a greater share of older family foundations (created before 1990) will report assets above \$500 million; a greater share of younger foundations will report assets below \$1 million. Between 10 percent and 15 percent of the younger foundations report giving fewer than \$100,000, whereas 13 percent of the oldest foundations (created before 1970) report giving \$5 million or more (figure 5).

**FIGURE 4. FAMILY FOUNDATION ASSETS IN FISCAL YEAR 2014, BY YEAR FOUNDED**

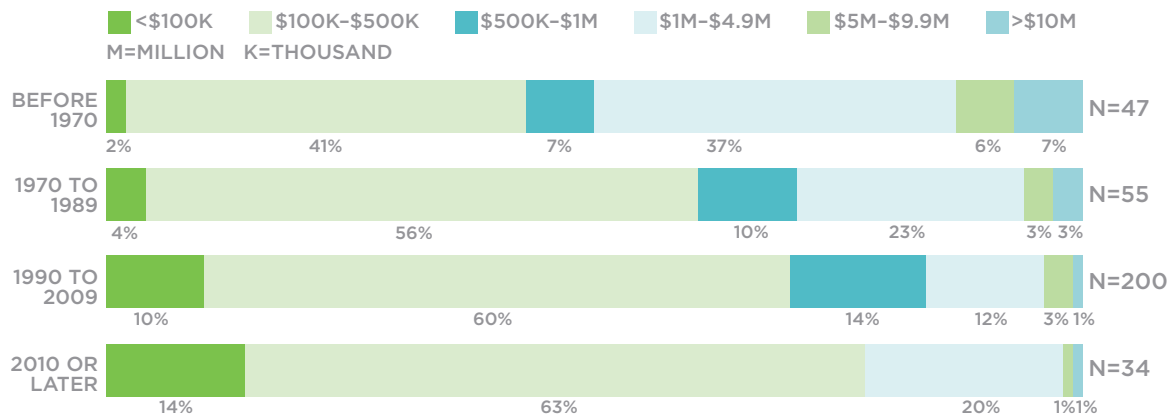


Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.





**FIGURE 5. FAMILY FOUNDATION GIVING IN FISCAL YEAR 2014, BY FOUNDATION AGE**

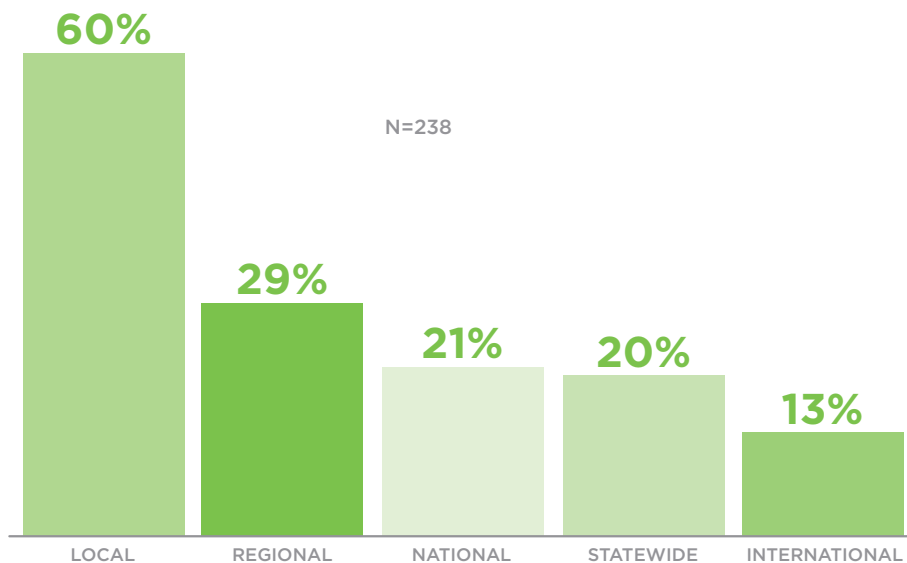


Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

## FOCUS OF GIVING

Most family foundations have a specific focus for their giving. Two of three foundations focus on geographic locations; just more than half focus on specific issues or topics; about one in three do both. Place-based philanthropy is common among family foundations. This approach may reflect the donor's desire to give back to the community where the donor grew up or to the geographic area where the family business began or now operates. Family foundations that use a place-based strategy say they give locally (60 percent), compared to 21 percent that give nationally and 13 percent that make international grants (figure 6).

**FIGURE 6. PLACE-BASED FAMILY PHILANTHROPY, BY GEOGRAPHIC FOCUS**



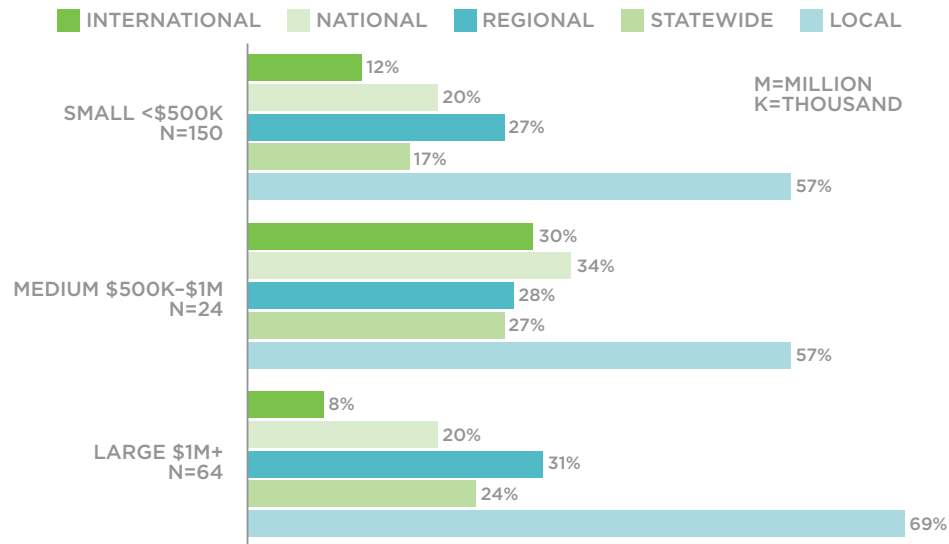
Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

Note: Percentages based on family foundations that have a geographic focus.



Midsized foundations with giving of \$500,000 to \$1 million are most likely to make international grants. In fact, 30 percent do so compared with 12 percent of small foundations and 8 percent of large foundations (figure 7). Among the largest family foundations with a place-based focus, the proportion that gives locally (69 percent) is greater than for midsize and small foundations.

**FIGURE 7. PLACE-BASED FAMILY PHILANTHROPY GEOGRAPHIC FOCUS, BY 2014 GIVING**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

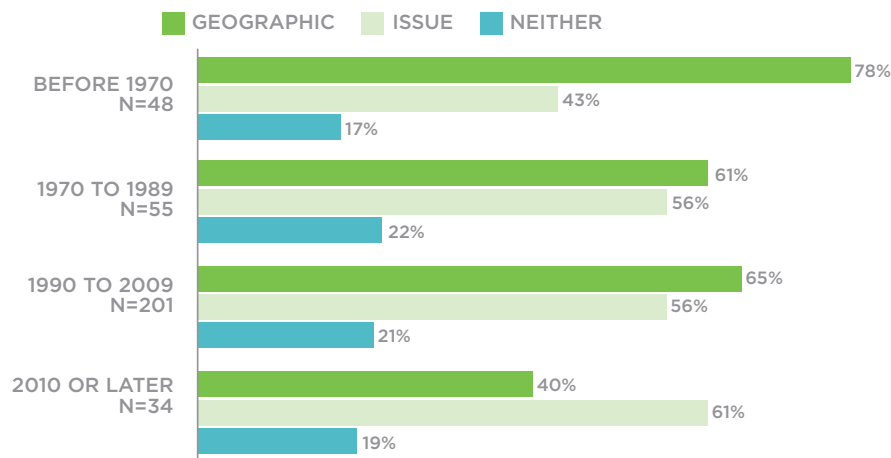
Note: Percentages are based on family foundations that have a geographic focus.

Family foundation giving covers many areas. For those foundations that indicated a focus on issues, education or training and poverty are the two most frequent areas supported. Nearly half (45 percent) of the issue-oriented foundations work in education or training; 40 percent work to alleviate poverty. Other common responses include health (19 percent), children and youth (15 percent), religiously affiliated programs (14 percent), arts and culture (13 percent), and the environment (11 percent).

Although place-based giving is more prevalent than issue-based giving, the survey findings suggest a potential shift in giving patterns led by younger family foundations. Among family foundations formed since 2010, 60 percent focus their giving on issues, whereas 40 percent of this same age cohort focus on geographic giving. In contrast, 78 percent of the oldest foundations focus on geographic giving (figure 8). Possibly younger family philanthropists are less tied to place than are their older peers because they have grown up in a more interrelated and global economy. At least for now, issues seem to capture their attention and philanthropic support more than does a place-based approach. This finding should be interpreted with caution because it is based on only one point in time; however, this potential trend bears watching.



**FIGURE 8. FAMILY FOUNDATIONS FOCUS AREA, BY AGE OF FOUNDATION**



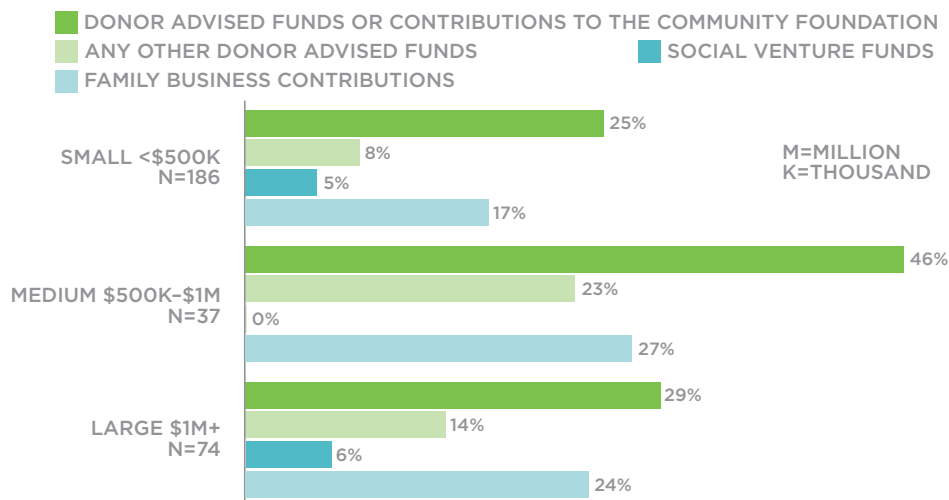
Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

## DONOR-ADVISED FUNDS AND OTHER GIVING VEHICLES

Family foundations are only one vehicle that wealthy individuals use for their charitable giving. A common alternative is donor-advised funds in community foundations and other entities. Roughly 30 percent of families use community foundation donor-advised funds or give directly to community foundations. Just over 10 percent of families use other types of donor-advised funds, some of which are operated by financial firms such as the Vanguard Group, Charles Schwab, and Fidelity Investments or are sponsored by various charities. As figures 9 and 10 show, donor-advised funds and gifts linked to a community foundation are most prevalent among families with mid-sized foundations (46 percent) and families with foundations formed before 1970 (37 percent).

About 1 in 5 families with family foundations (20 percent) make contributions through their family businesses, and fewer than 1 in 20 (5 percent) use social venture funds. The latter are somewhat more popular among the youngest foundation families. Given the array of giving vehicles available, it will be interesting to see if those patterns continue or change over time.

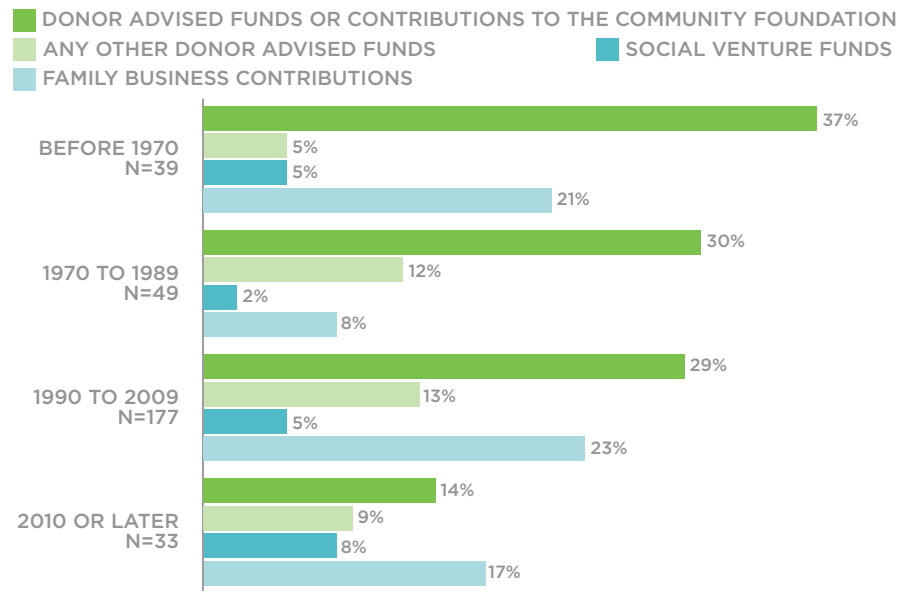
**FIGURE 9. OTHER PHILANTHROPIC VEHICLES USED BY FAMILIES WITH FAMILY FOUNDATIONS, BY 2014 GIVING**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.



**FIGURE 10. OTHER PHILANTHROPIC VEHICLES USED BY FAMILIES WITH FAMILY FOUNDATIONS, BY AGE OF FOUNDATION**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations



Three generations of the Tarsadia Foundation family gather together at a recent board retreat.



**ADDITIONAL READING:**

See Appendices B and C for a list of additional resources on the Size and Scope of the Family Philanthropy field.





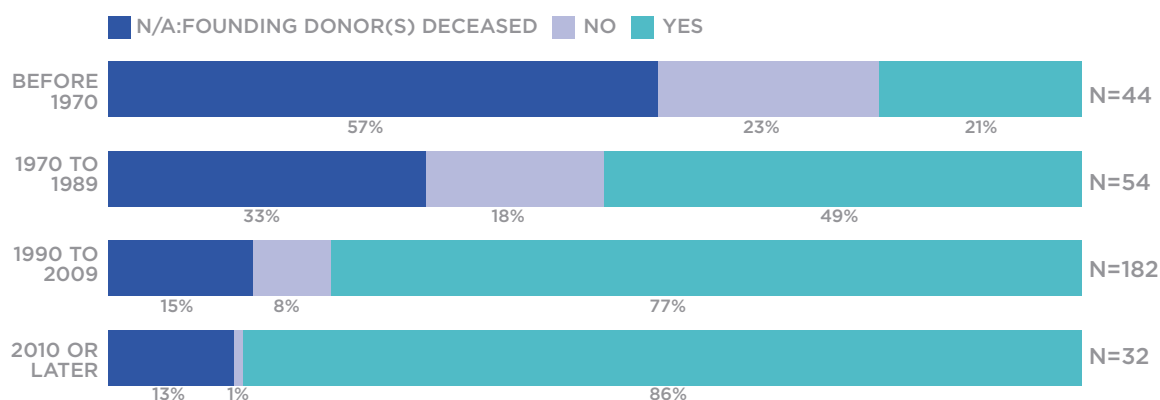
## KEY FINDINGS FROM THE SURVEY BOARDS AND GOVERNANCE

Establishing and operating a family foundation is a new undertaking for many families. Decisions range from who sits on the foundation's board to what activities the board should be engaged in and whether board members should be paid for their service. Responses to those questions sometimes vary by the age of the family foundation.

### FOUNDING DONORS

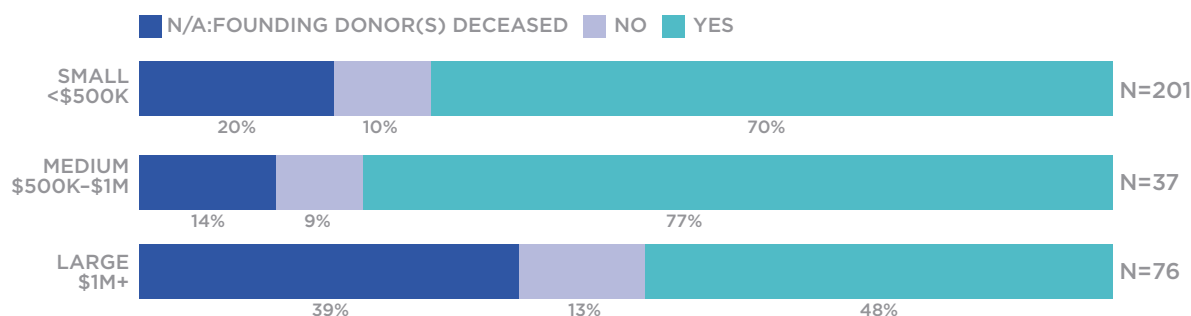
Two of three family foundations have founding donors who are still actively involved in the foundation. This finding varies, however, with the foundation's age (figure 11). For the oldest foundations (created before 1970), more than half the founding donors are deceased, and only 21 percent remain active in the foundation's work. In contrast, 86 percent of family foundations created since 2010 have living, active donors. The size of the foundation is not closely associated with the presence of a living donor (figure 12). Among large family foundations (giving more than \$1 million), almost 40 percent of founding donors are deceased, compared with 14 percent in midsize foundations and 20 percent in small foundations.

**FIGURE 11. FOUNDER(S) ACTIVELY INVOLVED IN FOUNDATION, BY AGE OF FOUNDATION**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

**FIGURE 12. FOUNDER(S) ACTIVELY INVOLVED IN FOUNDATION, BY 2014 GIVING**



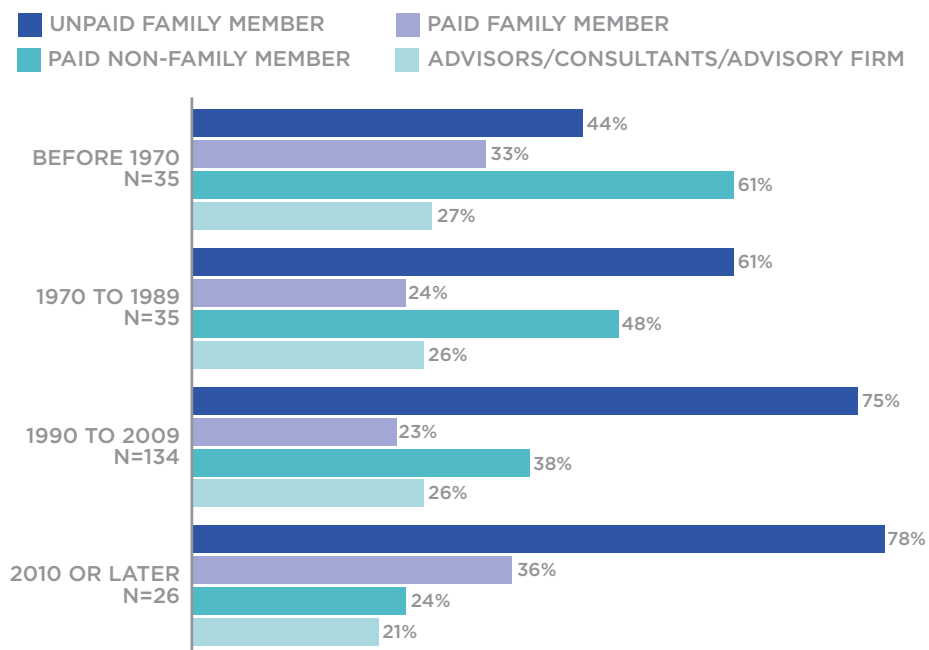
Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.



## DAY-TO-DAY FOUNDATION OPERATIONS

- The responsibility for managing the day-to-day operations of a family foundation falls primarily to unpaid family members. Nearly 70 percent of foundations have an unpaid family member in charge of daily operations. Younger and smaller family foundations are most likely to use unpaid family members (figures 13 and 14).
- The second most common arrangement is for a paid nonfamily member to be in charge of daily operations. Approximately two in five family foundations (42 percent) have this arrangement, which is most prevalent among older and larger foundations.
- In about one in five (17 percent) family foundations, a paid nonfamily member and unpaid family member share responsibility for day-to-day operations.
- About a quarter of family foundations use paid family members, and another quarter use advisers or consultants to handle ongoing operations.
- Fewer than 5 percent have an unpaid nonfamily member in charge of daily operations.

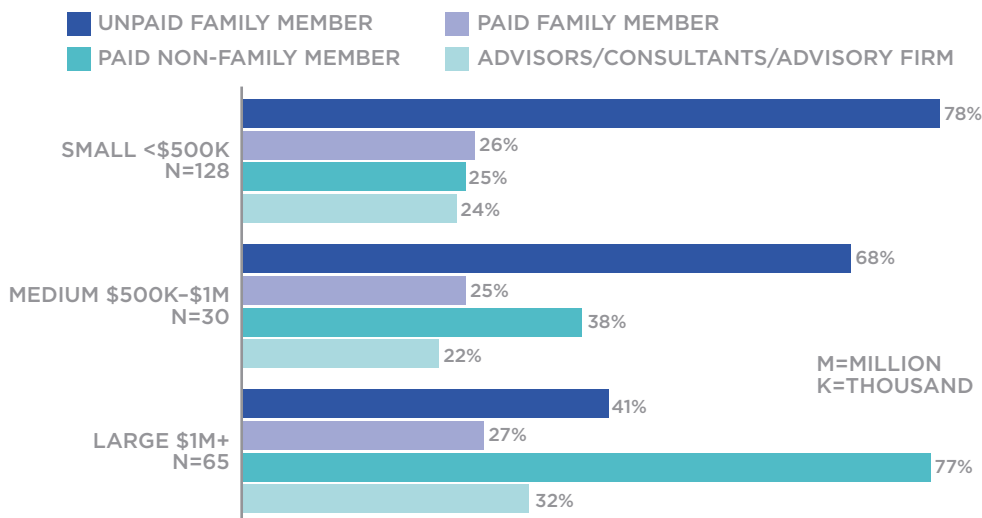
**FIGURE 13. PERSON RESPONSIBLE FOR DAILY OPERATIONS, BY AGE OF FOUNDATION**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.



**FIGURE 14. PERSON RESPONSIBLE FOR DAILY OPERATIONS, BY 2014 GIVING**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

- Very few family foundations have increased staffing resources over the past five years to support the foundation's work. The most common action, done by 17 percent of respondents, was to add a consultant or to outsource work. Thirteen percent added administrative staff members, and 11 percent added program staff members. Only 6 percent added an executive director or chief executive officer (CEO) to the foundation staff. Younger foundations (created since 2010) were most likely to do so.

**“Never stop affirming. When you find your battery of hope, excitement, and even idealistic naivete so drained that you don’t let an applicant finish a presentation without pointing out why it can’t be done, it’s time you departed for another profession. Philanthropy builds on the hopes of rising generations; it lights fires rather than snuffs them out.”**

– Paul Ylvisaker, (*Conscience & Community: The Legacy of Paul Ylvisaker*, Peter Lang International Academic Publishers, 1999)



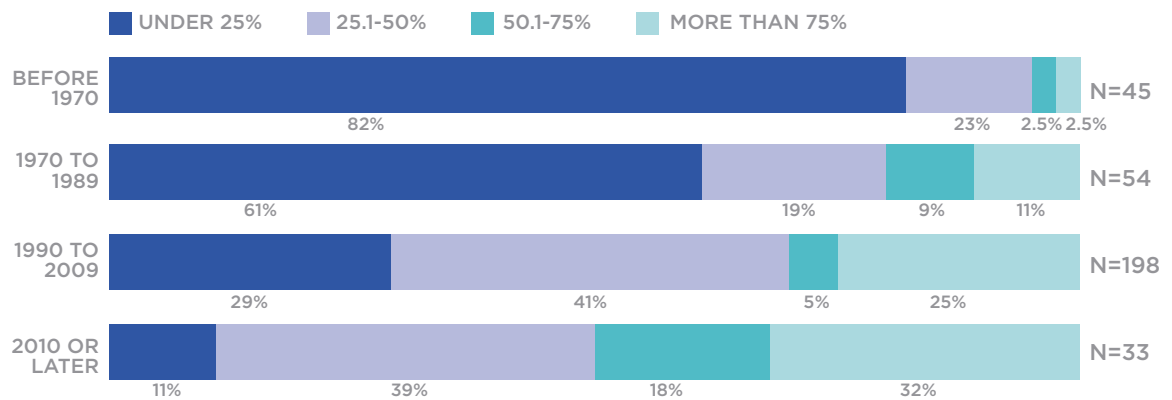
Andrus family members, including fifth-generation descendants of Surdna Foundation's founder John Emory Andrus, gather at a reunion.



## WHO SITS ON THE BOARD?

- Most family foundation boards are composed of family members. Indeed, nonfamily members make up fewer than 25 percent of board members in more than 70 percent of foundations, regardless of age or size of the foundation.
- Overall, first- and second-generation family members are most prevalent on family foundation boards. This finding varies by age of foundation (figure 15). For example, in half the youngest family foundations (created since 2010), first-generation donors make up the majority of board members. In contrast, for 82 percent of the oldest foundations (created before 1970), first-generation donors are fewer than a quarter of the board. As the age of the foundation increases, the share of third- and fourth-generation family members on the board increases. On average, fewer than 10 percent of foundation boards are composed of a majority of third- and fourth-generation family members.

**FIGURE 15. PERCENTAGE OF FIRST-GENERATION BOARD MEMBERS, BY AGE OF FOUNDATION**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

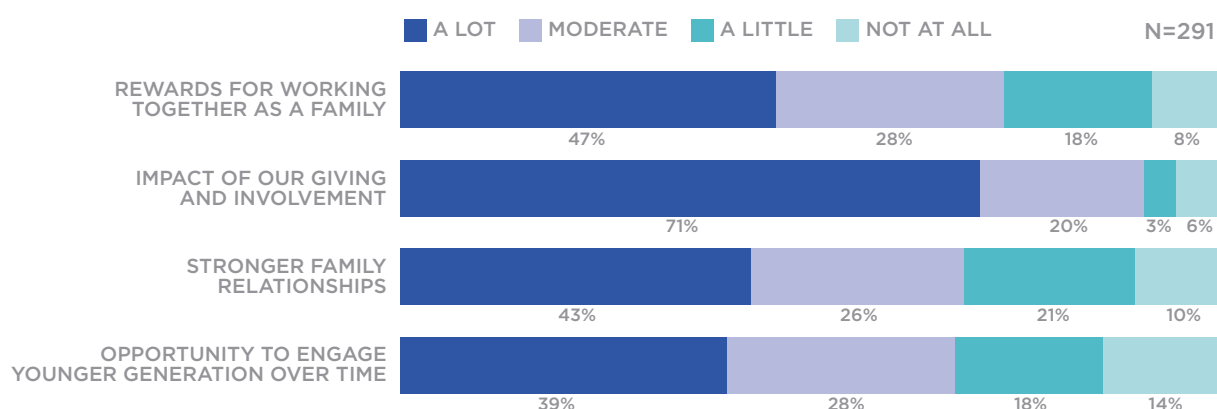
- About a third of family foundations do not allow either spouses or partners to serve on the board. Almost 40 percent allow both spouses and partners, and around 28 percent allow only spouses. The oldest and youngest foundations approximate this overall pattern. However, more foundations created in the 1970s and 1980s permit both partners and spouses to be eligible for board service, and more foundations created in the 1990s and 2000s limit service to spouses only.
- About 60 percent of family foundations, regardless of size or age, have no limits on board service. The most common restriction on board service, noted by fewer than 10 percent of family foundations, is different time limits for family and nonfamily board members. Fewer than 5 percent of family foundations say they limit the number of years a board member can serve.



## FACTORS THAT SUSTAIN FAMILY INVOLVEMENT

- The most important factor that sustains family involvement in the foundation is the impact of the giving. Roughly 90 percent of respondents said the results of the family's giving mattered either a lot (around 70 percent) or a moderate amount (20 percent). No other reason drew such a high response (figure 16).
- More than two-thirds of respondents cited other factors that keep family members active in the foundation. Those reasons include the rewards of working together (75 percent said a lot or a moderate amount), stronger family relationships (69 percent), and the opportunity to engage younger generations over time (67 percent).

**FIGURE 16. MOTIVATIONS FOR PARTICIPATING IN THE FAMILY FOUNDATION**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

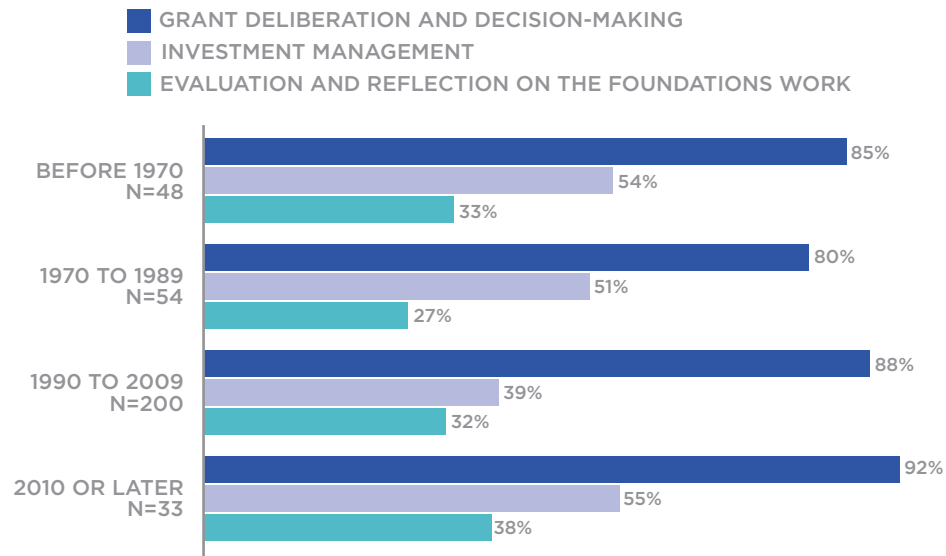
## BOARD ACTIVITIES

Foundation boards play many roles: they oversee the operations and financial health of the foundation, set policy, award grants, evaluate the effectiveness of their grantmaking, build external relationships with the community, and plan for the organization's future. With a host of duties and responsibilities, where do family foundation boards spend most of their time and attention?

- By far the most common activity of family foundation boards is grantmaking deliberations and decisions. Nearly 90 percent of family foundations, regardless of age or size, indicate this is where they spend most of their time and energy (figure 17).
- Investment management was the second most common activity, indicated by roughly half of all family foundations.
- Evaluation and reflection on the foundation's work ranked third, with about one in three family foundations listing this as one of their top three activities.
- Nearly a third of the oldest foundations indicated that engaging the next generation in the family foundation is a major activity for them. Not surprisingly, only 10 percent of the youngest foundations spend time on next-generation issues. The young foundations may still be in a start-up phase of the foundation's work and perhaps have no next generation old enough to bring into the family's charitable efforts.



FIGURE 17. TOP THREE BOARD ACTIVITIES, BY AGE OF FOUNDATION



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

- Among the less frequently mentioned top three activities were (1) governance of the foundation, such as board development, policies, and so forth (18 percent); (2) site visits and community tours (16 percent) plus staff management and operations (4 percent); and (3) external community relations (4 percent).

**“Good performance creates good emotional experiences and commitment, more often than the reverse. A serious investment—personal, financial, intellectual, and educational—in the development of the foundation, its mission, its leadership, and the way it does its work creates pride, and the best chance that all the cousins named Amy will get on their planes in San Diego and Buffalo to do the foundation’s work for generations to come.”**

— Kelin Gersick, Senior Partner, Lansberg Gersick and Associates  
(*Generations of Giving*, NCFP, 2005)



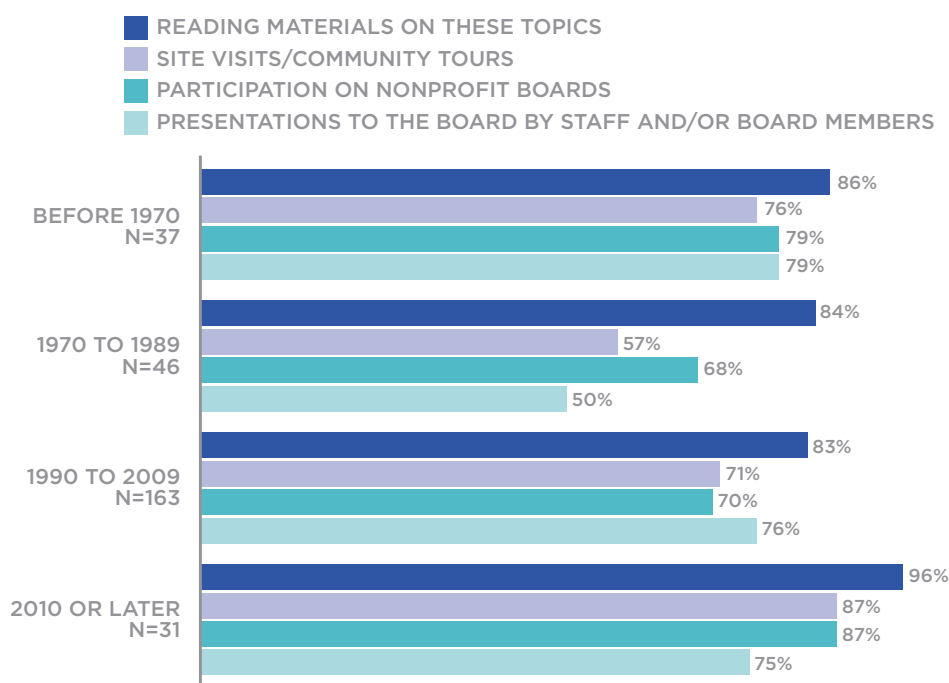


## HOW FAMILY FOUNDATION BOARD MEMBERS LEARN ABOUT NEW IDEAS

Family foundation board members use various methods to learn about new ideas and approaches related to grantmaking, governance, and community issues (figure 18).

- The most frequently cited way is simply reading materials about those topics (85 percent). Other widely used methods are serving on other nonprofit boards (73 percent), listening to presentations by the board staff (72 percent), and participating in site visits (71 percent).
- Less frequently cited methods tend to involve external approaches. Examples include participating in external learning opportunities (49 percent), listening to presentations by outside experts at board meetings (40 percent), and participating in funder networks (32 percent).
- No statistical difference appears in those responses by age or size of the foundation.

**FIGURE 18. HOW THE FAMILY FOUNDATION LEARNS ABOUT NEW IDEAS**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

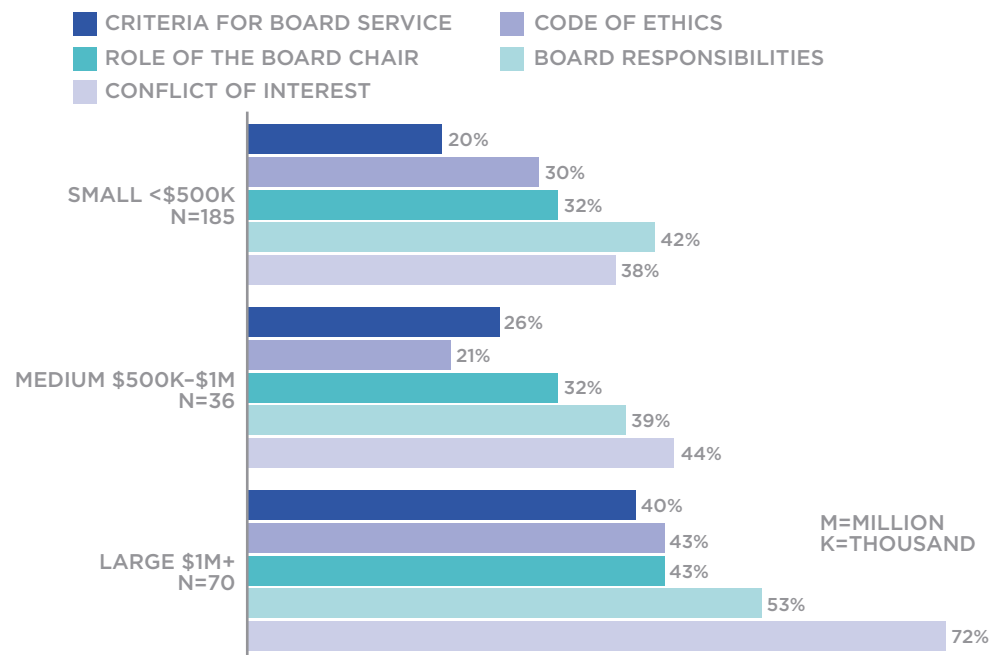


## USE OF WRITTEN GOVERNANCE DOCUMENTS

Not surprisingly, as the size of the foundation grows, the use of written governance documents becomes more prevalent (figure 19).

- The most common document is a conflict of interest policy. Nearly half of family foundations (47 percent) have such a document, with large foundations almost twice as likely as small ones to have one—72 percent versus 38 percent.
- A description of board members' responsibilities is the second most common document. Forty-two percent of all family foundations define board members' responsibilities in writing. More than half of large foundations (54 percent) use this type of document compared with roughly 40 percent of midsize and small foundations.
- About a third of all family foundations have a written description of the board chair's role, and another third have codes of ethics. Interestingly, about half of the newest family foundations (created since 2010) have code of ethics policies.
- Less than a quarter of family foundations have written documents describing criteria for board service or descriptions of committees. Larger foundations are more likely to have committee structures and are more likely to define those structures in writing.

**FIGURE 19. WRITTEN GOVERNANCE DOCUMENTS, BY 2014 GIVING**



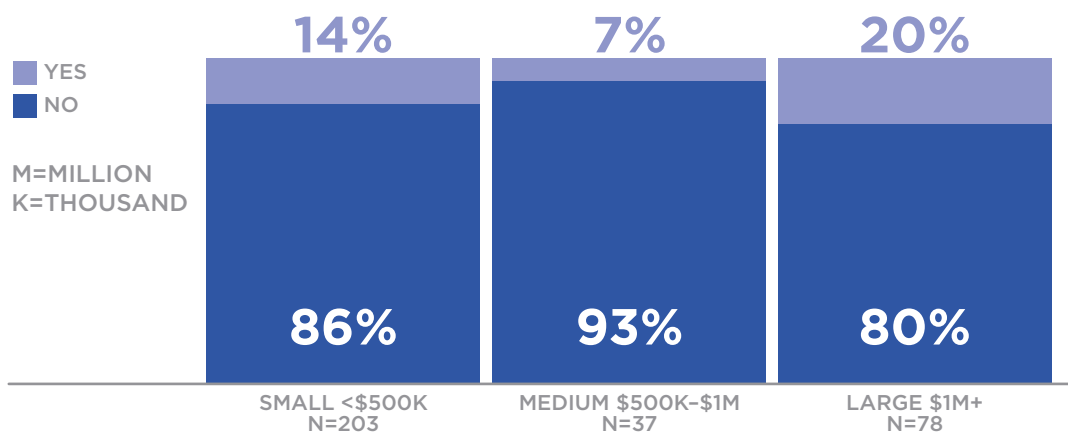
Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.



## COMPENSATION FOR BOARD SERVICE

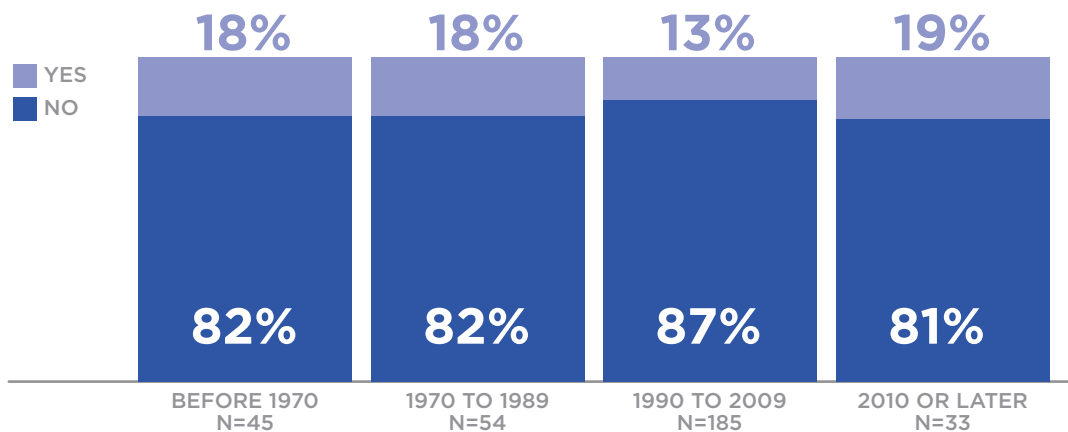
Eighty-five percent of family foundations surveyed do not compensate board members for their service beyond reimbursable expenses. The largest foundations (\$1 million or more in giving) are most likely to provide compensation; about 20 percent reported paying a fee for board service (figure 20). There are only small differences by age of foundation (figure 21). Appropriateness of compensating board members for their service is a perennial question: Should board members compensate themselves for engaging in charitable activities? The findings of this study are similar to those of a 2008 study by the Urban Institute, Foundation Center, and GuideStar that found 20 percent of independent foundations compensated trustees.<sup>2</sup> Other studies based on smaller samples and large foundations report higher percentages.<sup>3</sup> A far more prevalent method for acknowledging board member service is the use of discretionary grants (see the next section).

**FIGURE 20. PERCENTAGE OF FOUNDATIONS THAT COMPENSATE BOARD MEMBERS, BY 2014 GIVING**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

**FIGURE 21. PERCENTAGE OF FOUNDATIONS THAT COMPENSATE BOARD MEMBERS, BY FOUNDATION AGE**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.



## BOARD MEMBER DISCRETIONARY GRANTS

Most family foundations (85 percent) allow individual board members to recommend discretionary grants for foundation funds. This practice introduces flexibility into the giving program and recognizes the individual interests of board members. However, more than 90 percent of foundations with discretionary grants require the grant be approved by the board, and 80 percent require that the grant meet the foundation's overall mission. Responses had little variation by age or size of the foundation.

**“Don’t start the conversation with whether you want to have discretionary grants or not. Instead, ask ‘what are we trying to accomplish together? What are the tools that will help us do that?’ It might be discretionary grants or it might be something else.”**

- Virginia Esposito, President, National Center for Family Philanthropy,  
("Discretionary Grants: Engaging Family... or Pandora's Box," NCFP, 2011)



Tutor with student. Used with permission of The Volunteer Center of United Way and the Helen Andrus Benedict Foundation.



### ADDITIONAL READING:

See Appendix C for a list of additional resources on the topic of Boards and Governance.



## KEY FINDINGS FROM THE SURVEY FAMILY ISSUES

### FAMILY DYNAMICS

Drawing on a series of questions about family dynamics within the foundation, the survey findings suggest that for the most part, there is little perceived family conflict in the organizations. Almost 90 percent of survey respondents strongly or somewhat agreed that most family members work well together. More than three-quarters strongly or somewhat agreed that family dynamics do not affect the foundation's work in negative ways. Those positive views are shared by both family and nonfamily paid staff respondents.

However, perceptions of family dynamics differ somewhat between family and nonfamily paid staff respondents in other areas. For example, family members strongly or somewhat agreed with the statement “the family avoids discussing difficult topics” less often (17 percent) than did nonfamily paid staff members (32 percent).

Overall, family dynamics within the foundation are reportedly good; perceptions sometimes differ about the extent to which conflict may exist.



Members of the George B. Storer board & staff along with grantees at the Teton Science Schools in Kelly, WY.

### ENGAGING THE NEXT GENERATION

Overall, 56 percent of family foundations report they currently engage younger family members in the foundation. However, the share that does so varies by the foundation's age. About half of the youngest family foundations (those created since 2010) engage the younger generation compared with 68 percent of the oldest foundations (those created before 1970). As the age of the foundation increases, the more likely the foundation will report that it currently engages younger generations. No statistical difference appears in engagement by size of foundation.

Of those that engage younger family members, the most common methods include the following:

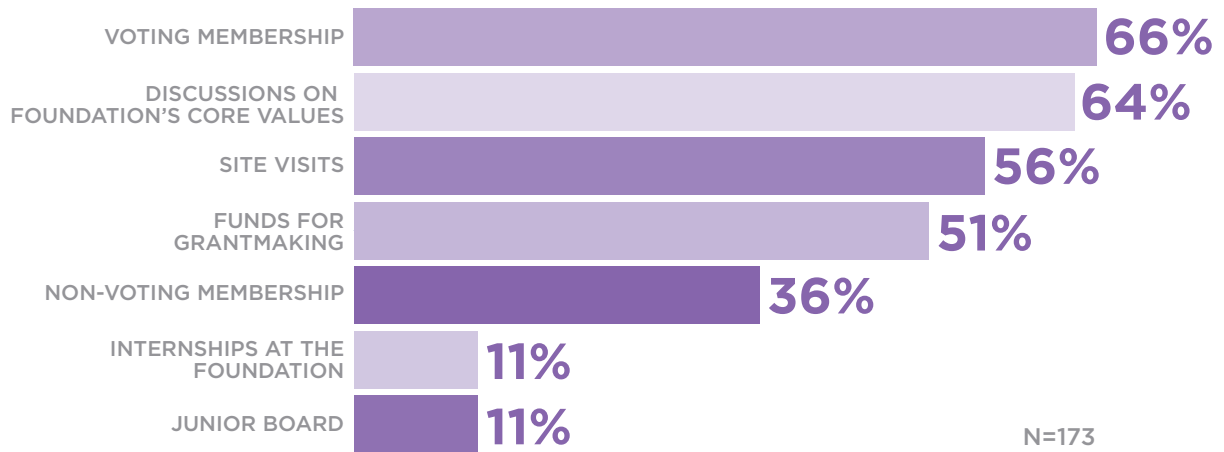
- Have younger generation members sit on the board as voting members (66 percent of those who report engaging the next generation).
- Organize formal discussions about the core values of the family foundation with younger generation members (64 percent).
- Take younger generation members on site visits (56 percent).
- Provide discretionary or matching funds for grantmaking by younger generation members (51 percent).

**“All foundation boards face the problem of continuity and change, the one as essential as the other. Some plan of succession in board membership is therefore essential.”**

– John Nason, (*Foundation Trusteeship: Service in the Public Interest*, Foundation Center, 1989)



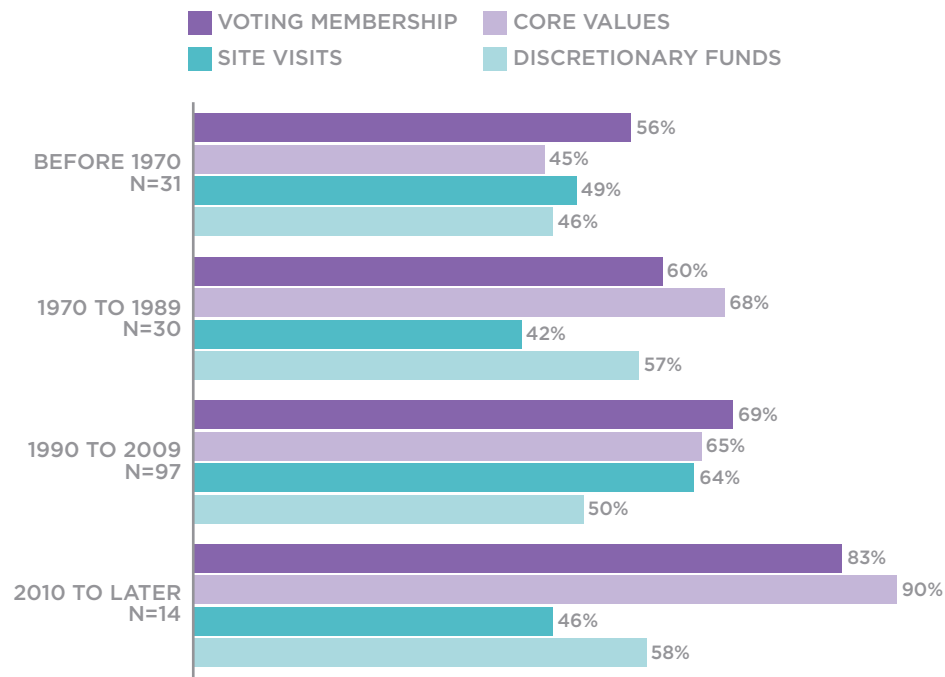
**FIGURE 22. WAYS THE FOUNDATION ENCOURAGES YOUNGER GENERATION TO PARTICIPATE**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

An interesting pattern emerges in the methods by a foundation's age (figure 23). Compared with older foundations, the youngest family foundations that are engaging younger family members are most likely to have them participate on the board as voting members, discuss core family values, and provide discretionary funds to them for grantmaking. The share that takes young family members on site visits is similar to older foundations. Those indicators of inclusiveness as reported by the youngest family foundations will be interesting to follow over time as this current cohort of young foundations matures. Will they continue to be as inclusive or begin to resemble the patterns of older foundations?

**FIGURE 23. YOUNGER GENERATION ENGAGEMENT ACTIVITIES, BY AGE OF FOUNDATION**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.  
Note: Percentages are based on family foundations that engage younger family members.





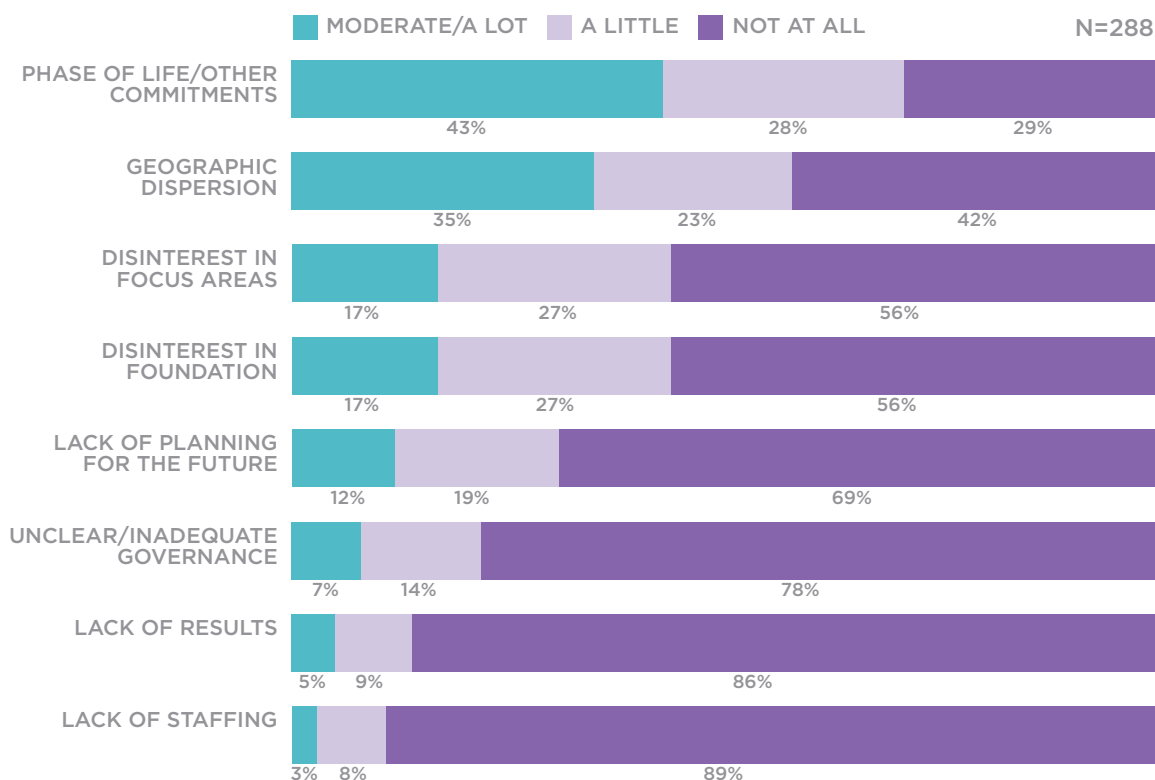
Regardless of age or size, family foundations that are engaging their younger members believe younger generations bring new ideas and vibrancy to the foundation. This response was the first or second most frequently given by all types of family foundations in the survey. Overall, 62 percent say younger family members add vibrancy and new ideas to their family foundation.

But the foundations also noted some challenges and potential areas of conflict as follows:

- Of the foundations surveyed, 40 percent say younger family members have moved away from the foundation's geographic location.
- Also, 40 percent say the younger generation is interested in different issues than are the older generation of leaders.
- About a quarter believe the younger generation has no time to serve on the board.
- Another quarter believe the older generation is reluctant to share decisionmaking with the younger generation.

Other questions in the survey support these beliefs (figure 24). When asked about factors that might impede family members' participation, 43 percent of all survey respondents said that "phase of life or other commitments" impede participation in the foundation a lot or a moderate amount. Similarly, 35 percent cited geographic dispersion of family members. Fewer than 5 percent of respondents said "lack of results" impedes family member participation.

**FIGURE 24. FACTORS IMPEDING FAMILY MEMBERS' PARTICIPATION**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations



**ADDITIONAL READING:**  
See Appendix C for a list of additional resources on the topic of Family Issues.



## KEY FINDINGS FROM THE SURVEY GRANTMAKING STRATEGY

The survey explored several topics related to foundation giving: types of grants, factors influencing giving, payout rates, and giving by family members outside of the foundation.

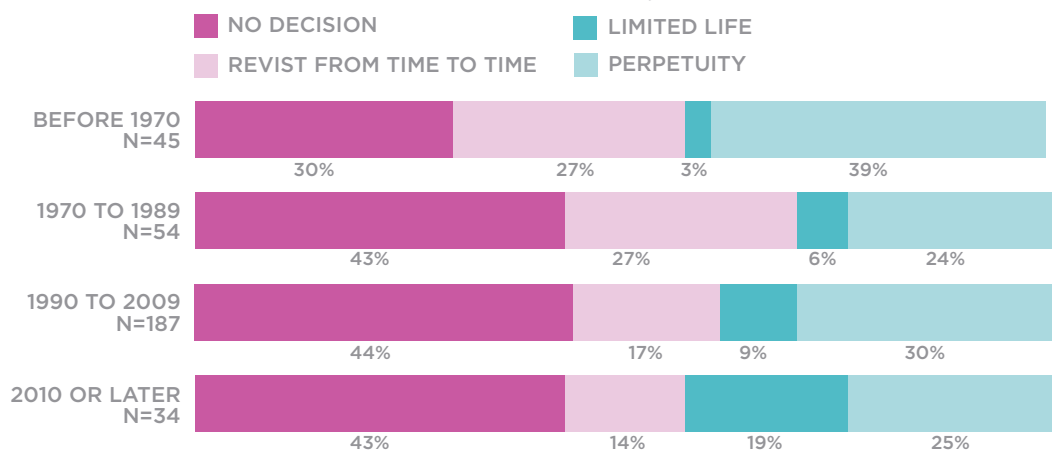
### LIMITS ON THE FOUNDATION'S LIFE SPAN

Over the past few years, interest and discussion have been growing about whether to limit the life span of a foundation or to operate in perpetuity.<sup>4</sup> Some argue for perpetuity on the basis of the ongoing need to provide support to alleviate intractable issues such as poverty and racial inequality and of the continuing need to support important institutions such as high quality education, health care, and the arts, among other causes. Others argue that getting money into use quickly is more efficient for solving problems and that future generations can create their own foundations and endowments.

In addition, some argue that once the donor and family have died or are no longer involved, the professional staff might not respect the donor's wishes. These data show that limited-life foundations are becoming more common, following the high profile examples of the Atlantic Philanthropies and of the Bill & Melinda Gates Foundation, among others.

Currently, fewer than 10 percent of family foundations have decided to limit the life of their foundation, 30 percent have decided to operate in perpetuity, and the rest either have not made a decision yet (42 percent) or revisit the issue from time to time (20 percent). Interestingly, the idea of limiting a foundation's life span resonates more with the youngest family foundations (figure 25). Nearly 20 percent have already decided to operate with a limited life span; another 25 percent will operate in perpetuity. In contrast, 3 percent of the oldest family foundations will limit their life span; nearly 40 percent will operate in perpetuity. Large family foundations are almost twice as likely as small foundations to have decided to limit the foundation's life span—13 percent versus 7 percent (figure 26). For the family philanthropy field as a whole, most foundations have not yet made this decision, but the younger foundations are tending more toward limiting their life span. The trend will be important to track.

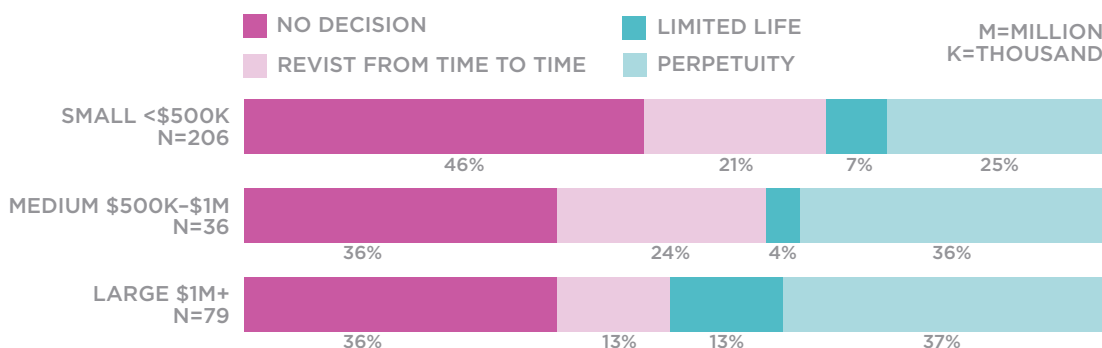
**FIGURE 25. FOUNDATION LIFE-SPAN PLANS, BY AGE OF FOUNDATION**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.



**FIGURE 26. FOUNDATION LIFE-SPAN PLANS, BY 2014 GIVING**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

## TYPES OF GRANTS

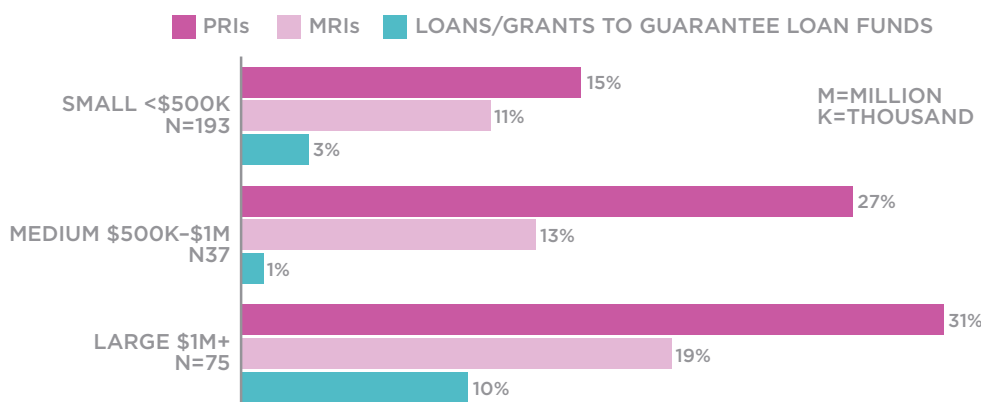
Family foundations understand the value of capacity building and long-term relationships with their grantee partners.

- Roughly 83 percent of such foundations report making general operating grants.
- Sixty-eight percent provide multiyear grants.
- Sixty-three percent give capacity building grants.

About 20 percent of family foundations make program-related investments (PRIs), and 13 percent make mission-related investments (MRIs). PRIs and MRIs are most prevalent among the large family foundations: nearly one in three large family foundations (31 percent) make PRIs, and one in five (19 percent) make MRIs (figure 27). Small and midsize family foundations are less likely to engage in these practices.

The share of family foundations making PRIs declines with the age of the foundation. Roughly a quarter (24 percent) of foundations founded before 1970 make PRIs compared to one-fifth (19 percent) of foundations founded since 2010 (figure 28). Similarly, MRIs are most likely among foundations founded before 1970 and those founded between 1990 and 2009—15 percent of both age cohorts engage in MRIs. Comparatively, MRIs are less common than PRIs across foundations of all ages and sizes, though MRIs are more common than loans or funds to guarantee loans.

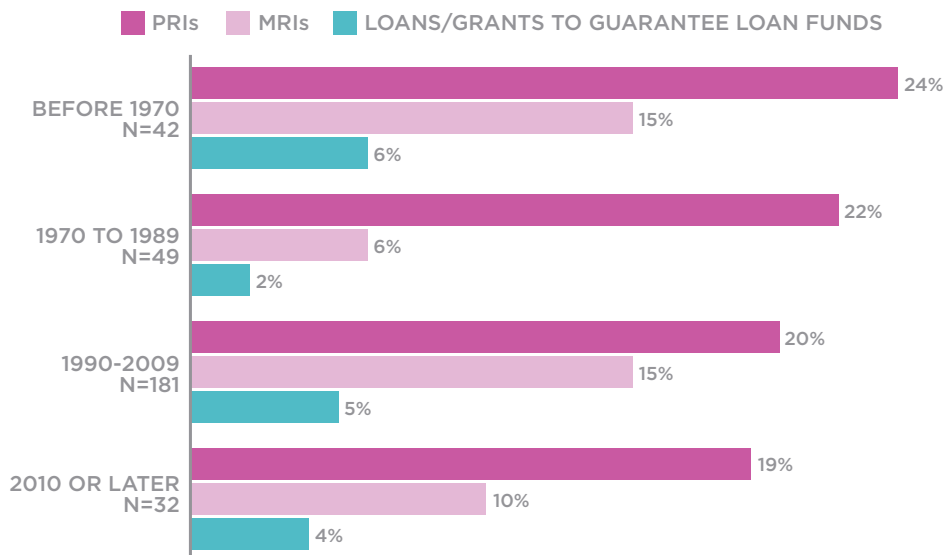
**FIGURE 27. FOUNDATION GRANT TYPES, BY 2014 GIVING**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.



**FIGURE 28. FOUNDATION GRANT TYPES, BY AGE OF FOUNDATION**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

## FACTORS INFLUENCING GIVING

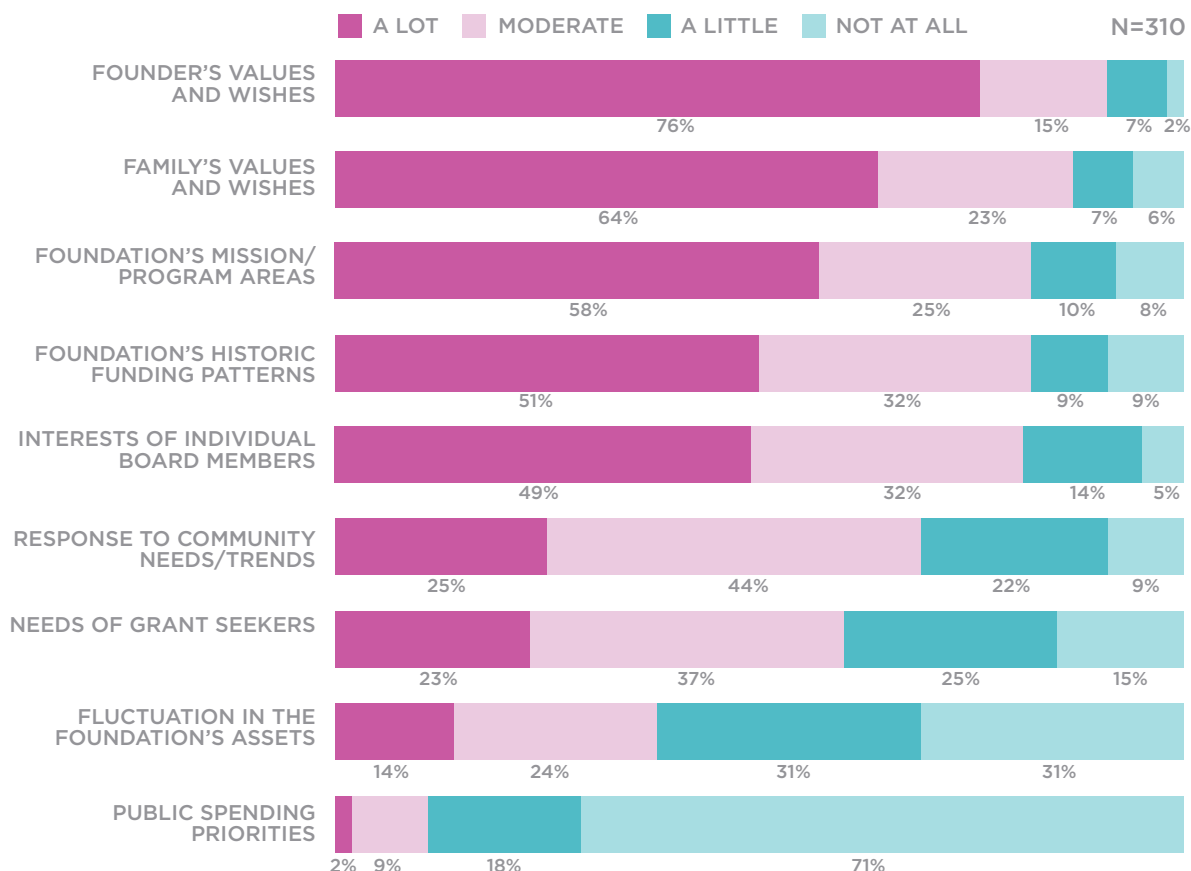
Roughly two of three family foundations use a written mission statement to guide their giving. However, the most common guide (used by 77 percent) is to focus a foundation's grantmaking on the specific program areas or issues the foundation addresses.

Internal factors are the primary influences on a family's general approach to giving (figure 29).

- Three-quarters (76 percent) report the founder's values and wishes influence the foundation's approach to giving a lot.
- Almost two-thirds (64 percent) say the family's values and wishes are a major influence.
- About half say the foundation's mission and program areas, its historic funding patterns, or the interests of individual board members influence giving a lot.
- About a quarter note that community needs or the needs of grant seekers are a major influence.
- On average, public spending priorities have very little influence on family foundation giving. Only 2 percent said this priority had a major influence on their giving.



**FIGURE 29. FACTORS THAT INFLUENCE THE FOUNDATION'S APPROACH TO GIVING**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

## PAYOUT RATES

Some scholars and observers of philanthropy argue that during hard economic times, private philanthropy should increase giving to help programs in need. Others contend that staying the course of a foundation's typical giving pattern is a better approach to ensure long-term support for valued programs.<sup>5</sup> That said, several factors affect payout rate decisions, including the following:

- Decisions about perpetuity or limited life
- The expectation of further gifts from the donor or family members
- Grantee needs or the needs of a specific cause the foundation supports

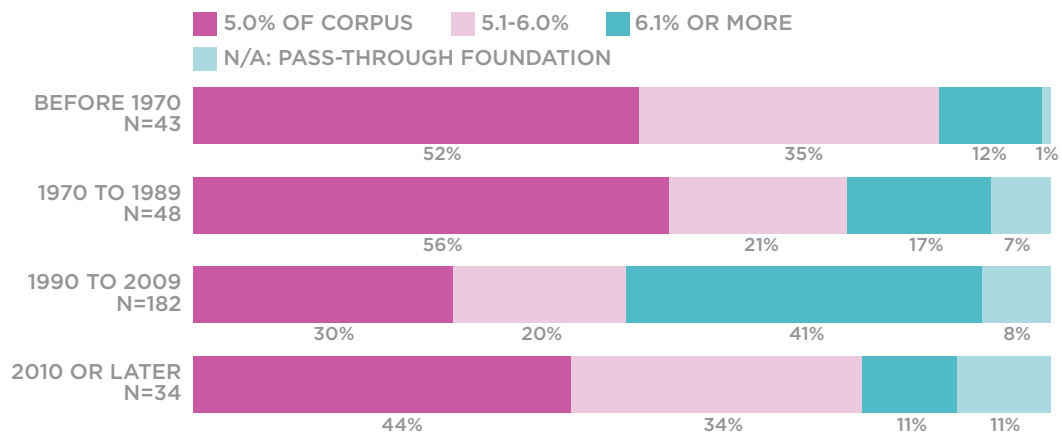
According to survey results, family foundations that have decided to exist in perpetuity and that do not expect any or significant further gifts are likely to adhere to payout levels of 5 percent to 6 percent that allow them to maintain the corpus over time. Those that expect major or regular gifts and that are not planning to reach a certain size may pay out at higher rates. Special events, such as disasters or causes that require infusions of capital to achieve a goal or breakthrough, may also influence foundations to pay out at higher levels. Some foundations do not intend to build a robust endowment and to become a pass-through foundation—that is, a foundation that distributes much of the contributions it receives in a year. The payout rates of these pass-through foundations can be in excess of 25 percent.



The national survey asked family foundations about their payout rate for the past two years (2013–15).

- Roughly three in five family foundations had recent payout rates at or just above the minimum 5 percent payout rate of corpus. Nearly 40 percent adhere to the minimum 5 percent payout rate; another 24 percent pay out up to 6 percent.
- About 30 percent of family foundations had payout rates above 6 percent—half of those (15 percent) gave more than 10 percent of corpus.
- Seven percent of family foundations are pass-through foundations. The youngest foundations (created since 2010) are most likely to be pass-through foundations (figure 30).
- The most generous payout rates are from family foundations created in the 1990s and 2000s and from those with a living and active donor. About one in five (21 percent) family foundations created in 1990–2009 gave more than 10 percent of corpus. Likewise, nearly 20 percent of foundations with a living and active donor gave 10 percent or more. In contrast, 87 percent of the oldest foundations (created before 1970) pay out between 5 percent and 6 percent of corpus. Those findings suggest that a living, active donor may direct the foundation to step up its giving in times of need, whereas older foundations (many that no longer have a living donor) may be trying to preserve the spirit and intent of the donor(s) to maintain the financial corpus of the foundation.

**FIGURE 30. FOUNDATION PAYOUT RATE, BY AGE OF FOUNDATION**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.  
Note: Pass through foundations do not have a payout requirement.





## RELATIONSHIPS WITH THE COMMUNITY

Working with community groups, especially grantees, is a two-way street. Family foundations need to communicate their priorities and goals, whereas the grantees need to demonstrate that they are using the foundation's funds responsibly. The survey asked a series of questions that provide insight into such relationships.

Family foundations of all sizes and ages tend to use standard approaches to interact with the community.

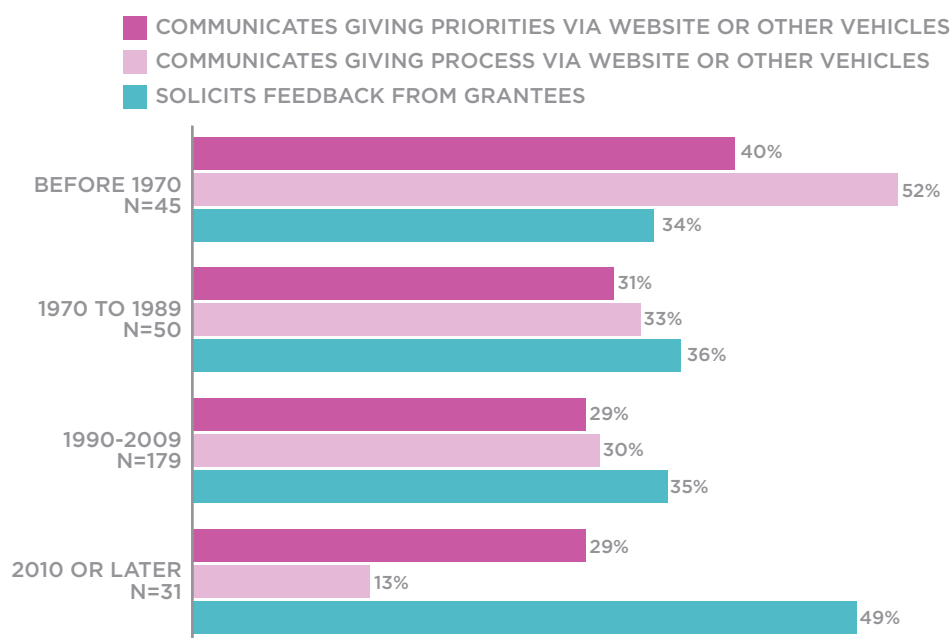
- About 75 percent say they build relationships with nonprofits in the community.
- Seventy percent say board and staff members represent the foundation in the community.
- Just under half (45 percent) participate in collaborative efforts with other funders or donors.

However, a smaller share of family foundations actively communicates about grantmaking activities. About half accept unsolicited letters of inquiry and proposals, and half inform applicants why a proposal was declined. But communications about a foundation's giving priorities and giving process are less widely practiced (figure 31).

Only one in three family foundations display such information on their website or in other vehicles. Older, more established family foundations engage in these practices more often than younger foundations. Typically, fewer than a quarter of very young foundations use websites to convey grantmaking priorities or processes.

Nearly half of the youngest foundations solicit feedback from their grantees, whereas roughly a third of foundations of other ages do so.

**FIGURE 31. FAMILY FOUNDATION COMMUNICATION, BY AGE OF FOUNDATION**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.



## ACCOUNTABILITY AND EVALUATION

How family foundations ask grantees to report on their grants and outcomes varies greatly.

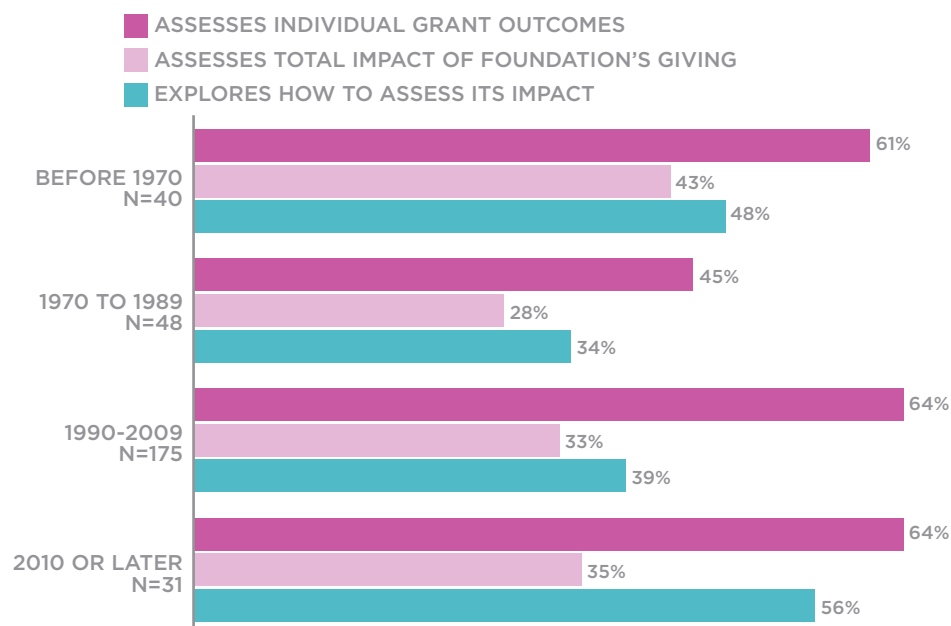
- More than half (57 percent) ask grantees to report on outcomes.
- About half (52 percent) have grantees submit a descriptive report of the activities undertaken with the grant money.
- Fewer than half (45 percent) require a financial report.
- Just over a third ask grantees to sign a formal agreement (35 percent) or to set and measure program goals (34 percent).

The idea of asking grantees to measure goals and report on outcomes is gaining more attention among funders. Two-thirds of younger foundations (created in 1990 or later) assess individual grant outcomes. Of the oldest foundations (created before 1970), 56 percent assess the effect of their giving on specific issues or program areas, and 43 percent of the oldest foundations assess the overall effect of the foundation's giving. Those findings may underscore the need for the foundation to increase its organizational capacity to undertake assessments and evaluations. The findings also support the idea that young entrepreneurs are particularly interested in using empirical data to measure results.

When a foundation is asked how it assesses its own work, the top response for foundations of all ages and sizes is to assess individual grant outcomes (figures 32 and 33). The percentage ranges from 80 percent of the largest foundations to 45 percent of foundations created in the 1970s and 1980s.

However, assessing the effect of the foundation's own giving was done less frequently. Depending on age or size, a quarter to fewer than half of family foundations engage in self-assessment. Nonetheless, roughly half of the oldest (48 percent) and youngest (56 percent) family foundations are exploring how to assess their foundation's impact. This finding may foreshadow a growing interest in measuring and evaluating foundation outcomes.

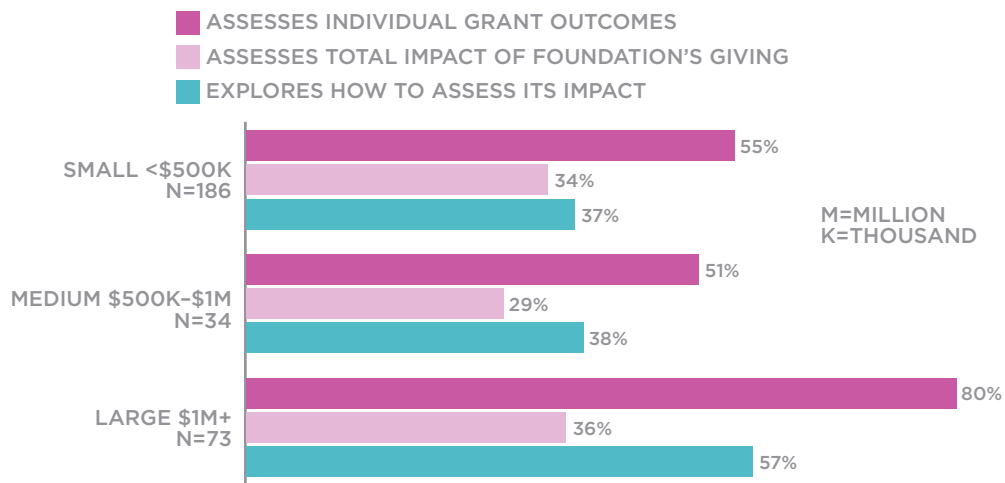
**FIGURE 32. FAMILY FOUNDATION EVALUATION ACTIVITIES, BY AGE OF FOUNDATION**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.



FIGURE 33. FAMILY FOUNDATION EVALUATION ACTIVITIES, BY 2014 GIVING



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

**“Family foundation boards struggle with questions about how to achieve impact, where to look for evidence, how to analyze rigorously, and how to look critically at their own programmatic and spending decisions.”**

— Ann Mackinnon (“Measuring What Counts: Meaningful Evaluation for Family Foundations,” NCFP, 2011)



**ADDITIONAL READING:**

See Appendix C for a list of additional resources on the topic of Grantmaking Strategy.



## KEY FINDINGS FROM THE SURVEY A LOOK TO THE FUTURE

Based on survey responses, a significant number of family foundations are considering making important changes in the next four years.

- About 20 percent plan to increase their payout rate; 6 percent say they will decrease it.
- Roughly 12 percent of all respondents say they will expand mission investing.
- Twenty-eight percent plan to give fewer but larger grants, whereas 24 percent expect to give more multiyear grants.
- Twenty-two percent say they will expand giving priorities, whereas another 22 percent say they will narrow giving priorities.

Two additional expected changes are likely to have a substantial influence on the family foundation field over the next four years:

- A quarter of family foundations expect a change in leadership.
- Just over half expect an increase in foundation assets.

### CHANGES IN LEADERSHIP

When a foundation was asked about potential changes to the its board and staff members, the two most frequent responses were as follows:

- Forty-three percent anticipated an addition to or an increase in the number of younger generation family members on the board.
- Twenty-four percent anticipated a change in board leadership.

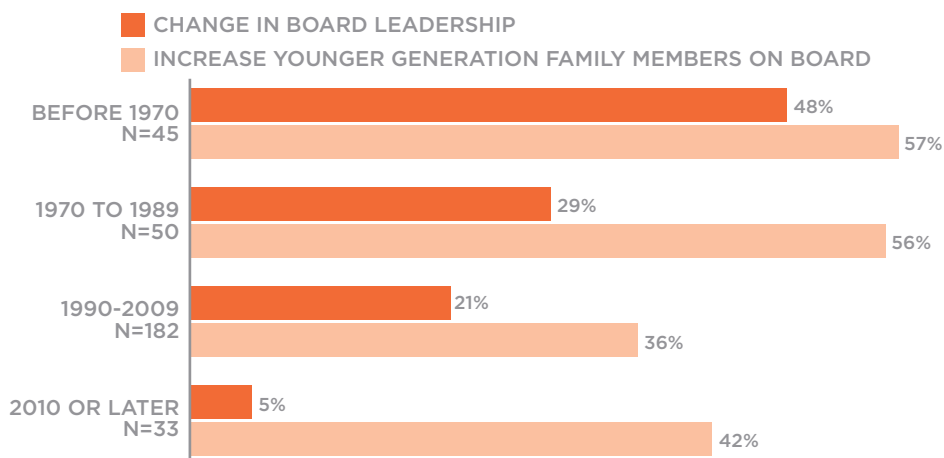
Those changes are likely to be felt more strongly in older foundations than in younger ones (figure 34). For example, more than half the family foundations created before 1990 anticipate adding younger generation family members to their board. At the same time, large shares of foundations also expect a change in board leadership. Nearly half of those formed before 1970 anticipate a change in board leadership, as do roughly a third of those founded in the 1970s and 1980s. About one in five (18 percent) foundations are anticipating both changes in the next four years. Installing younger family members on boards will help perpetuate family involvement in the foundations.

**All foundation boards face the problem of continuity and change, the one as essential as the other. Some plan of succession in board membership is therefore essential.**

– John Nason (“Foundation Trusteeship: Service in the Public Interest,” Foundation Center, 1989)



**FIGURE 34. CHANGES IN BOARD, BY AGE OF FOUNDATION**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.

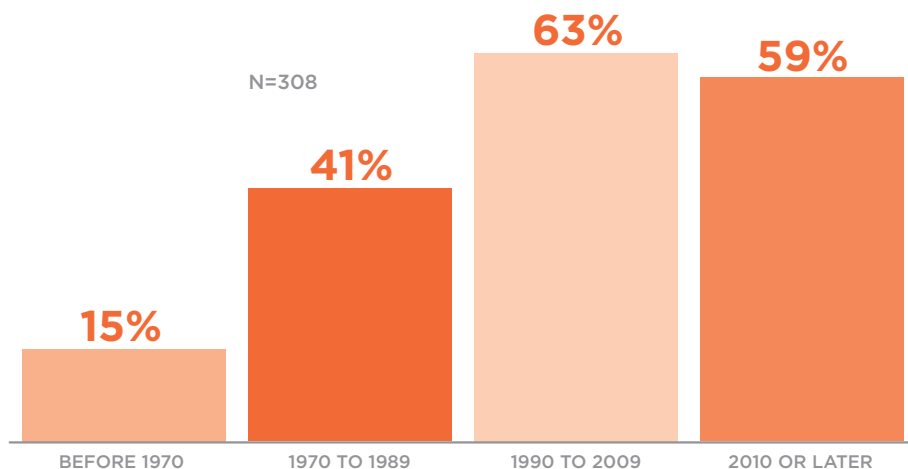
At least some of the anticipated board turnover is not routine. In open-ended questions, some survey respondents indicate they are preparing for the aging and eventual death of some board members and founders. At least a third (34 percent) of family foundations that plan to bring younger family members onto the board as voting members also anticipate a change in board leadership. Another indicator that this board turnover is not routine is that one in five family foundations that have no limits to board service anticipate changes in board leadership.

## GROWTH IN ASSETS AND PAYOUT RATES

Approximately half of the survey respondents (52 percent) anticipate receiving additional assets into their foundation in the next four years. Only 5 percent anticipate a reduction in assets.

- Asset growth is most likely to occur in younger foundations created after 1990. Roughly 60 percent of them expect a rise in assets.
- In contrast, just 15 percent of family foundations created before 1970 anticipate an increase in assets (figure 35).

**FIGURE 35. EXPECT TO RECEIVE ADDITIONAL ASSETS IN NEXT 4 YEARS**



Source: Urban Institute and National Center for Family Philanthropy 2015 National Survey of Family Foundations.



Will more assets affect the payout rate of family foundations? Not necessarily, especially if past performance is an indicator of future behavior. Family foundations that already have a payout rate above 6 percent are more likely than those with lower payout rates to expect more assets in the next four years. Further, foundations with higher payout rates (above 6 percent) are also more likely to say that they plan to increase their payout rate in the future than do those with lower payout rates (6 percent or less)—25 percent versus 17 percent, respectively. Whereas additional assets may encourage some family foundations to give more, past patterns of higher payout may be the stronger influence.

**“Those of us in family philanthropy are blessed with great opportunity and responsibility. How we rise to these challenges will define whether our field remains stuck in the stereotypes about us or lives up to our potential to advance our foundations’ missions. It’s not about us or even about the family. It’s about what we can do to improve the communities we serve.”**

— Mary Mountcastle, Board Member, Z. Smith Reynolds Foundation and Former Board Chair, National Center for Family Philanthropy (*The Power to Produce Wonders*, NCFP, 2010)



Next gen family leaders from The Mayer and Morris Kaplan Family Foundation gather to discuss grants.



# CONCLUSIONS

Family foundations as a whole are a quiet but prominent player in the field of philanthropy. Although they held \$363.3 billion in assets in 2013 and contributed \$23.9 billion in total giving, there has been little broad, systematic research conducted to establish the basic parameters of the field—its size, scope, and unique operating features. This study begins to fill that gap by providing an essential baseline for understanding the family foundation field and can be used to track changes over time.

At least three factors are likely to shape the family foundation field in the decades ahead:

1. **Leadership and structure of family foundations.** The aging and passing of the baby boomer generation will give rise to a new, younger, “next generation” of leaders. Those younger leaders have been lauded for bringing new vibrancy and new ideas to the field, but they also may bring new ways of conducting foundation business. This profile of family foundations hints of potential disagreements in management and operating styles across generations; however, it reveals considerable confidence that the underlying values of family foundations will be preserved.
2. **Asset growth and issue focus.** Younger family foundations are anticipating an influx of new assets into the field. How those assets are invested and used will have a major influence in the field. The donors may use an array of philanthropic vehicles, including foundation giving and other types of philanthropic vehicles. Also, as a part of the generational transition, family philanthropy in the future may be less tied to a place-based strategy and may take a more global strategy.
3. **Outcomes measurement and evaluation.** Roughly a quarter of family foundations are interested in exploring how best to measure and to evaluate grantee outcomes and the effectiveness of their own philanthropy. Some family foundations have already started down this path, but the survey findings suggest that empirical measurement may increasingly become an integral part of grantmaking.

No one knows which paths family foundations will follow in their journey or how quickly change will evolve. But this national profile of family foundations offers a starting point for monitoring the field over time.

## ENDNOTES

1 “Foundation Stats,” Foundation Center, 2013, <http://data.foundationcenter.org/#/foundations/family/nationwide/total/list/2013>.

2 Elizabeth T. Boris, Loren Renz, Mark A. Hager, Rachel Elias, and Mahesh Somashekhar, *Foundation Expenses and Compensation: Results of a Three-Year Study* (Washington, DC: Urban Institute, Foundation Center, Philanthropic Research, Inc. 2008), [http://www.urban.org/research/publication/what-drives-foundation-expenses-and-compensation/view/full\\_report](http://www.urban.org/research/publication/what-drives-foundation-expenses-and-compensation/view/full_report).

3 For a review of this issue, see William A. Schambra, “Board Compensation: To Pay or Not to Pay,” *Philanthropy* (Winter 2008), [http://www.philanthropyroundtable.org/topic/philanthropic\\_freedom/compensating\\_foundation\\_directors1](http://www.philanthropyroundtable.org/topic/philanthropic_freedom/compensating_foundation_directors1).

4 For an in-depth look at the decision to limit the life of a foundation, see Francie Ostrower “Limited-Life Foundations: Motivations, Experiences, and Strategies” (Washington, DC: Urban Institute, 2009), <http://www.urban.org/research/publication/limited-life-foundations-motivations-experiences-and-strategies>.

5 Nathan Dietz, Brice McKeever, Ellen Steele, and C. Eugene Steuerle, “Foundation Grantmaking over the Economic Cycle” (Urban Institute, Washington, DC, 2015), <http://www.urban.org/research/publication/foundation-grantmaking-over-economic-cycle>.

# APPENDIX A. SURVEY METHODS

## BACKGROUND AND OBJECTIVES

From April through June 2015, the Social and Economic Sciences Research Center (SESRC) implemented a mixed mode survey on family philanthropy for the Urban Institute. The purpose of the study was to gather information on key aspects of family foundations such as governance issues, intergenerational leadership transitions, financial and investment concerns, program innovations, and evaluation. The survey was developed by the National Center for Family Philanthropy and the Urban Institute.

## POPULATION AND SAMPLE

To draw the survey sample, Urban used the Foundation Center's family foundation<sup>1</sup> database as the sampling frame. It includes data from 2012 IRS Forms 990 for 47,500 family foundations across the country. Very small and inactive foundations were filtered out by designating asset and giving thresholds. To be eligible for the sample, a foundation had to have assets of at least \$2 million or annual giving of at least \$100,000. After applying those criteria, 17,352 foundations remained in the sampling frame.

The foundations were then stratified by total assets and annual giving. Each criterion (assets and giving) was grouped into quartiles; each foundation was assigned to an asset group and a giving group. For example, a foundation with large asset holdings and relatively small amounts of giving would be in group 1 for large assets and group 4 for small giving. In total, 16 combinations of asset and giving groups are possible.

Foundations were selected for the sample in two parts: first, Urban drew a random sample of 2,000 family foundations so that the proportion of each combination of asset group and giving group was the same as in the sampling frame. Next, Urban drew an additional 500 large foundations to ensure that the largest foundations would be well represented. These "oversampled" large foundations had at least \$25 million in assets and \$100,000 in giving.

The stratified random sample of 2,000 foundations was combined with the oversample of 500 large foundations to obtain a nationally representative sample of family foundations, with overrepresentation of large foundations. The difference in the likelihood for being sampled was corrected with sampling weights during analysis. (See table A-1.)

**TABLE A-1. ASSETS AND GIVING, FULL SAMPLE**

| ASSET RANK | GIVING RANK |     |     |     | Total |
|------------|-------------|-----|-----|-----|-------|
|            | 1           | 2   | 3   | 4   |       |
| 1          | 811         | 131 | 18  | 40  | 1,000 |
| 2          | 61          | 193 | 165 | 81  | 500   |
| 3          | 32          | 66  | 143 | 259 | 500   |
| 4          | 63          | 124 | 178 | 135 | 500   |
| TOTAL      | 967         | 514 | 504 | 515 | 2,500 |

SESRC went through the sample and used Internet searches (mainly Guidestar.org) to fill in missing addresses, e-mails, and telephone numbers in the sample. The final sample consisted of 2,500 records.

<sup>1</sup> The Foundation Center classifies foundations as a "family foundation" using a multistep procedure, which includes self-designation as a family foundation by the foundation, computer searches to identify potential family members listed on the foundation's board or leadership staff, and other matching strategies. See <http://foundationcenter.org> for further details.

## QUESTIONNAIRE DESIGN

The questionnaire was designed jointly by the Urban Institute and the National Center for Family Philanthropy. It was reviewed by the study's advisers. Urban provided a draft of the questionnaire and then worked with SESRC to make the final versions. The final questionnaire contained 45 questions and 223 variables. The 12-page paper survey was printed on white 11" × 17" paper and then folded in half to form a booklet. The questionnaire was designed to be administered by paper, web, or phone. The questions were the same across the modes.

## HUMAN SUBJECT RESEARCH REVIEW

The survey questionnaire and data collection procedures were reviewed and approved by Urban's Institutional Review Board. This procedure is followed for all Urban Institute studies to ensure compliance with federal regulations for human subject research. Approval was received on March 3, 2015.

## PRETEST

A pretest was conducted with 28 respondents before the full study started. The pretest's main purpose was to test the survey instruments. Because no changes were made to the questionnaire, the six interviews completed during the pretest have been included in the final dataset.

## DATA COLLECTION

Each respondent received multiple contacts to obtain a completed interview. Respondents were contacted by mail up to five times and by phone. During the phone contact and when a client requested it, SESRC could send an e-mail with a link to the web survey. The initial contact was on April 23, 2015, and the final contact was on June 30, 2015.

**TABLE A-2. DATA COLLECTION**

| MAILING INFORMATION AND TELEPHONE CONTACTS |                            |             |
|--|----------------------------|-------------|
| DATE MAILED                                | TYPE                       | NUMBER SENT |
| April 23, 2015                             | Prenotification letters    | 2,500       |
| April 30, 2015                             | Questionnaire mailings     | 2,485       |
| May 11, 2015                               | Postcard reminders         | 2,443       |
| May 26–June 30, 2015                       | Telephone contacts         | NA          |
| June 8, 2015                               | Replacement questionnaires | 1,975       |
| June 23, 2015                              | Second reminder postcards  | 1,663       |
| June 30, 2015                              | Data collection cutoff     | NA          |

## MAILINGS

All mailings were sent by first-class mail. Letters and questionnaires were sent in 6" × 9" light brown envelopes. This size envelope was used because it stands out from the typical business envelope and because it fits the size of the questionnaire. An 8" × 11" booklet folded in half fits nicely into the 6" × 9" envelope.

## TELEPHONE CONTACTS

Telephone contacts were conducted by trained SESRC staff members. Using the VoxCo CATI (computer-assisted telephone interviewing), staff members called nonrespondents up to six times either to complete a phone interview or to encourage the respondent to return the paper questionnaire or complete the online survey. The telephone system allows SESRC to immediately e-mail a link to the web survey if that is the preference of the respondent.

## DATA ENTRY

Data entry and verification were conducted by trained SESRC staff members. Each completed questionnaire was entered twice by different staff members using a system developed in house by SESRC. The computer program checks for discrepancies between the initial entry of answers and the verification entry. If the answers are different, the program stops and the person working on verification determines if the initial answers are the correct entry or if the verification answers are correct. As a final step, any remaining discrepancies are checked by a supervisor to ensure that the data are 100 percent accurate.

## RESPONSE RATES

The response rate is the ratio of completed and partially completed interviews to the total eligible survey group. This formula is considered the industry standard for calculating response rates and complies with the Standard Definitions Response Rate of the American Association for Public Opinion Research.

For the total fielded sample, 341 respondents completed the survey. The response rate for this study is 17 percent. Table A-3 provides a complete breakdown of the response rate.

Survey weights were applied to the data to take into account the oversampling of large family foundations and adjust for slightly lower response rates among smaller family foundations.



Kathy and George Edwards, co-founders of the Cedarmere Foundation, along with their children and grandchildren.

TABLE A-3. SURVEY WEIGHTS

| INTERVIEW (CATEGORY 1)  | TRACKING CODE | INTERVIEW CODE | STATUS       |
|---|---------------|----------------|--------------|
| Phone completes   | 1.1100        | I              | 4            |
| Mail completes  | 1.1200        | I              | 151          |
| Web completes   | 1.1300        | I              | 163          |
| Phone partial completes   | 1.2100        | P              | 2            |
| Mail partial completes  | 1.2200        | P              | 0            |
| Web partial completes   | 1.2300        | P              | 21           |
| <b>ELIGIBLE, NONINTERVIEW (CATEGORY 2)</b>  | <b>2.0000</b> |                |              |
| Refusal and break off   | 2.1000        | RF             | 31           |
| Refusal   | 2.1100        | RF             | 290          |
| Noncontact  | 2.2000        | NC             | 492          |
| Respondent never available  | 2.2100        | NC             | 29           |
| Answering machine household—no message left                                       | 2.2210        | NC             | 445          |
| Answering machine household—message left  | 2.2220        | NC             | 272          |
| Deceased respondent   | 2.3100        | O              | 1            |
| <b>UNKNOWN ELIGIBILITY, NONINTERVIEW (CATEGORY 3)</b>                             | <b>3.0000</b> |                |              |
| Always busy   | 3.1200        | UH             | 4            |
| No answer   | 3.1300        | UH             | 47           |
| Call blocking   | 3.1500        | UH             | 5            |
| USPS: Returned to sender for various USPS violations                              | 3.2400        | UO             | 75           |
| <b>NOT ELIGIBLE (CATEGORY 4)</b>  | <b>4.0000</b> |                |              |
| Fax or data line  | 4.2000        | NW             | 9            |
| Nonworking number   | 4.3100        | NW             | 166          |
| Disconnected number   | 4.3200        | NW             | 73           |
| Temporarily out of service  | 4.3300        | NW             | 45           |
| Number changed  | 4.4100        | NW             | 166          |
| No eligible respondent—not a family foundation                                    | 4.7100        | IE             | 25           |
| No eligible respondent—not in operation   | 4.7200        | IE             | 9            |
| Duplicates  | 4.9200        | OT             | 3            |
| <b>TOTAL PHONE NUMBERS USED</b>   |               |                | <b>2,528</b> |
| I = Complete interviews (1.1)   | —             | —              | 318          |
| P = Partial interviews (1.2)  | —             | —              | 23           |
| R = Refusal and break off (2.1)   | —             | —              | 321          |
| NC = Noncontact (2.2)   | —             | —              | 1,238        |
| O = Other (2.0, 2.3)  | —             | —              | 1            |
| UH = Unknown business (3.1)   | —             | —              | 56           |
| UO = Unknown other (3.2–3.9)  | —             | —              | 78           |
| <b>RESPONSE RATE 1: <math>I / (I + P) + (R + NC + O) + (UH + UO)</math></b>       |               |                | <b>15.6%</b> |
| <b>RESPONSE RATE 2: <math>(I + P) / (I + P) + (R + NC + O) + (UH + UO)</math></b> |               |                | <b>17.0%</b> |

**NOTE:**

I = COMPLETE INTERVIEWS; IE = INELIGIBLE RESPONDENT; — = NOT APPLICABLE; NC = NONCONTACT;  
 NW = NONWORKING NUMBER; O = OTHER; OT = DUPLICATES; P = PARTIAL INTERVIEWS; RF = REFUSAL AND BREAK OFF;  
 UH = UNKNOWN BUSINESS; UO = UNKNOWN OTHER

## APPENDIX B. ADDITIONAL RESEARCH ON FAMILY PHILANTHROPY

*Trends in Family Philanthropy* is the first study to look solely at the trends and challenges of families engaged in shared family philanthropy. However, previous studies have explored selected aspects of the role and scope of family philanthropy. In appendix B, we present highlights from a number of recent reports, along with links to additional information.



### “APPROACH TO STRATEGIES ABOUT GIVING” (MERRILL LYNCH 2015)

The Merrill Lynch Private Banking and Investment Group created the “Approach to Strategies about Giving” survey, in which 206 high-net-worth individuals, with assets of \$5 million or more, completed an online survey in October 2014 about their approach to giving. All respondents were at least 21 years old, had at least one child, and intended to distribute some of their assets to their children.

#### Key highlights and recommendations related to family philanthropy

- Relatively few respondents have defined the intended purpose of the assets they choose to give. When asked to rank whether they’ve defined purpose on a scale of 1 to 10, more than 50 percent ranked themselves 5 or below.
- Three of four respondents have discussed what assets they plan to leave. But only 43 percent noted that they had discussed the purpose of those gifts.
- Almost half—48 percent—of respondents noted that working with a financial adviser would increase their confidence about giving strategies.
- Download the full report at <http://www.pb主g.ml.com/pwa/pages/how-much-should-i-give-to-my-family.aspx>.

### “BILLIONAIRES: MASTER ARCHITECTS OF GREAT WEALTH AND LASTING LEGACIES” (UBS 2015)

This report analyzes data covering more than 1,300 billionaires and looks back 19 years. The report surveys the 14 largest billionaire markets, which account for 75 percent of global billionaire wealth, and includes results from face-to-face interviews with more than 30 billionaires. The report includes a detailed analysis of which billionaires have signed the Giving Pledge – a campaign led by Warren Buffett and Bill Gates to encourage the world’s wealthiest people to give most of their wealth to philanthropic causes.

#### Key highlights and recommendations related to family philanthropy

- Most of the world’s billionaires have made their wealth in the past 20 years, when they created more than \$3.6 trillion.
- Of US billionaires, 14 percent have committed to the Giving Pledge versus 3 percent in Europe.
- Of self-made billionaires, 15 percent have committed to the Giving Pledge versus 2 percent of multigenerational billionaires (those who inherited some or all of their wealth).
- Those with more than \$20 billion are three times more likely to have signed the Giving Pledge than are those with \$1 billion to \$5 billion (23 percent versus 8 percent).
- Download the full report at <https://www.ubs.com/microsites/billionaires-report/en/home.html>.



## “DONOR ENGAGEMENT STUDY: ALIGNING NONPROFIT STRATEGY WITH DONOR PREFERENCES” (ABILA 2015)

This study seeks to compare how donors actually engage with organizations versus how nonprofits think donors engage with their organizations. The study is based on a survey of 1,263 donors in the United States ranging across all age segments—millennials, generation Xers, baby boomers, and matures.

### Key highlights and recommendations related to family philanthropy

- The top four priorities of donors are that their money is used wisely (71 percent), that the organization has a good reputation (69 percent), that they have a strong belief in the mission or cause (68 percent), and that their support makes a difference (53 percent).
- Donors prefer communication only a couple times a year or a couple times a quarter, regardless of channel.
- Donors feel most engaged by providing a financial contribution or volunteering with the organization, but they do not place a high engagement level on social media, networking events, or other social functions.
- Download the full report at <http://www.abila.com/lpgs/donorengagementstudy/>.

## “GIVING AND PLANNING: RESEARCH INSIGHTS” (FIDELITY 2015)

A 2015 survey explores how Fidelity Charitable donors plan their philanthropy. This survey report examines donors' time invested in philanthropy, yearly giving objectives, and long-term philanthropic planning. It also uncovers how age, life stage, gift size, and gender affect those approaches.

### Key highlights and recommendations related to family philanthropy

- Almost 63 percent of donors spend five hours or more a month on philanthropic activities; retired donors spend more time on their philanthropy than do donors who are employed full time.
- Just one in five donors prefers to make donations that create a long-term difference for the organizations they support, while two in five prefer to donate to short-term needs. Only one in five donors has a charitable mission statement or articulated giving goals.
- More than half of donors factor giving into their estate plans. Donors who give \$100,000 or more in a year spend more time on philanthropy and are more likely to have a formal legacy plan.
- Download the full report at <http://www.fidelitycharitable.org/docs/giving-and-planning.pdf>.

## “2015 U.S. TRUST INSIGHTS ON WEALTH AND WORTH SURVEY” (U.S. TRUST 2015)

This study explores the attitudes, behavior, goals, and needs of high-net-worth and ultra-high-net-worth adults in the United States. U.S. Trust has periodically surveyed the perspectives of wealthy individuals and families since 1993. The 2015 report is based on an independent, nationwide survey of 640 high-net-worth and ultra-high-net-worth adults across the country.

### Key highlights and recommendations related to family philanthropy

- About 86 percent of the wealthy consider giving back to society as an essential or an important aspect of a life well lived, including more than half (54 percent) who consider it absolutely essential.
- Among wealthy parents, 4 in 10 (43 percent) feel that giving back is an important example to set for children.
- More than half (55 percent) of the wealthy report that the primary reason for wanting to give back to society is to support the interests and causes that matter most to the donor. That decision is also based on motives shaped by their values, experiences, and perceptions.
- Download the full report at <http://www.ustrust.com/ust/pages/insights-on-wealth-and-worth-2015.aspx>.



## **IS GRANTMAKING GETTING SMARTER (GRANTMAKERS FOR EFFECTIVE ORGANIZATION 2014)**

This national survey by Grantmakers for Effective Organization highlights how grantmakers are supporting nonprofit resilience and discusses where they are falling short.

### **Key highlights and recommendations related to family philanthropy**

- General operating support has grown from 20 percent of grant dollars awarded in 2008–11 to 25 percent in 2014.
- More than a quarter of grantmakers increased funding for multiyear grants (31 percent increase from 2011 to 2014), general operating support (27 percent), and capacity building (27 percent).
- Of self-made billionaires, 15 percent have committed to the Giving Pledge versus 2 percent of multigenerational billionaires (those who inherited some or all of their wealth).
- Of the funders, 63 percent seek external input on foundation strategy, and 52 percent seek advice on policies, practices, or program areas from representatives of recipient communities or grantees.
- Of those surveyed, 80 percent believe it is important to coordinate resources and actions with other funders working on the same issue, but 53 percent are not supporting the cost of collaboration among grantees.
- Download the full report at <http://www.geofunders.org/resource-library/all/record/a066000000H6creAAB>.

## **“KEY FACTS ON US FOUNDATIONS” (FOUNDATION CENTER 2014)**

This annual overview of foundation giving includes broad measures about the level of foundation giving; the number of foundations by foundation type; the number of foundation grants by issue, population focus, and type of support; and grantmaking levels by geography. Whereas the report does not list family foundations as a grantmaker type because no legal definition of family foundation exists, the report does discuss the involvement of family members and acknowledges that family foundations make up the largest percentage of foundations in the United States.

### **Key highlights and recommendations related to family philanthropy**

- Overall giving by the nation’s private and community foundations reached \$54.7 billion in 2013, surpassing previous record levels even after adjusting for inflation.
- More than half of independent foundations have measurable donor or donor-family involvement in their governance. The actual share for family foundations is likely far higher.
- The largest percentage of foundation grants went to health (22 percent) and education (22 percent). Other areas of primary focus include human services (16 percent), public affairs and society benefit (12 percent), and arts and culture (10 percent).
- Download the full report at [http://foundationcenter.org/gainknowledge/research/keyfacts2014/pdfs/Key\\_Facts\\_on\\_US\\_Foundations\\_2014.pdf](http://foundationcenter.org/gainknowledge/research/keyfacts2014/pdfs/Key_Facts_on_US_Foundations_2014.pdf).

## **“SIX PATHWAYS TO ENDURING RESULTS: LESSONS FROM SPEND-DOWN FOUNDATIONS” (BRIDGESPAN GROUP 2013)**

This report charts six pathways that spend-down foundations and philanthropists have used to magnify their influence: (1) investing in the people who will become the field’s future leaders, (2) building the capacity of powerful institutions and networks to continue making progress, (3) influencing other philanthropists, (4) funding proven programs that create lasting results, (5) supporting pioneering research to develop new solutions, and (6) changing government policies.

### Key highlights and recommendations related to family philanthropy

- The number of prominent foundations planning to spend out their money has grown substantially over the past 50 years, and as of 2010, 24 percent of assets of the 50 largest foundations was held by spend downs.
- Some donors disburse their money during their lifetimes to avoid the possibility that a perpetually endowed foundation might drift away from their intent, shun risk-taking, or lapse into mediocrity without the donor's active oversight.
- Donors seeking to identify the correct spend-down pathway should consider (1) their values and beliefs, (2) the data and analysis, and (3) their time frame and resources.
- Download the full report at <http://www.bridgespan.org/getmedia/6eb1236c-b25a-4ee9-9f53-1b85233a331f/Six-Pathways-to-Enduring-Results.pdf.aspx>.

### ADDITIONAL STUDIES AND REPORTS OF INTEREST

Many other reports and studies may be of interest to those seeking to better understand future trends in family philanthropy. They include the following:

- *2014 Donor-Advised Fund Report* (National Philanthropic Trust 2014)
- *2015 Operations and Management Report* (Exponent Philanthropy 2015)
- *2015 Salary and Benefits Report* (Exponent Philanthropy 2015)
- *Current Practices in Family Foundations: A Study in Support of the Pursuit of Excellence Assessment Process* (National Center for Family Philanthropy 2008)
- *Family Philanthropy Beyond Borders: Best Practices for Family Foundations with Geographically Dispersed Boards* (Center on Philanthropy at Indiana University 2011)
- *Foundation Source 2015 Annual Report on Private Foundations* (Foundation Source 2015)
- *Generations of Giving: Leadership and Continuity in Family Philanthropy* (National Center for Family Philanthropy 2005)
- "Growing Up Giving: Insights into How Young People Feel about Charity" (Charities Aid Foundation 2013)
- *Limited Life Foundations: Motivations, Experiences, and Strategies* (Urban Institute, Center on Nonprofits and Philanthropy 2009)
- "Philanthropy and the Social Economy: Blueprint 2015, The Annual Industry Forecast" (GrantCraft 2015)
- *The Power to Produce Wonders: The Value of Family in Philanthropy* (National Center for Family Philanthropy 2010)
- *UBS-INSEAD Study of Family Philanthropy in Asia* (UBS-INSEAD 2011)
- *What California Donors Want: In Their Own Voices* (National Center for Family Philanthropy 2003)
- *What Drives Foundation Expenses and Compensation: Results of a Three-Year Study* (Urban Institute's Center on Nonprofits and Philanthropy and the Foundation Center 2008)

## APPENDIX C. RESOURCES FROM THE NATIONAL CENTER FOR FAMILY PHILANTHROPY

The National Center for Family Philanthropy (NCFP) has published a wide range of issue briefs, case studies, guides, and journals about various issues in family giving, many of which are covered in this report. In this appendix, see brief descriptions of many of our most popular resources, which are available for all NCFP friends and subscribers through the Family Philanthropy Online Knowledge Center, <http://www.ncfp.org>.



### OTHER GIVING VEHICLES

#### ***Family Philanthropy and Donor-Advised Funds (2002)***

Designed as a resource for families looking at all their philanthropic options, this monograph represents a refreshing departure from other publications. Issues and opportunities are explored from the perspective of the donor and the family.

#### ***Making the Commitment to Family Philanthropy: A Management Tool for Community Foundations (2005)***

This self-guided tool addresses the strategic, philosophical, structural, and practical considerations related to community foundation management, thereby emphasizing a cost and benefit framework to help community foundations decide whether to offer family philanthropic services, and if so, in what way. It also offers a tool to perform a thorough self-assessment with which to identify internal and external strengths and weaknesses.

#### ***The Practice of Family Philanthropy in Community Foundations (2002)***

This study presents a report on the state of family philanthropy in community foundations. The report addresses (1) why and how families are using community foundations, (2) why some families may not be accessing the services of community foundations, and (3) what factors are inhibiting the growth of family philanthropy within community foundations.

#### ***“Working Together for Common Purpose: The First National Study of Family Philanthropy through the Family Office” (2012)***

This report is based on results of the first national study to explore the relationship between family offices and family philanthropy, thereby identifying common themes for both success and failure. The study draws on personal interviews and results from a survey of family offices to highlight emerging best practices by which family foundations and family offices can effectively work together to maximize the positive returns for the community and the family.



### BOARD ROLES, RESPONSIBILITIES, AND COMPOSITION

#### ***“Avoiding Conflicts of Interest and Self-Dealing for Family Foundation Boards” (2013)***

This *Passages Issue Brief* includes a detailed history and descriptions of the self-dealing rules, with a particular focus on self-dealing as it relates to managing a foundation’s investments. The paper also features a collection of short vignettes about common questions and a one-page referral checklist for board and staff members.

#### ***“Board Compensation: Reasonable and Necessary?” (2001)***

Deciding whether to compensate or reimburse family foundation board members can be a difficult and complex decision. This *Passages Issue Brief* provides guidance about the legal regulations regarding compensation, suggestions for how to initiate a conversation among board members about whether compensation is appropriate, and suggestions for how to develop a written policy on the basis of such a conversation.

#### ***“Demystifying Decisionmaking in Family Philanthropy” (2003)***

The notion of selecting methods to use in making a decision is foreign to many family foundations and advised funds. Getting board members to agree can be difficult enough. Why would foundations and advisory boards want to add yet another step to the process? This *Passages Issue Brief* describes different decisions made under varying conditions and circumstances that require different decisionmaking methods.

### **“Discretionary Grants: Encouraging Participation ... or Dividing Families?” (2001)**

The practice of discretionary grantmaking brings out a wide variety of responses. This *Passages Issue Brief* looks at the common reasons that families use or opt not to use discretionary grants, as well as the typical process that is used to make those types of grants. The paper also examines how different approaches to discretionary grants can support or hinder the work of the foundation and what the legal regulations are regarding such practices.

### **“Discretionary Grants: Engaging Family ... or Pandora’s Box?” (2011)**

Many family foundations have created policies governing how much money to allocate for discretionary grants, who is eligible to make the grants, and whether the grants must be within the foundation’s mission and guidelines. Others have made the decision not to use them. This *Passages Issue Brief* explores new trends and techniques in the use of board and staff discretionary grants.

### **“Managing Risk: Board Oversight of Foundation Investments” (2010)**

The foundation and nonprofit sector continues to struggle with how to invest philanthropic assets most appropriately and how to ensure that boards and staffs are managing investments prudently. This *Passages Issue Brief* explores the roles and responsibilities of foundation boards, examines the critical role of governance, and describes how to develop policies that ensure prudent investment practices.

### **“A Place at the Table: Non-family Membership on the Family Foundation Board” (2012)**

What are the signs that a foundation’s board might benefit from adding a community leader to bring new energy and a fresh voice to board deliberations and decisions? This *Passages Issue Brief* shares perspectives and advice on the advantages, challenges, questions, and opportunities of engaging nonfamily trustees on a family foundation board.

### **“Trustee Compensation: What Is Appropriate?” (2004)**

This briefing paper addresses two key questions related to compensation: (1) if a foundation chooses to compensate board members, how does it decide on an appropriate level of compensation, and (2) what does a foundation need to consider to ensure that its compensation is reasonable and consistent with the overall mission of the foundation?

### ***The Trustee Notebook: An Orientation for Family Foundation Board Members (1999)***

This comprehensive guide for the new family trustee addresses the rules of governance and answers questions a new trustee might have. The manual’s design allows a foundation to create a basic trustee orientation handbook by including the governance and management documents of its own foundation.



## **SUCCESSION AND LEADERSHIP TRANSITIONS**

### **“Choosing and Preparing Your Grantmaking Successors” (2010)**

Family foundation donors and first generation boards should begin the continuity and succession discussion early in the foundation’s lifetime if perpetuity is the objective. This *Passages Issue Brief* profiles the succession planning experience of the Howard and Geraldine Polinger Family Foundation and the challenges faced when the foundation sought to add third-generation family members to its board of directors.

### **“Family Philanthropy Transitions: Possibilities, Problems, and Potential” (2015)**

What are the key turning points in the life of a family foundation or fund? Which transitions can families anticipate in the years ahead? How do families plan for them? How can families ensure that the outcomes are more positive and promising than tense and tumultuous? This *Passages Issue Brief* explores the circumstances and dynamics of transitions and shares the experiences of practitioners in dealing with them.

### ***Grantmaking with a Compass: The Challenges of Geography (1999).***

Using stories of families, this monograph offers examples of how families have dealt with issues including (1) honoring the legacy of the donor, (2) defining a mission that accommodates individual interests and needs of different communities, (3) maintaining high standards of grantmaking practices and evaluation strategies, and (4) allocating funds equitably.

### **“Growing to Give: Instilling Philanthropic Values in Teens and Preteens” (2004)**

The teenage years can be the most tumultuous ones—particularly for parents! Parents may want their children to become charitable for any number of reasons, including (1) to prepare them to take formal leadership one day of the family’s foundation or other giving vehicle, (2) to participate in philanthropy as a family activity, or (3) to develop charitable natures as an antidote to the possibility of being spoiled by wealth. This *Passages Issue Brief* describes many practical reasons for engaging youth in charitable activities, as well as the variety of activities parents can use to instill philanthropic values in their children.

### **“Igniting the Spark: Creating Effective Next Gen Boards” (2013)**

This Passages Issue Brief introduces an increasingly popular method for preparing the next generation for philanthropic service: the next generation or junior board. The paper covers the variety of purposes for establishing next generation boards and how they are typically structured, explores how foundations use next generation boards as a tool for engaging younger family members, and describes options for preparing younger family members for governance and grantmaking.

### **“A Legacy Lives On: The Kaplan Family Foundation’s Successful Leadership Transition” (2013)**

This Passages Issue Brief shares the Kaplan family’s experience with transition—the factors that contributed to their success and those that challenged them—in hopes of helping other families who will inevitably face leadership transitions of their own.

### ***Living the Legacy: The Values of a Family’s Philanthropy Across Generations* (2001)**

Donor legacy is a testament to how the values of a family’s philanthropy across generations can be a powerful living legacy. This resource for family foundation trustees and staff members shares stories, tips, and practical suggestions for considering the effect and importance of donor legacy, including how to make a living, family legacy.

### **“Opportunity of a Lifetime: Young Adults in Family Philanthropy” (2002)**

This Passages Issue Brief addresses one of the most important opportunities in family philanthropy—encouraging young adults to take part in the family’s giving process and to become philanthropic in their own right. What are the reasons that families involve young adults? And what can young adults themselves do to become more connected to the family’s philanthropy?

### **“Passing the Baton: Generations Sharing Leadership” (2008)**

Today’s family foundation field has many well-prepared next generation members and a whole generation of longer living, active senior members. This special Passages Issue Brief from NCFP Senior Fellow Alice Buhl explores options for shared leadership including senior councils and next generation boards, lessons learned from family business, and tips for both senior and next generation leaders.

### **“Positive Tracks: A Story of Generation Next Philanthropy” (2014)**

Much has been written about the next generation and its integration into family philanthropy. How will members of that generation get involved? Will their philanthropic initiatives look different from those of their parents and grandparents? This case study describes the next generation donor’s experiences in turning a grantmaking vision into reality.

### **“Successful Succession: Inspiring and Preparing New Generations of Charitable Leaders” (2003)**

This Passages Issue Brief by NCFP President and Founder Virginia Esposito describes why, when, and how family foundation boards can prepare the next generation for charitable service. The practical and proven strategies will be of interest to any family thinking about or going through a succession process.

### ***Voyage of Discovery: A Planning Workbook for Philanthropic Families* (2001)**

The reasons and moments for initiating a planning process are as varied as the families and family foundations involved in philanthropy. This workbook is the first resource designed exclusively for families thinking about the future of their giving programs.



## **FAMILY FOUNDATION CEO GUIDE SERIES**

### ***The Family Foundation CEO: Crafting Consensus Out of Complexity* (2012)**

This report focuses a new lens on the family foundation chief executive as it unveils a wide variety of important findings and insights. Some confirm preconceptions; most reinforce our sense that family philanthropy is better understood as a result of formal inquiry into staff (and specifically in this case, CEO) dynamics. The findings presented in the report form the basis (1) for a fuller appreciation of the family foundation chief executive, (2) for new resources to support staff work, and (3) for additional research to come.

### ***Leading Through Change: Advice from and for Seasoned CEOs* (2014)**

This guide draws on the wisdom of seasoned CEOs who have navigated challenging changes and transitions in their careers and who can offer practical insights to help peers prepare for what’s to come.

**Performance Review: The Complete Guide to Evaluating the Family Foundation CEO (2012)**

Among family foundation CEOs, 40 percent say their board does not review their performance annually. Yet most CEOs yearn for their boards to invest the energy and time entailed in a thoughtful evaluation. This guide will help boards and CEOs structure an assessment process that maximizes the CEO's contribution to foundation effectiveness.

**Help Wanted: The Complete Guide to Hiring a Family Foundation CEO (2012)**

The role of a family foundation chief executive is unique—running a philanthropic enterprise in partnership with a family. This first-ever guide for hiring a family foundation CEO will help families figure out where they want their foundation to go and how to find the right person to take them there.

**The First Year: The Complete Guide for New Family Foundation CEOs (2012)**

A companion to the NCFP guide on hiring a CEO, this is the first how-to guide for new family foundation chief executives and the board members who hire them. Hiring a CEO is only the first step. A solid transition plan will maximize the CEO's prospects for success. This guide covers the board and board chair's role in orienting the new CEO, tips for CEOs to develop strong board and staff relations, advice for CEOs in setting boundaries and coping with family dynamics, and much more!

**FAMILY DYNAMICS****“Avoiding Avoidance: Addressing and Managing Conflict in Family Philanthropy” (2015)**

Conflict is normal in any family or organization. Yet, many avoid conflicts, even if that avoidance affects relationships or how the foundation operates. This Passages Issue Brief shares examples of (1) what the most common conflicts are in family philanthropy; (2) what creative tactics some boards use to perpetuate the conflict avoidance; and (3) how boards can use simple tools to address conflict in a healthy, productive way.

**“Difficult Discussions at Difficult Times” (2002)**

This Passages Issue Brief offers suggestions that help prepare for and respond to the effects of crises of different magnitude on philanthropic families. Included are personal crises such as death, illness, and interpersonal conflicts, as well as community and national crises such as natural disasters, riots, economic recession, and terrorism.

**“Families in Flux: Guidelines for Participation in Your Family's Philanthropy” (2004)**

Family members marry, divorce, remarry, form domestic partnerships, and—in many cases—move far away from the family home. Families are growing ever more complex, varied, and far-flung, and foundations and donor-advised funds need clear guidelines regarding who participates in their philanthropy and in what roles. This Passages Issue Brief addresses changing family composition and circumstances and the options for philanthropic families to consider when dealing with the changes.

**“Family Governance Meets Family Dynamics: A Survey and Strategies for Successful Joint Philanthropy” (2007)**

This Passages Issue Brief explores the interplay of family dynamics and family governance in family philanthropies. The paper concludes that families who think about their governance systems, including how decisions will be made, are less likely to be encumbered by family dynamics than are families who begin their philanthropies informally and progress to formality over time.

**“Managing Conflicts and Family Dynamics in Your Family's Philanthropy” (2002)**

Philanthropic families face challenges in managing their conflicts from a family dynamics perspective as well as from a philanthropic perspective. This Passages Issue Brief offers advice and guidance from experts on how to manage those conflicts in family philanthropy and describes how conflicts typically surface in families.

**“Philanthropy's Role in Developing Responsible Adults” (2011)**

Many advisers to families of wealth focus on overcoming counterproductive behaviors of their clients' progeny. This Passages Issue Brief suggests that a more constructive approach to raising responsible adults emphasizes positive practices—including philanthropy—and identifies four areas of philanthropic engagement that help inhibit entitlement behaviors in children of wealth.





## PERPETUITY AND LIMITED LIFE FOUNDATIONS

### **“Alternatives to Perpetuity: A Conversation Every Foundation Should Have” (2005)**

This Passages Issue Brief identifies the basic challenges that foundations often face when looking to spend down their assets: redefining goals, changing investment and spending strategies, communicating with grantees and the public, preparing grantees to find replacement funds, anticipating staff needs, attending to legal requirements, and planning their legacies.

### **“The Irwin Sweeney Miller Foundation: A Study in Spend Down” (2013)**

Some families don't have the interest, experience, or time to continue a foundation from one generation to the next, even if family members have good working relationships. This case study describes the story of the third-generation members of the Miller family who chose to spend down the Irwin Sweeney Miller Foundation, which had assets of approximately \$25 million.

### **“The Power of Urgency: The Eckerd Family Foundation’s Limited-Life Approach” (2013)**

This Passages Issue Brief chronicles the experiences of the Eckerd Family Foundation, which operated in Tampa, Florida, from 1998 to 2012. Organized from its inception as a limited-life foundation, the Eckerd Family Foundation took a bold and strategic approach to using its assets to create significant change about issues affecting young people, including juvenile justice, foster care, and education.



## GRANTMAKING STRATEGY AND EVALUATION

### **“Family Foundations as Agents of Change” (2009)**

Data and experience have shown that it is the presence and consistency of small and medium-sized family foundations that provide for much of the fuel for nonprofit organizations in our communities. This Passages Issue Brief explores how family foundations of all sizes can tap into personal and professional relationships and their deep understanding of local issues to play a crucial role in solving complex challenges.

### **“Fast Forward to Greater Impact: The Power of Field Scans” (2013)**

This Passages Issue Brief explores (1) what field scans are; (2) what the different types and purposes of scans are; (3) what the various models of design and methodology are; and (4) how such scans can be accessed, shared, and kept current. Several stories are featured about family funders who have used field scans for positive effects.

### **“International Grantmaking: Family Giving Goes Global” (2006)**

More and more families are giving internationally. This Passages Issue Brief helps family grantmakers consider their interests, weigh approaches, understand today's legal realities, and make the most of international funding opportunities. It also includes domestic grantmaking options for grants that help solve global challenges.

### **“Logic Models ... Not Just for Big Foundations Anymore” (2010)**

Logic models help a foundation ask, “What impact do we want to have on the community?” and then help board members explore what kind of activities need to take place and what kinds of projects need to be supported to have that outcome. This Passages Issue Brief describes techniques for smaller foundations interested in creating a logic model that is not overly complicated or time-consuming.

### **“Measuring What Counts: Meaningful Evaluation for Family Foundations” (2011)**

This Passages Issue Brief focuses on techniques for family foundations interested in cost-effective assessments of their giving. It begins with a basic introduction to evaluation and trends in the field. Then, drawing on a set of short case studies, it describes practices being used by family foundations to assess their grantmaking.

### **“Strategic Philanthropy: Maximizing Family Engagement and Social Impact” (2008)**

This Passages Issue Brief discusses how family foundations can transition from a giving approach that is based on trustees' disparate interests, to a more focused and strategic approach that is based on common values and interests. Focusing on her own experience, as well as the experience of other giving families that have made a transition to more strategic grantmaking, the author describes how more focused philanthropy enhances family cohesion, deepens trustee engagement, and makes for more effective philanthropy.



# A MESSAGE FROM THE PHILANTHROPY CENTRE, J.P. MORGAN PRIVATE BANK

Family foundations are a driving and growing force in modern American philanthropy.

It is our pleasure to have J.P. Morgan sponsor this important independent inquiry into the composition and concerns of founders, board members, family members and staff involved in family foundations today.

For decades our firm has worked closely with people in every stage of their philanthropic journey, offering a range of resources and specialists around the world to help them:

- Craft wealth plans suited to their families' needs and philanthropic goals
- Develop a philanthropic mission, adopt best practices and collaborate with other nonprofits
- Help to manage investments to meet the unique needs of family foundations

What is it that you want your family foundation to achieve?

We hope you find this important report from the National Center for Family Philanthropy helpful in your endeavor.

Sincerely,



Monica Issar  
*Global Head of the J.P. Morgan  
Endowments & Foundations Group*



Diane Whitty  
*Global Head of the J.P. Morgan  
Philanthropy Centre*

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