

Family Philanthropy Case Study #1

Overview

This case study helps community foundation staff practice facilitating family meetings and navigating differing goals and interests in family philanthropy. The case study has two parts:

- I. The community foundation's initial meeting with a couple who just sold their business and established a private family foundation. The community foundation staff help the couple discuss initial motivations, goals, and parameters for the family foundation.

This role play exercise – pages 2-6 – requires at least 4 participants. It should take around 65 minutes, not including some prep time to read the materials and for the participant playing the community foundation staff to familiarize him/herself with the exercises to use with the couple.

- II. The community foundation's first meeting with the whole family, set a few weeks after Part I. Community foundation staff help the couple and their two adult children reflect on values, giving histories, and focus areas. If time permits, they also begin developing a vision for the family foundation's work.

This role play exercise – pages 7-14 – requires at least 7 participants. It should take around 2 hours, not including prep time to read the materials and review the information in Part I. Two participants playing community foundation staff need additional time to familiarize themselves with the exercises to use with the family.

Because the couple has a DAF at the community foundation, they ask its staff to help with initial planning of the family foundation. The community foundation agrees to do so as a fee-for-service project. In an ideal world, the couple and their advisor would have partnered with the community foundation on the business sale, using the DAF or another tool for better tax advantages. But, the real world is full of missed opportunities.

The Philanthropic Initiative wrote the original version of the case study, offering exercises in its [*Giving Together: A Workbook for Family Philanthropy*](#) as samples to use with the family. You are welcome to substitute other materials and processes that help the family achieve the goals described in each part. The National Center for Family Philanthropy edited the case study for its *Community Foundations Family Philanthropy Playbook* in 2018. Please contact community@ncfp.org with questions.

Case Study #1 – Part I Initial Meeting with the Donors

Instructions

This Part I exercise requires at least four people:

- One person to be a “community foundation observer” and case study facilitator. He or she prepares the handouts and facilitates the debrief.
- One to play the community foundation staff member who only sees his/her one-page description. He or she should prepare ahead of time to facilitate the couple using exercises 1-5 from TPI’s [*Giving Together: A Workbook for Family Philanthropy*](#) or similar tools and processes.
- Two to play the founding donor couple who should each only see their own one-page description. They’ll need to feel comfortable improvising answers based on the short descriptions.
- Optional: Others can serve as a peer audience to observe and provide feedback to the person playing the community foundation staff.

Materials:

- One copy of this instruction page for each participant
- One copy each of pages 3-6, each only seeing their own role
- Three copies of exercises 1-5 from TPI’s [*Giving Together: A Workbook for Family Philanthropy*](#) – the staff member brings these to the family meeting. You can use similar materials from other sources or your own processes for discussing goals and parameters for family philanthropy.

Time:

- Prep time as needed by everyone involved.
- Around 90 minutes for the role play – 5 minutes pre-meeting, 60 minutes of meeting with the couple, and 25 minutes of group debrief.

Case Study #1 – Part I Initial Meeting with the Donors

Community Foundation Observer/Facilitator Role

Your jobs are the following:

1. Help the community foundation staff member strategize the meeting (in a quick 5 minute meeting on the way down the hall)
2. Observe and record what took place in the meeting. **{However, you are to act like you are not in the room!}** What questions did the staff member pose and how did the family respond?
3. Manage the debrief process. We recommend that you manage the process as follows:
 - a. Ask the community foundation staff member to debrief first. What one thing did you do that worked quite well? What one thing do you think you could do a better job of next time?
 - b. Ask the donors the same question – what one thing did the staff member do that worked well? What one thing could s/he improve upon?
 - c. Provide your own feedback on the same.
 - d. Discuss in your group what you are noticing about the facilitation process. Relate this to the facilitation guidelines discussed earlier.
4. Record the major lessons learned to share with the group at large.

Case Study #1 – Part I Initial Meeting with the Donors

Community Foundation Staff Member Role

You don't know much very much about Nick and Mara. While they have had a donor advised fund at the community foundation for about 5 years, they have not called on the foundation for any advice or special help. Their gifts have gone to alma maters and about a dozen community organizations ranging from the arts to human services. Through their business, they are also known as good community citizens.

This meeting came about because you happened to see Mara at a community event, congratulated her on the sale of the company (a travel agency business which was sold for \$30 million according to an article in the paper) and she said something about starting a family foundation. You immediately followed up with an invitation to come in and talk. You know they have children because they are listed as successor advisors on the DAF, but you have never met them.

Your hope is that they will enlarge the DAF, but your community foundation also offers back office services to private foundations. Your objective in this meeting is to get a better idea of Mara and Nick's goals for their philanthropy and for engaging their children.

While walking down the hall to attend the meeting, you and a colleague/observer will have 5 minutes to strategize your approach to the conversation. You will need to fill your colleague in on the situation during the 5 minutes. **{However, the staff member will not be in the room with you, but acting as an observer}** As you facilitate the meeting with the donors, you may want to use worksheets 1-5 in TPI's [*Giving Together: A Workbook for Family Philanthropy*](#).

By the end of the meeting, please try to know the following:

1. What are their primary goals for the family's philanthropy?
2. What are the next steps with this family?
3. What other information do you still need to find out? What questions do you want to ask the next generation?
4. What are the red flags, if any, which you want to be prepared to address going forward?

Case Study #1 – Part I Initial Meeting with the Donors

Mara – G1 Donor Role

You and Nick built a very successful travel agency business that you just sold for \$30 million. While Nick will be staying on with the business during the transition, you are suddenly and delightfully “retired.”

You and Nick have had a donor advised fund at the community foundation for over five years, set up primarily to receive tax appreciated securities for making annual gifts to a variety of nonprofit groups and educational institutions that you care about. With this sudden new wealth, your attorney set up a family foundation and suggested you involve your children in it. You had mentioned this to someone at the community foundation, who suggested you come in and talk with them about your options.

You have two grown children. Emma is 19 and a sophomore in college about 2 hours away. She’s studying psychology at the moment, but who knows where that will go. Zach is 23, a recent college graduate and is now happily working in a software startup on the other side of the country. You’re not sure if your kids will be able to find the time to work on the family foundation right now, but you are increasingly enthusiastic about the prospect of having a vehicle that would give you an opportunity to connect with your kids and keep them connected with your home town.

While you are waiting for the community foundation staff person to enter the conference room, you and Nick will have a 5 minute conversation about the upcoming meeting.

Case Study #1 – Part I Initial Meeting with the Donors

Nick – G1 Donor Role

You and Mara built a very successful travel agency business that you just sold for \$30 million. You are committed to stay on with the company for 2 years, and expect to be working very hard.

You have two grown children. Emma is 19 and a sophomore in college about 2 hours away. She's studying something in the liberal arts, but you can't quite remember what it is. Your son Zach is 23 and after graduating from college last year has finally found a promising job in a software company on the other side of the country.

Mara and you established a family foundation with \$5 million from the sale of the business. You signed the paperwork, but aren't sure how it relates to the donor advised fund you and Mara have at the community foundation. You're also not sure whether it is something that your kids would be interested in. After all, one of the reasons that you sold the business was because the kids had specifically said that they didn't have an interest in taking it over.

You agreed to come to this meeting because Mara is so gung ho about this idea of a family foundation. You don't really know what you hope to get out of the meeting, except to learn more about what's involved in managing a family foundation.

While you are waiting for the community foundation staff person to enter the conference room, you and Mara will have a 5 minute conversation about the upcoming meeting.

Case Study #1 - Part II Meeting with the Whole Family

Instructions

This Part II exercise requires at least seven people:

- One person to be a case study coordinator and facilitator. He or she prepares the handouts and can stop the exercise at certain points to facilitate group reflection using the questions on that page.
- One each to play the four family members who should each only see their own one-page description. They'll need to feel comfortable improvising answers based on the short descriptions.
- Two people to play the community foundation philanthropic services officers facilitating the family meeting. The staff only see their one-page description. They should prepare ahead of time to facilitate the family members using exercises 6-10 from TPI's [*Giving Together: A Workbook for Family Philanthropy*](#) or similar tools and processes.
- Optional: Others can serve as a peer audience to observe and provide feedback to the people playing community foundation staff. The facilitator can choose to ask them to step into one of the staff roles during one of the pauses (swapping a player out).

Materials:

- One copy of this instruction page for each participant
- One copy of pages 5 and 9 for Mara, and one copy of pages 6 and 10 for Nick
- One copy of pages 11-12, each child only seeing his/her own role
- Two copies of page 13 for the community foundation staff
- Six copies of page 14 for the players – the staff bring these to the family meeting
- Six copies of exercises 6-10 from TPI's [*Giving Together: A Workbook for Family Philanthropy*](#) – the staff bring these to the family meeting. You can use similar materials from other sources or your own processes for discussing goals, values, giving history, interest areas, and family mission and vision.

Time:

- Prep time as needed by everyone involved.
- If the players want to work through all of the TPI exercises, plan for a two-hour family meeting. Optionally, the exercise could be broken into two one-hour meetings – one for values, giving history, and issue areas/focus (exercises 6-8) and one for connecting the dots and developing a vision statement (exercises 9 and 10).

Case Study #1 - Part II

Meeting with the Whole Family

Facilitator and Audience

You are observing the first family foundation meeting for this family. The community foundation staff has already met with the donor generation and followed up with phone interviews with the second generation. **See the role description for the community foundation staff for more detail.**

At various points in this role play, the facilitator will “bring down the curtain” and ask participants and the audience for your feedback on how the process is going. Audience members may also have the opportunity to step in and take over as one of the community foundation staff members.

Please consider the following:

1. What questions/approaches taken by the philanthropic services officers are working well?
2. What other questions/approaches might have worked even better?
3. What surprises or challenges are the philanthropic services officers encountering?
4. How well do the philanthropic services officers seem to be listening? What other facilitation basics are they using?
5. What do you think should be the next steps after this meeting?

Case Study #1 - Part II

Meeting with the Whole Family

Mara – G1 Donor Role

Background

(Read Mara's one-pager in Part I of this Case Study)

About Today

You are looking forward to this first family meeting about the new family foundation. You know that the community foundation staff have spoken with both Emma and Zach about their interest and participation in the foundation and Emma wrote you an e-mail, bubbling over with enthusiasm about it. You're not quite sure where Zach is on it. He's so busy with that new job many states away that you're just delighted he has made the time to come home for the meeting on this holiday weekend. Nick's idea to pay for the trip was certainly worthwhile.

You are hoping that the meeting results in a concrete plan for moving forward, although you are open to whatever that might be. In your dreams, you can imagine that this foundation provides an excuse for the whole family to come together a few times a year to make decisions together on funding worthwhile organizations in your home community. You are also thinking that this is something to which you can devote a lot of time now that you are "retired."

Everyone is meeting up at the community foundation's offices. You can't wait to see Emma and Zach.

Case Study #1 - Part II

Meeting with the Whole Family

Nick – G1 Donor Role

Background

(Read Nick's one-pager in Part I of this Case Study)

About Today

You are pleased for Mara that things have moved so quickly on this family foundation thing. Frankly, you were surprised that Zach agreed to come home for the long weekend and meet about the foundation. It's a long trip from his new hometown and you know he is really busy with this new job. Emma, in typical fashion, is bursting with enthusiasm. The challenge with Emma is that she is always enthusiastic, but often doesn't follow through.

You are not sure how or if you really want to spend any time on the family foundation. It will really be Mara's thing. One thing you're looking forward to is having the foundation take care of all those obligation gifts that you make every year to United Way, your prep school, college, graduate school, and to the church.

Everyone is meeting up at the community foundation's offices. You are looking forward to seeing Emma and Zach.

Case Study #1 - Part II

Meeting with the Whole Family

Emma – G2 Role

Background

You're 19 and a sophomore majoring in psychology (for now) in a college about 2 hours away from your hometown. A few months ago, your parents, Nick and Mara, sold their travel agency business and used the proceeds to start a family foundation. Dad's still helping with the business transition and Mom's retired and seems to be focusing on the foundation. Older brother Zach is at a software startup a few states away.

About Today

This is so cool that your family started a foundation, and you enjoyed a call with the community foundation staff a couple weeks ago! You have been volunteering in an after-school tutoring program for developmentally delayed kids and know that some foundation has been supporting that work. It would be very exciting if the family took up a really important issue – like mental health or early childhood development – and did something significant with it. Maybe you could even start a program after you get out of college that would be funded by your family's foundation!

You're very busy in college, but wow, maybe you could use the foundation as an independent study project for credit! So many possibilities.

You have driven directly from college to meet up with everyone at the community foundation's offices.

Case Study #1 - Part II

Meeting with the Whole Family

Zach – G2 Role

Background

You're 23 and happily working at software startup a few states away from your hometown. A few months ago, your parents, Nick and Mara, sold their travel agency business and used the proceeds to start a family foundation. Dad's still helping with the business transition and Mom's retired. Younger sister Emma is a sophomore in a college closer to home.

About Today

It was really great of your Dad to offer to fly you back home for this long weekend. Since you just started this new job, you don't have a lot of time or money. You're looking forward to catching up with old friends and hanging out at the beach with them.

The only price of admission is attending this family foundation meeting that Mom has been so gung-ho about. Your view of philanthropy has always been a bunch of society folks attending fancy galas so they can be photographed in the paper. The folks from the community foundation that interviewed you over the phone told you that lots of philanthropy is much more strategic and targeted, but you are waiting to be convinced. Whatever the family decides to do with this foundation, you want to make sure it is very professional and businesslike.

Like you told the community foundation person, you are not sure how involved you can be right now, what with the new job and living on the other side of the country.

You are heading right to the community foundation's offices from the airport.

Case Study #1 - Part II

Meeting with the Whole Family

Community Foundation Philanthropic Services Officers Role

Background

(Read the community foundation staff one-pager in Part I of this Case Study)

This is the first time the entire family will be meeting together about the new family foundation. After your initial meeting with parents Mara and Nick, you conducted phone interviews with their children, Emma (19 and in college about 2 hours away) and Zach (23 and working a few states away at a software company).

Emma was delightful on the phone and so enthusiastic! She immediately jumped to the notion of focused, strategic philanthropy too. Zach was much more reserved and seemed to have limited knowledge about how foundations operate. You sent him some material after the call and hope he read it. Both kids clearly like their parents and you didn't detect any abnormal sibling rivalry, so you're hopeful this process will be smooth.

In this meeting, you'd like to help the family do the following:

1. Clarify/articulate the reasons for working together as a family (this creates ownership)
2. Identify the shared values they would like to express in their family foundation (you asked them in advance about their values and came up with the Your Family's Values list on the next page)
3. Get a general sense of how focused they want to be in their giving and identify a range of possible focus areas
4. Figure out how each family member wants to be involved.
5. If things go well, set them up for connecting their values and interests and drafting a vision.

If you can get through all of this, you will have considered it a very successful meeting.

Note: You and your partner will have 5 minutes to strategize for the meeting. As you facilitate the meeting, you may want to use exercises 6-10 from TPI's [*Giving Together: A Workbook for Family Philanthropy*](#). Good luck!

Your Family's Values

Nick, Mara, Zack and Emma's responses to the community foundation

Identifying shared values can make you more aware of what you have in common and what keeps your family close. (We asked you to each pick six values from a list). Acknowledging them can give you an understanding of what you want to accomplish together and why.

Shared Values

- Community – M, N
- Entrepreneurship – E, Z
- Family – E, M
- Involvement – M, Z
- Responsibility – N, Z

Individual Values

- Agility – Z
- Commitment – N
- Compassion – E
- Education – N
- Fairness – E
- Generosity – M
- Innovation – Z
- Joy – M
- Love – E
- Merit – N
- Opportunity – E
- Service – E
- Stewardship – M