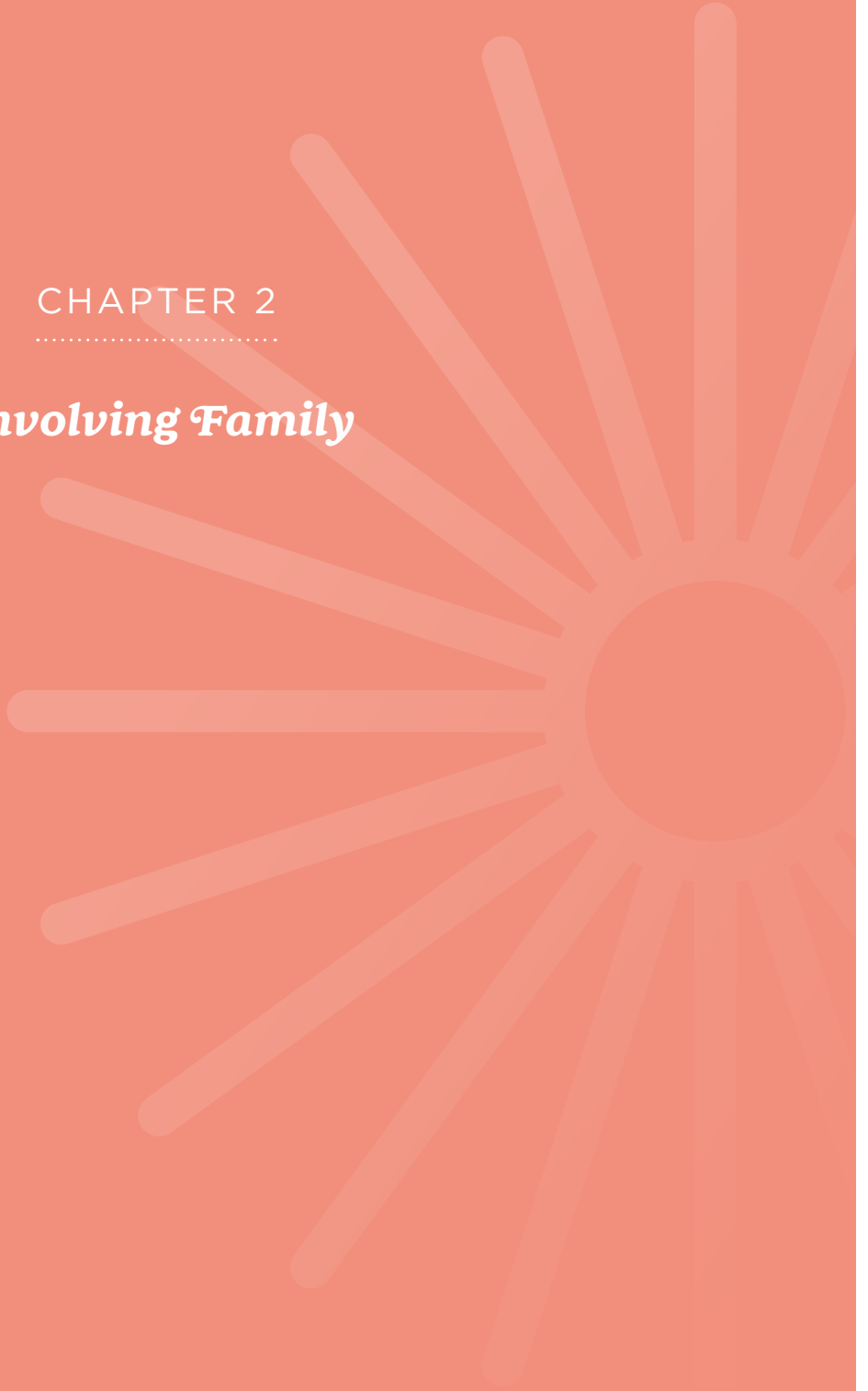


CHAPTER 2

Involving Family



PHILANTHROPY PRESENTS AN OPPORTUNITY to involve your family in one of life’s most fulfilling activities: giving back to society. This chapter will help you find answers to questions like these:

- Why should I engage my family?
- What are some ways to involve my family in philanthropy?



Family Engagement

Q. Why should I engage my family in philanthropy?

A. Engaging your family in giving can strengthen relationships, instill values, and develop a meaningful legacy. It can be immensely rewarding for you as well as for future generations who may build on your legacy of charitable giving. You may engage family members in philanthropy in many ways—ranging from asking them to advise or assist you in developing philanthropic goals to developing and implementing a giving strategy to launching family members on their own giving trajectory.

Q. Who is your “family”?

A. That’s entirely up to you. It may include your spouse or life partner, children and stepchildren, children’s spouses and partners, parents, in-

laws, cousins, and other extended family members. Who you include and in what ways depends on your relationships with them and how they can contribute to your philanthropic mission.

Q. When should I start talking about giving?

A. Philanthropic giving may be a regular topic of family conversation, or a discussion may be motivated by particular events or decisions—for example, if you are thinking about⁹:

- changing priorities in your current giving plan
- devoting significant resources to philanthropy
- donating to an institution that provides a naming opportunity for you and your family
- becoming a visible funder for a controversial cause
- leaving much of your wealth to philanthropy rather than to your heirs
- asking family members to have a formal role in philanthropic decision processes (for more information about philanthropic structure for giving, **see Chapter 4: Giving Vehicles**)
- inspiring them to start thinking about their own philanthropy
- excluding from your philanthropic decision-making family members who would expect to be included

Some parents like to talk about giving with their children from a young age. For very young children, modeling and explaining philanthropic behavior can lay a foundation for deeper involvement later on. As children get a bit older, some families set up a “giving allowance” through which the children decide how to donate say, \$100. Teenagers may benefit from participating in family meetings where family members can pitch specific ideas to one another.

Children may also have the opportunity to donate their time to philanthropic efforts. Offering children opportunities to volunteer to address societal and environmental problems, as well as meet people from different backgrounds, can instill a philanthropic mentality from a young age.

As they grow up, children get busy with college, work, their own families, and other competing priorities. Yet many young adults wish to stay or become involved in philanthropy. To help them develop independence while staying connected with the family's values, consider encouraging them to make donations from their personal assets, to be matched by a trust or family foundation. Consider the activities in the Annex to this chapter to further refine your strategy for engaging your family.¹⁰

Q. How can family members contribute to my plan?

A. In some cases, couples have been very successful in developing a shared vision and strategy for their philanthropy. In others, the key to success may be doing philanthropy separately—each with their own set of focus areas, goals, and budget.

Family members can assume varied responsibilities in your shared philanthropy. Which of the following roles align with your and their needs and competencies? (There can be more than one.)

- **Advisor:** This person can act as a sounding board, advising you on your philanthropic goals and approaches to achieving them.
- **Agent:** This person can help you research how and where to give and help make and monitor gifts.
- **Co-Decision-maker:** This person can be your partner in philanthropy, collaborating to determine goals, approaches, which organizations to give to, and how much to give them.
- **Foundation Board Member:** This person may combine aspects of the roles just mentioned and will have shared authority over major decisions and governance.

- **Successor:** This person will ensure that your charitable intentions continue to play a role after your death.
- **Other:** You may have your own ideas about roles and the people who play them.

As a tip: keep your expectations realistic and tailored to each person's capacity, time, and interest.

DONOR STORY

Involving Adult Children—**Sam Ginn, Ginn Family Foundation**

When we first funded our family foundation, my wife and I consulted with our three adult children. I wanted them to grow in life with a sense of philanthropy and giving back. I thought a good way to do that was, in addition to having a seat on the Board, to give them a certain amount of money they could disburse through the foundation. And we've been doing that for 15 years now. I found that my children's ideas of what we ought to give to are not necessarily my own and that has been a wonderful thing.

We generally have three meetings a year: the first round in the spring for everybody to determine what they want to support, another review in the fall, and then at the end of the year we clean everything up to make sure we complied with all regulations.

I heard that involving family like this often causes contention, but I would say for us it has worked extremely well. We are very flexible; for example, if the kids need to give a bit of their portion to someone else's project that year, they do it. Simply put: we just try to do the right thing and sometimes that means getting out of each other's way.

Once the checks are made, they aren't just mailed but are hand-delivered by my kids to the organization, especially the smaller organizations. As an old guy, looking at our station in life, I'm really proud of my kids.

Involving Family Takeaways

- ➔ Engaging your family in giving can strengthen relationships, instill values, and develop a meaningful legacy.
- ➔ There are many ways to engage family members in philanthropy—ranging from informing them and getting advice to involving them in decision-making.
- ➔ To facilitate a productive discussion of philanthropy with your family, we encourage you to reflect on your reasons for involving them and the roles that you would like them to play.

CHAPTER 2 ANNEX

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ACTIVITY REFLECT ON YOUR FAMILY

In this activity, review the questions below and jot down your thoughts.

1. Philanthropic Identity and Values

- How do you think about your philanthropic identity? Is it a continuation of a legacy from your parents or other older family members?
- If your children are grown, what values underlie their philanthropic interests? If they are young, how do you want to engage them in thinking about these issues, if at all?
- What values inform your and your family's giving? Have you written them down—perhaps along the lines of a vision and mission statement? Would you want to involve your family in doing so?
- Do you think about your philanthropy one year at a time, or do you have a vision that takes you well into the future? Either way, how do you feel about the next generation playing a role?
- Are you inclined to spend down your philanthropic assets during your lifetime or to have them administered by others after your death?
- Are you concerned that including your children could subvert their ambition or life paths? Do you feel some hesitations about engaging your children in philanthropy? Have you shared those with them?

2. Involvement of Particular Family Members

- Which family members do you wish to involve and in what ways?
- Will your choices create bad feelings or dissension? If so, how will you handle it?

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It can be helpful to first make a long list of possible candidates and then note those whom you would prioritize.

3. Logistics

- What are your expectations about time investment from family members?
- What are your expectations about the frequency of meetings and decisions?

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4. Communication

- How will you communicate productively with the family members you wish to involve?
- How will you communicate to family members who you do not plan to involve but who might expect to be involved or notified?

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5. Decision-Making

- What are your family members' strengths and weaknesses with respect to the roles you would like them to play?
- Over which decisions do you—as the primary donor—want full discretion?
- Over which decisions do you want others to have full discretion? (For example, some donors provide each of their children with funds to donate as they desire.)
- Which decisions should be made collaboratively? How would you like these collective decisions to be made? (for example, by majority vote?)

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ACTIVITY INVOLVE FUTURE GENERATIONS

As a donor, you may be interested in involving your descendants in philanthropic giving. This can often be difficult: they may be occupied with school or work; their focus areas and approaches may differ greatly from yours or from one another's; or they may not get along with one another. In any event, here are topics and interactive activities to help you engage the next generations in your philanthropy.

1. Reflect on Family Values

Reflecting on values that you hold, or do not hold, in common will help you and your children or grandchildren, etc. (hereafter, family members) develop common ground for your shared philanthropy.

2. Start a Conversation About Your Past Giving

In starting a conversation with your family members about your philanthropy, consider sharing how your life/experiences led to particular philanthropic interests as well as your giving history with particular organizations. What role has giving played in your life? What philanthropic activities have been most meaningful to you and why?

3. Set up a “Giving Allowance”

Set up a “Giving Allowance” in an amount that you feel would be appropriate to the ages of your family members. Learning by doing provides motivation and experience for the next generation to engage philanthropically.

This activity uses the Issue Cards and Budgeting Coins. To access a free, downloadable sheet of these resources, visit our website:

pacscenter.stanford.edu/donorguide.

Suggested activity format:

1. Lay out the Issue Cards (found at the end of the **Chapter 1: Finding Your Focus**) on a table. Omit any issues that aren't relevant to your family members' age groups, and add any issues you wish using the write-in cards.
2. Ask your family members to select up to three issues that are important to them.
3. Review the back of the cards and circle any specific issues of interest or write in focus areas not listed.
4. Once the issues have been selected, use the Internet or other sources to research organizations involved in the chosen issues.
5. Ask family members to decide on the amount to donate to each issue from their Charity Allowance. It may be helpful to use the EPLI Budgeting Coins. For younger age groups, writing in the amount (even \$25 or \$100) may be easier to understand than percentages. Decide together how you would like to make the donation (online, check, contact the organization, etc.).

THE STANFORD PACS

GUIDE

TO EFFECTIVE PHILANTHROPY

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