

Defining and Translating Motivations and Values

A Fundamentals of Family Philanthropy webinar recorded on
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Transcript of the *Fundamentals of Family Philanthropy* webinar, Defining and Translating Motivations and Values. Recorded on January 14, 2021.

Nick Tedesco:

Welcome again, everyone. Happy Thursday. I hope you all had a joyous holiday season. My name is Nick Tedesco and I'm the President and CEO of the National Center for Family Philanthropy. Thank you for joining us today for the first session of our newly launched Fundamentals of Family Philanthropy webinar series. This series provides guidance on the core tenets of effective family philanthropy—from motivations and values to governance, grantmaking, and succession. This series is designed to equip families with the latest information on evergreen topics in philanthropy through practical takeaways and diverse family stories that illustrate important practices.

We're beginning the series with a discussion on motivations and values. Clearly defined motivations and values are the underpinning of an effective family philanthropy strategy. They articulate a purpose, a shared direction, and serve as an ever-evolving tool to guide donors and their families through their philanthropy. Yet many families pursue social impact strategies without identifying aims and naming collective values. In today's webinar, we'll explore three critical questions: why motivations and values; what are motivations and values in the context of family philanthropy; and how do families explore, define, and translate their motivations and values.

The first question that we plan to explore today is: why motivations and values? Motivations and values guide both what a family funds and how they approach their giving. They are a framework for making decisions. It's an essential tool that fundamentally guides grantmaking, governance, and operations. Families also use motivations and values as a measure of success and accountability. It's a way to ask if philanthropic goals are in alignment with your shared purpose.

All philanthropic efforts must be grounded in motivations and values. Families often leap to the act of grantmaking itself and neglect the formative discussions of why they chose to give and what they want to see reflected in their philanthropy. Time and time again, we've seen families stumble when they skip this crucial step. They often struggle to work together to make decisions and to build efforts under a common purpose.

These concepts are not static. They are, in fact, ever-evolving. Families often define and revisit their motivations and values at various times. For those just beginning, the process of defining motivations and values helps individual family members, as well as the collective, understand what's important to them, and how they'll model their approach. For more established philanthropic families, it's important to revisit motivations and values over time, as the family and external circumstances evolve. Ideally these discussions take place at the beginning of a family philanthropy's effort, but they can and should be incorporated throughout the lifetime of the effort.

So what do we mean when we talk about motivations and values in philanthropy? Motivations are the reason or reasons one has for acting or behaving in a particular way. For the purpose of this

conversation, motivation is the inspiration and rationale behind why donors give. It's the purpose and the aim; it's the core of why one commits to philanthropy. Motivations give language to the fact that philanthropy is a deliberate and conscious choice. As a wealth holder, you can choose to spend the wealth in a number of ways. Yet as a donor, you've fundamentally chosen to be philanthropic. You are motivated to use your resources for the public good. And it's important to continue to reflect on that choice. Whether you're the wealth creator or the subsequent inheritor, a commitment to give back is an intentional decision, one that must be revisited often.

Successful philanthropic efforts are not only based on motivations, but also the values that are important to you and your family. When we talk about values, we mean the core principles, characteristics and behaviors that underly all decisions and actions. Values span a broad range of ethical, spiritual, and political tenets that guide decisions, and each and every family will find different values that speak to the meaning behind their work.

Values give families a common purpose and direction. They guide the family in all aspects of their philanthropy from governance, operations, and grantmaking. And a clear understanding of your values can help you focus on causes and organizations that are, in fact, aligned with your mission. Some sample values are listed here on the slide. They include leadership, justice, collaboration, and unity. And while these concepts are open for interpretation, clearly defining values is a critical step in the donor lifecycle.

So now that we've reviewed the definition of motivation and values, let's explore why philanthropic families choose to give, and how it evolves over time. For many families, there's a natural evolution in the lifecycle of philanthropy. Giving styles most often begin as unstructured, opportunistic and relational, and evolve into more formal structured and intentional approaches over time. At the beginning, giving tends to be more situational, driven by relationships, networks, and personal causes. Over time, giving tends to grow into more formalized, data-driven, and strategic endeavor, as families dedicate more time to their philanthropy. It's important to note that the evolution of a family philanthropy effort can take years or generations and there's no established timeline.

The approach you ultimately take with your philanthropy is dependent on a number of considerations and is based on an honest assessment of your motivations and desired outcome. And the assessment itself is a fundamental part of success. It allows you, the donor, to place yourself along the spectrum to better understand your approach and to frame your actions and expectations accordingly. There's no judgment about where you fall along the spectrum. It's truly about what you want to see out of your giving, and how much you're able to put into the effort.

We recognize this discussion is closely related to social impact strategies, and we'll be discussing this further along in the series. With that said, let's explore the major reasons that philanthropic families do give.

In general, motivations stem from a number of drivers deeply related to values. We're going to touch on six of these, but they're certainly not exclusive. The first driver is social connections and relationships. Many donors approach their giving with a relational mindset. It's not uncommon for a donor to support a cause or organization because of a friend or a network.

The next driver is immediate needs and opportunities. Opportunistic giving often expresses itself through the support of immediate and urgent needs—this often includes humanitarian aid and disaster relief. Issues or communities are often a motivation for donors as well. Donors are often compelled to

support an issue or community that holds meaning to them or represents an opportunity to advance enduring social change. Privilege is also a driver. Many donors recognize their privilege, their success and good fortune, and the recognition of this privilege leads many to want to be altruistic, make a difference and pay it forward to others.

Another motivation we see is family unity and legacy. For many, philanthropy is an opportunity to build a family legacy, to come together around common traditions and values, and to keep the family together. The act of giving itself connects the family over generations. And lastly, impact is often a primary motivation for many. Donors motivated by impact are driven by a desire to advance social change. These donors are likely to use formalized, intentional philanthropy to leverage the power of philanthropic capital to either close the gap or catalyze innovation. It's important again to stress that these motivations are not mutually exclusive, and no single approach is correct. They do, however, have different implications for how you make decisions moving forward.

So with these motivations in mind, let's pause and reflect on a few critical questions. It's important to ask yourself: what motivates you to give? What do you want to accomplish with this effort? What are the values that are important to you and to your family? Why did you choose these identified values, and how will you align your giving with your values? These questions are important because they begin a process of discovering the reasons behind your commitment to give and they also reaffirm prior decisions and commitments. So we encourage you to reflect on these questions and to elevate them within the boardroom or family conversations.

So now let's talk about the process for identifying and translating motivations and values. There's no shortcut around these discussions. It requires an investment of time and a willingness to engage in uncomfortable conversations. The process itself can take many different forms. Many families use values cards and worksheets, some bring in an outside facilitator, and others study family history. No matter the method, your conversation will likely include questions that include what are our shared values, how do these values show up in our current actions, and what is the purpose of our wealth. It's up to each family to decide who is involved in these conversations.

And that said, we now need to explore how does a family facilitate a successful conversation on motivations and values. Let's begin with some tips for getting started. On this slide, we've got five tips. The first is to take your time. The process is slow-going. It requires patience. The next, hire a trained facilitator. A facilitator can ensure that all voices are heard in a safe space. The third is to tell stories. Sharing stories about family traditions, values, and passions help to get the conversations moving. Next, identify conflicts and trouble spots. It's important to name topics where there are strong disagreements, because it can help reduce tension and allow families to focus on areas where there is, in fact, alignment. And last, document the process for future generations. Record the founders, board members and other discussing family values, so others can refer to these principles later on.

There are two steps in the process of identifying your motivations and values. The first is to explore. Families must engage in an open and honest dialogue. Ask questions about purpose, reflect on the role of stewardship, and identify the goals and objectives. These conversations will likely address two core questions: why do you choose to do this work, and what do you want to see out of your effort? These questions must be considered within two contexts: social impact or the external, and family unity and the internal. Over time, the family will need to find approaches that meet both sets of goals and bring them both together.

The second step is to define and articulate. This is when families synthesize earlier conversations into guiding principles that take the form of mission, vision, and value statements. These statements are iterative in nature. They should be revisited, updated and may evolve over generations. Let's dig a little bit deeper into these tools.

So what does a value statement look like? A values statement explicitly names the values and often describes how the values of the family inform the grantmaking and practices of the philanthropy. The statement can be internal or external, and it's important to note that a written statement is an important step in bringing your values to life. They serve as a guidepost, an expression of family culture and identity, and as we discussed, an accountability tool. This slide has two examples of value statements. The two examples are from our speakers today from the Cynthia and George Mitchell Foundation and the Nathan Cummings Foundation.

Another critical tool is mission and vision statements. A mission statement describes the reason your philanthropy exists and what you're trying to accomplish. A vision statement puts into words the ideal outcome of your giving, if in fact your mission is accomplished. This slide again has two examples of mission and vision statements. After these guiding statements are created, families can then further translate their motivations and values into action.

The last step is to indeed effectively translate your motivations and values into your work. So what are some of the methods? The first is governance, using motivations and values as a decision-making framework. The second is grantmaking, turning values into funding areas and grantmaking strategy. The third is operations, translating values into practice. And it's important to note that how you bring your values to life through your practices, be it values-aligned approaches to operations, investments and relationships, is going to be a critical consideration. And the last is culture and legacy, maintaining values over time. One way to do this is to embed the process of revisiting values into the culture of your philanthropy. It's critically important to continue to align values with the philanthropy as it evolves and as the next gen grows into leadership.

And again, we end where we began: exploring, defining, and translating motivations and values is an iterative and dynamic process, and it is one of the most fundamental ones that you will explore during the lifecycle of family philanthropy.

So let's transition now to our discussion. Our panelists will bring much of this to life. I'm pleased to introduce our two esteemed panelists who have dedicated a great deal of time to motivations and values. Today we're joined by Katherine Lorenz, Board Chair of the Cynthia and George Mitchell Foundation and senior advisor for NCFP; and Jaimie Mayer, Board Chair of the Nathan Cummings Foundation. Jaimie and Katherine, thank you so much for joining us today.

Jaimie Mayer:

Thank you for having us.

Nick Tedesco:

We're really excited to have this conversation. And again, we want you all in the audience to share your thoughts and share your questions. We've got a couple of pre-planned questions here, and I thought we would start with some of your experiences.

So you both have firsthand experience in these topics. Tell us about why it's an important step in your philanthropy to explore motivations and values. Jaimie, maybe we can start with you.

Jaimie Mayer:

Well for us, we're about 30 years old now. We were about to hit our 25th anniversary, and when people would ask us about our values, we would say, 'Oh yeah, we're totally aligned. We're so simpatico'. And people would say, 'Well, what are your values?'. And we realized we'd never put them on paper. So it led us to go on this amazing journey, starting with looking at our DNA and then from there go into our values, then to looking at our vision, and then to theory of change, which is what we're working on at the moment. And before that, we, like so many other foundations, would say oh, yeah, mission, vision, values, as if it was one word, without breaking it up into the three really important buckets that deserve such attention and are rarely given it. So that's how we came to the work in this iteration.

Nick Tedesco:

I think you make a really incredible point there that these are a series of considerations: mission, vision, values. And they then extend out into theory of change and strategy. And we'll go a little bit deeper into that in a moment. But I just wanted to underscore that for our community here.

Katherine, we'd love to hear from you why you think it's an important step in philanthropy and why it was important to your family.

Katherine Lorenz:

Sure. Well, I would say a lot of what you said during the opening was right in line with when and why and how we did ours over the last couple decades. So the first time as a family we did it was in 2004, and that was when my grandmother had been diagnosed with Alzheimer's and my grandfather was suddenly very ill. And we had this moment of realizing, wow, we as a second and third generation might have to step in and lead this. It had really been their endeavor until then. And coming together around kind of a shared understanding of what we wanted, why we were there, how this would work was critical.

So we had external facilitators come in and help us create a whole list of mission, vision, values. At that point, our values were really just a list of words, and I'd say it was fairly easy for us to agree on that. We then went through the process again, exactly 10 years later, after both my grandparents had passed away. And we were anticipating a large scale-up, and we wanted to revisit and make sure we were on the right path from the past 10 years, as we were getting larger. And at that point, we had external evaluators come in. Part of what they did actually was map with the community, with our grantees, with the external world, how did they define us. They mapped what were the words they used to define us, and kind of aligned that to the words we had said we wanted to represent 10 years earlier. And it was actually a really neat exercise. And much of that was, in fact, were the same words they used.

And then more recently, we did it again, and we had up until that point a list of words to state our values. In 2019, we had a bit of family conflict around some issues. And we decided to take it back to why are we here. That was a bit more around motivations. What are we doing here? What is it that we want to do together as a family? Why are we showing up to these meetings? And that spurred a

rewriting of our values, which was the statement you pulled up, which was not just a list of words, but rather a statement of values. That stemmed from conflict, in trying to resolve it. And actually getting us all on the same page to think about it was really valuable.

Nick Tedesco:

So what I'm hearing from the both of you is that it went from a bit of an informal articulation and exploration to a much more formal process at moments in your philanthropic lifecycle and lifespan. And so I'd actually like to get fairly concrete with this and explore the steps that you each took to define and articulate and redefine your motivations and values—the questions that you asked yourselves, the process you undertook. Katherine, you shared a little bit about yours. Jaimie, how long did the process take? What were the questions that you reflected on? And you talked about how it extended out into a program strategy by way of a theory of change. I would love to get as practical as we can here for those that are at the moment where they are undertaking this exercise or about to explore it.

Jaimie Mayer:

Of course. So to start with our values work, we looked at what we were doing, kind of like the reverse of what Katherine just explained, to see what the underpinning values were and could be. From our inception, we have always been about confronting injustice. We've always had a really diverse staff. We've always had independent trustees on our board to bring a diversity of opinion and expertise. We've always built new fields and organizations, et cetera. So that was our jumping-off point. Then finding the right consulting team is so critical. And just because you've started working with a team does not mean they're necessarily the right team for you. I feel like in philanthropy we often feel like we have golden handcuffs left and right. But really finding a team that can partner with you, it's a long process. You're really going to be married to them for a while.

One of the things that we worked on throughout the process was figuring out how board and staff needed to come together to make sure that our values were aligned and that we were really representing the work that we wanted to do. It's really easy to think about values in a vacuum, and not think about what that means when they're put into actual work. So we came together first as board and staff in joint facilitated sessions for about six hours in the beginning. From that, the staff then went and developed the values further using the shared time that we had as a blueprint. And then iterations of those values came back to the executive committee twice prior to the next board meeting. So that was like another 6 to 8 hours total there.

And then in our second board meeting of the year—this is last year—staff presented the final values for discussion and review by the entire board. These were the values that the executive committee had already reviewed, and the board unanimously voted to adopt them. And then from that, we started a separate process for the vision in a similar vein as the values with the staff and board working side by side. And we now find ourselves, as I mentioned, in the process of developing a theory of change, which really builds on our work starting from DNA, moving to values and vision. And we like to say, the hard work is just beginning, because as we work to live into the values both internally and externally, we'll really figure out what we signed up for.

Nick Tedesco:

Well, and I think you raise a number of really important points there. But one is that you are just beginning this process. This process is iterative and ongoing, and I really want to underscore that. But you also brought up the idea of bringing together staff and board members to do this work together. And before we bring Katherine to talk about the concrete steps that Mitchell took, I'd love, Jaimie, for you to share a little bit more about how that worked. Was that successful bringing both staff and board together to create shared ownership of this, and would you recommend that for others?

Jaimie Mayer:

I absolutely would. It's all about how you go about it. We toyed with the process—how much work did the board really want to do, right? When we said we wanted to be partners, did we mean partners in everything? Because it's a large body of work to do from the vision, values, theory of change; all three of those buckets. And what we came up with, the process that I outlined, was really putting the bulk of the work on the staff, but using the blueprint from the hybrid model of staff and board, and then having it go back to the executive committee. So there could be more discussion and less of a big presentation with so many people involved.

And then from going to the executive committee, you ended up with ambassadors for the values who could really deeply explain how we ended up there and back up where we ended up when we were in front of the full board. But in bringing staff into the process, it's so important that they don't feel tokenized, right? If you're going to bring them in, bring them in. And if you want them as equal partners, there are inherent power dynamics there, which can be really tricky. If your values don't necessarily align, that doesn't mean someone's going to be fired, right? That doesn't mean that someone's going to be demoted. And to really create a safe space—we'll get to this later, but the kind of individual versus collective value piece of this work was really important, as we were working with the staff to share personal stories and why different values really jived for us.

And again, like what Katherine was say—they're just words, right? But what exactly do we mean when we say equity or when we say—insert any value here. So to have that personal piece really deepened our relationships between the board and staff, and that's something that we're always looking to create space for.

Nick Tedesco:

Fantastic. It's so helpful to hear the concrete steps. Katherine, would love to bring you in to talk about the process. You shared a bit in your introductory remarks, but anything that you would add on how the family and the staff of Mitchell proceeded with this process?

Katherine Lorenz:

Sure, yes. So originally, like I said, some external facilitators helped us create a list of values, really just words. What I didn't say is a few years later, we had an exercise that we call a chalk walk, where you put key questions and things up on poster board and people get to make comments. And we do this for any number of things, but for our values, we listed them twice over the years and had a time where we could go around and say are these right, what's missing, do you like this, and make comments on it. So we tweaked them, but they didn't really fully change besides that list of words until, as I said, there was

some conflict that we needed to resolve. And in that process, we actually worked a little bit with 21/64 and used a lot of their tools in one of our foundation board meetings, where there was a lot around thinking about why are we here. What is the legacy we want to carry out?

I'd say one unique thing about our family—maybe not that unique—but it's certainly a defining principle of our family is a real deference for the founders, my grandparents, and a desire to carry out what we think they would have wanted. You can see that in our value statement that references them in both sentences. And so it becomes a big conversation about that when our family is talking about these things, which is hard because they're no longer here, and people have different lived experiences. You know, I think of my grandfather who was very, very poor and from very humble means as a child, but hardworking and giving back, but also entrepreneurial and risk-taking. Both parts of that story are true. And when we start talking about values, you see kind of different pieces of who he was come out in what we're trying to put into our values and motivations.

So I think what's hard in a family is we all have different lived experiences of the people we're trying to honor. And they're all correct. So how do you prioritize those different values and I think most importantly, how do you operationalize them. I think it's easier for us to come together around what the statement says or what those words are. But when you start to operationalize it is when it really gets tough.

Nick Tedesco:

So we've got a couple early questions that I'd love to weave into the conversation. And again, I encourage everyone to ask all of the questions that you've got on your mind. We've got two questions here around how you bring family members and board members along in the process when some might be reluctant or don't see the need for this. Jaimie and Katherine, I don't know whether you have experience within your families around board members that have asked why are we doing this work, and if you could speak to potentially how you brought them along in this process.

Katherine Lorenz:

Well first, if they want to be on the board and they want to come to the board meeting, they have to do it.

Nick Tedesco:

Really good point, Katherine.

Katherine Lorenz:

Not a big choice. Clearly the executive committee and the leadership are deciding on the agenda for the board meetings, and so you clearly have a critical mass who's at least willing and view this as important. And then other board members, if they don't want to participate, they don't have to. But you're only allowed to miss a certain number of board meetings before you're kicked off. So in a sense, there's not a ton of choice.

But I would say, especially in the one I spoke about that we did in 2019, where there was a lot of like, let's go back to why we're here. It was much more around motivations than values. It was such a

bonding experience. And I think people did look at the agenda and think, oh, geez, do we really have to do this? And by the end, it was one of the most bonding, wonderful coming-together board meetings we've had in a really long time that had some of the best feedback. So I think that if you can get people in the room, once you actually go through the process, it's actually quite a wonderful experience.

Jaimie Mayer:

I would just add to that, that it's really about the framing for us. Everyone wants to get to strategy. Nobody wants to do the vision and values work. We've been doing this. Why do we need to go through it again? Didn't we already do this vision? How is this different, right, like all of those conversations, regardless of age. It can become a never-ending strategic plan that will sit in a drawer. So the biggest thing that we found was really framing it as, we want to make sure that the generations to come—since we're currently a foundation that's going in perpetuity—understand the values of the founding members of the board, and of the founder who's no longer with us, and that those are passed on. It's not just about looking at the future. It's about honoring the past and figuring out how to operationalize in the present.

Nick Tedesco:

And the one thing that I would add from my perspective, having been an advisor—it is also about efficacy. It's about impact, right? The idea that this conversation is one that will help the family come together and do their work better. From an impact perspective, this ought to be a motivator unto itself.

A question from Marlene that came in is about whether or not your foundations have term limits for family board members. And thank you, Marlene for asking a question.

Jaimie Mayer:

We do. This is like a game show, who can get to it first. We do, and we don't. So you're up for a three-year term whenever you decide to apply for a position. We have a nominating committee who meets and is comprised of three independent trustees who are non-family and three family members, one representing each of the three branches of the family. And the nominating committee comes together to review applicants. Yes, you have to send a cover letter and a CV to your family members. And then they conduct interviews. Depending on how many spots are available, the non-family independent trustees act as the voting body, and the family audit in that sense.

And that way, as a family member, you don't have to pick between your husband and your brother and your father in that way. And they can be mad at someone else when they don't get a seat. But that was the best way that we found to really look at the needs of the foundation at a given time and what best serves the foundation, not necessarily what best serves certain family members from their perspective. And with that, they're three-year terms. Every three years, you have to reapply. I'm still Chair and I have to reapply this spring, because I'm up. And we do not have a limit to how many three-year consecutive terms you can serve, but that is something that we are really looking into to make more space at the board table, because we're a full house.

Nick Tedesco:

Great. Katherine?

Katherine Lorenz:

Yeah, and ours is slightly different. So we have 12 board seats, two which are technically named after my grandparents, and those are three-year terms voted on by the rest of the board. Any family members over 25 can sit in those. And so yes, they're three-year terms. But of course, similar to Jaimie, there's at this point no limit on how many three-year terms you can serve.

The other 10 board seats are for each of the 10 siblings, and yes there are 10. They age out at age 75. But each family line essentially owns that seat. So the G2 or the sibling can sit in it, pass it along to any direct lineal descendent—so basically their son, daughter, niece or nephew—or put it up for a three-year term to be elected on by the board.

Nick Tedesco:

So before we move into questions on operationalizing, Jane asked a question on how you prepare for these conversations while boards are meeting virtually, and are you adapting tools you might typically use in person, or are you using anything new with your boards as you have these conversations? Any thoughts about tools that you're using during board meetings, particularly around this?

Katherine Lorenz:

We haven't been diving too deeply into the motivations and values conversation during our virtual meetings. We actually invite all family members 25 and over to participate, even if they're not board members. And one of the most wonderful things about this is that we've had some of my cousins participate who never have, and actually now have put their names forward for board seats that are opening up next week at our board meeting, because they're doing it virtually.

So what I would say is I think you can have really rich dialogue virtually. We have been having really intense conversations, not about motivations and values, but about other things. And they've gone remarkably well. We put time limits. So we're having like four or five days of meetings. But for 2 and 1/2 hours each day, so you're not on all day, and having lots of breakout rooms. One thing we're talking about is how do we continue to do it virtually, because of the positive momentum. And also if there is conflict, it kind of ends rather than like four days straight with dinners and whatnot, where there's kind of ongoing simmering conflict. If there is something that's kind of heated, it ends and you can kind of start fresh the next day.

So I would encourage any families and foundations to continue to try to keep the momentum going on these sorts of things virtually, because I think you can actually make good progress.

Jaimie Mayer:

Yeah. It's profoundly efficient. We have the same. We all the love banter when you're in line for the bathroom, but to not have things escalate through the talking in that way has really made us have the most efficient board meetings I think we've ever had. And to what Katherine was saying about breakout rooms, the more dynamic you can make it the better, with questions and polls and different things like that, and having different people report out and report back. The other thing I'd say is it's really hard to read the room when you're on Zoom. But trying to assess if people are really still with you, right, like the

glazed look in people's eyes, and being able and willing to shift your agenda if it looks like you might have to end early and pick up the next day, when you already had time set, or shift things up, or whatever it might be. There's nothing worse than someone talking at you nonstop and losing the audience completely.

Nick Tedesco:

Well, let's move into operationalizing the values into action. But before that, I just want to make a comment here. Betsy asked if we will share out some recommendations on folks and firms who do this work. Betsy, absolutely. Part of what we do here is we can share with you through our request for information process, email anyone here, but we will also share some names. So thank you for asking that.

So let's talk about how each of you operationalized the conversation on motivations and values into action. What were some of the successes, some of the stumbling blocks? Katherine, maybe we'll start with you.

Katherine Lorenz:

Sure. So we are incredibly fortunate that we have audio and video tape of my grandparents talking about specifically what they wanted for the foundation dating back to 1993. And my grandfather didn't die until 2013. So we had 20 years of not tons, but enough data points that we could kind of see over a period of years what stayed the same and what changed. When I came into this role to lead the foundation in 2011, I basically went back and looked at all of the historical data we had, all of the giving they've done in their lifetimes, the values and things that we'd gone through, those exercises. Originally what I did is I put together a pie chart, which my family, every time it comes up, they think, oh geez, not the pie chart again. But the idea was to try and say, here is a percentage of giving that goes toward certain issues and things that were important to my grandparents and to the family going forward.

And that pie chart actually got a sign-off from my grandfather saying that felt about right. For example, my grandfather was obsessed with sustainability. There's this family joke that you couldn't talk to him for the last 20 years of his life without him saying, if you can't make the world work with 6 billion people, how are you going to make it work with 10 billion people? And so on that pie chart, that phrase is the kind of values driving that piece of that giving. My grandmother always said, a mind is a terrible thing to waste. And she really cared about disadvantaged communities and children specifically, and thought education was a path out of poverty. And so that is the kind of guiding values of that portion of the pie chart.

So then we would dive into, as a family, really learning about the issues. So why was it important to my grandparents? What was it they said in their lifetime over and over, videos or audios or books they cared about or whatever, that led them to feel that that was important? And then in those learning sessions, I mean they're kind of almost mini conferences, where we learn about what it was they wanted, or what motivated them, what the issues are facing our geography and our communities, or whatever it is. And you know, we'd hear from experts. We'd hear from key organizations. We'd hear from other funders, so understanding what the opportunities and gaps are that we could really make a difference in, and then that leads us to having a conversation about what our goal is for that issue area. And so that's a way of taking it from "we care about sustainability" to "we want a water program that focuses on X, Y and Z in Texas."

It's a long process with a lot of learning and a lot of looking back, and also looking at the current situation. And then the staff helped carry out that strategy. So I'd say if there are any drawbacks to that, it is that when you're hearing my grandparents speak kind of at one moment in time, it doesn't mean that that's necessarily the perfect place for us to be focusing 20 or 30 years later. But we try really hard to see that as guiding. Like I said, my grandmother talked a lot about education and the importance of education. But if you hear what she was talking about, what she really cared about was social equity and breaking the cycle of poverty. And for her, education was the path out.

So our programs will look at that as the value that she cared about. But then try and ascertain what is it that she actually cared about that drove her, and education might not be the only path to do that. So our programs might not look just at education. But we're pulling on that from her.

Nick Tedesco:

Before I move to Jaimie, can I ask you, how often do you reference some of these early conversations on motivations and values as you're looking at grant-specific opportunities? While you're in the board room going through the board book, is it something that comes up often? Are you referring back to why you're doing this work to keep you oriented?

Katherine Lorenz:

Yes. Almost every board meeting we start with some aspect of this. We approve budgets and strategies, but our program staff approve the grants. So we're not looking grant-by-grant generally and comparing that to motivations and values. But any major decision we make, we literally almost always start with what's the historical reference we have.

We actually also video all of our key board meetings, so that future generations will have a perspective on what the second and third generation wanted. We actually already reference those—I mean even one that happened three years ago, we'll reference again when we have that conversation this year. So having that information is critical, and referring back to it is critical because board members don't live this day in and day out. They don't remember the details of what happened at that one board meeting three years ago. And so putting it all into context as you look forward is also really critical. But for us, that historical context is huge and is brought in at literally almost every meeting.

Nick Tedesco:

And it's interesting that you really dovetailed with what Jaimie was mentioning here around bringing the staff into the process. Your comment really reinforces as the staff are making the individual grant decisions, it's important for them to be hyperaware of the motivations behind that.

Jaimie, I would love to bring you in and to hear your thoughts on this as well.

Jaimie Mayer:

Yes. So Katherine, it's interesting. In a lot of ways we're the same, and in some we're the opposite. We have the sayings as well. I'm familiar with our pie chart that we'd love to never see again, and so on and so forth. In terms of how we look at the sayings though, we really look at the how, not the what, in

terms of the context and the content there, and think of it as the way that my great-grandfather built his business and that mindset being the mindset that we give the money away, which is kind of a fancy footwork way of saying that we weren't necessarily 100% aligned with his giving. But we were really lucky in that my great-grandfather set the foundation up to become active posthumously, and said, you know me, you know what I care about—do it. So we kind of had carte blanche to shape shift in that way.

And in terms of the actual question at hand about operationalizing values, one of the best examples I can give is our mission-aligned investment work, which did not happen overnight. So we've shifted 100% of our assets into mission-aligned investments. And it was a really big learning journey getting here, really allaying people's fears and questions about risk, and why we exist, and what it meant to be courageous and to have courageous conversations, and figuring out how to act in ways that were congruent to our mission basically. Not just looking at the dollars going out, but looking at all of our dollars and all of our time, treasure, talent ties—all of it—and figuring out how we could optimize everything that we have beyond the grants. And it's still a work in progress. We're still working really hard right now to figure out how we can incorporate a greater racial equity lens, which is where we are with that.

There are so many different examples I can give. Another that's really timely for us right now is that we're moving to a new office space. And this is going to seem so silly and so small beans. But one of the big reasons why we're moving to a new office space is to prioritize our values in the design of the office, so giving democratic access to natural light and to space, and getting rid of the hierarchical way of operating that you typically see in foundations. We're hiring a CEO right now, and it's been the ongoing joke. Like, how will we find someone if they don't get a corner office, because that's so inherent in philanthropy.

We have an intern program for formerly incarcerated individuals. We have adapted our RFP and vendor selection to give priority to underrepresented groups and small businesses. And hand in hand with that, in negotiating our leases and our business insurance requirements, we make sure that we utilize NCF's coverage for small businesses, so that we're able to bring people into situations that they normally wouldn't be welcome in. And many other examples, but I think you get the point.

Nick Tedesco:

So I wanted to talk a little bit about donor intent. And Jaimie, you just touched on this point. So I'd love for you to expand on it a little bit and bring Katherine into this. But how do you navigate the balance between donor intent and family unity versus the growth and evolution of that donor intent and your motivations and values? So thinking about what is up for interpretation, what is static, and how do you think about that in the context of the growth and evolution of the philanthropy. And I will add one little asterisk here. What other voices are you bringing in? Because Nathan Cummings has independent board members. So I'd love for you to talk a little bit about this idea of the fluidity of your motivations and values in light of circumstances.

Jaimie Mayer:

In terms of what other voices are coming in, I'll start with that, and back into the harder question. I mentioned earlier that we have independent trustees on the board. We've had independent non-family trustees since day one of the foundation, which has made it not a question, but an absolute, which is wonderful. Because they not only provide viewpoints that we don't necessarily have, but skillsets as well

that we don't necessarily have around the table. Just by nature, in a family foundation, you can only get so diverse when you're all coming from the same place.

We also treat spouses and adopted children as equals at the board table, which brings other diverse perspectives at the same level. And the way that we look at our staff, really as partners in trying to move the work along, especially in this moment in time. We have a really diverse staff. And their viewpoints from their life experiences are so much more beneficial than ours in trying to do a lot of our DEI work that we're focusing on right now, and just in general for our work in the inequality space.

In terms of the donor intent piece, it shifts generationally. Katherine, you guys are one up from where we are, so I'm curious what your answer will be to this. I'm fourth generation. My great-grandfather passed away when I was two and a half. I remember him, because there are pictures, and that's about it. So my memory of him is really tied to the foundation and to the work of the foundation and the work around the table with the family, the staff, the independent trustees. My allegiance isn't to him. It's to the foundation and to the work that the foundation has done. And that's a big generational shift, I think, within the foundation where you still have members of the generation above me who are, I'd say, more reverential to the man.

That said, because we were created posthumously, unlike Katherine's, my grandmother was really the matriarch of the family, as a member of the second generation, and the only member of the second generation for decades. She passed away two years ago. And before she had passed away, she actually in a lot of ways freed the foundation up and freed people up by being the mouth of my great-grandfather, and speaking for him, and saying things that were like really progressive that may not have entered our rubric if we were only thinking about the founder as everyone knew him as their grandfather and the stoic businessman. So that was actually really, really helpful for all of us.

Nick Tedesco:

Katherine, I'd love to get your thoughts on this. I know you've done a lot of work on this, and this really does weave into the question of legacy, which we'll get to further along in this series. But we'd love to get your thoughts on this.

Katherine Lorenz:

Yes. Similar—one thing Jaimie said really resonates, which is the older generations have more reverence for the founders than the younger. And actually our founders were fairly clear that we might have a better handle on what needed to happen than they would, that we were kind of charged with being able to interpret what the needs were and give accordingly. That said, I think our family doesn't necessarily feel that way. I find when any issue comes up, it is so often, well, what would dad have done. What would mom have done? What would our grandparents have done? That is kind of the grounding thing for us. And I don't know if that's because it's what pulls us together, or we all feel so clearly that our role as stewards of what they would have wanted. But that is certainly culturally what's in our family, not dictated by my grandparents.

I do think that might change, and certainly the interpretation of what they would have wanted is even more disparate in the subsequent generations, especially those who had less and less direct experience with them, and it's just interpreting what they've heard they would have wanted. So I think even if the

idea is to do what they would have wanted, it gets harder and harder to do the longer and longer they're gone.

Nick Tedesco:

And I would also ask, is it safe to assume that I am accurately representing your thoughts on this by saying that it again comes back to reflecting on the underlying motivations and values, and not the specific actions of the generations that came before? And that's where the interpretation comes in. It's the philosophies, the beliefs that underpin this work. And the work itself of the board and the staff is to actually keep asking the question of why, because you need to get to truly again kind of the underpinnings of those beliefs, those motivations and those values.

Katherine Lorenz:

I would say absolutely. That's the key thing I've tried to do in the leadership role is not look at exactly what they did or what they said, but what was the meaning behind it. What were they getting at? How did that align with other data points suggesting that they would have wanted a certain direction. But yes, values and not organizations to fund, right? Even if they spoke about why they loved an organization, we look at the why. Like, what is it that they were getting at, not should we fund that institution in perpetuity.

I'd say one interesting point that came out in a recent board meeting was a third generation family member saying, you know for me, this is not just about honoring my grandparents. It's about honoring my dad as well. And so our role as the subsequent generations is to look at all of the generations that came before us, not just the founders. And I thought that was a really interesting point, which had not been a big topic of conversation in our family up to that point, but I think will be going forward.

Nick Tedesco:

So we've got a question here from Jeffrey, and I would encourage everyone to submit additional questions. We've got about 15 minutes left with questions and then a few closing remarks here. So I want to turn to the audience. Jeffrey asked how a value statement can be best crafted to narrow the universe of eligible grantees? Is the search for motivations and values a process likely to narrow charitable purpose? So you can give that a thought for a moment, and if anyone has any specific response to that. Katherine?

Katherine Lorenz:

I would think certainly it can be. But I think vision is a bit more like what do you want to see in the world, vision and values. The mission is probably where it would come into narrowing it a bit, but even more when you take that into strategies and program areas. But without the values and the vision, you can't get to those things. So I think it is the beginning of being able to narrow it down. But it is really just the first step. There are quite a few steps beyond that.

Jaimie Mayer:

The only thing I would add—I often talk about vision and values and theory of change work as figuring out where you're trying to move the needle *to*. We always talk about trying to move the needle in

philanthropy. Nobody ever says where they want the needle to go. By figuring that out, by articulating that and fine-tuning it, you inherently will be narrowing down to answer your question. But I wouldn't say that that's like the reason to do this work. It should be something that's really coming from within, in an intrinsic way.

Nick Tedesco:

So we've got another question here. How have your values influenced your family culture and how you interact together?

Katherine Lorenz:

I'd say one interesting thing about this. I've talked about these learning sessions we do, but they are pretty much the key time we come together as a family. We get together at Thanksgiving, and then we get together for foundation board meetings. And these learning sessions have become really powerful in our family, powerful in kind of educating us about things that are important, and understanding the why they were important to the family and to my grandparents, but then they also take the level of conversation at the dinner table up to kind of issues around environmental issues or social issues. And so you find—we find ourselves kind of learning together, getting on the same page and having these bonding experiences around things that are important to the family.

And I remember maybe almost ten years ago, maybe eight years ago, we had a learning session on sustainability and why it was important to my grandfather, what he did in it, what he wanted going forward. And my cousin who was a freshman in college came up afterward and said, 'That was so amazing. I'm changing my major when I go back to school on Monday. Because now I want to study this.' And I mean that was one data point, but things like that have happened. And I just think the trajectory of his life based on the learning session the foundation was forever changed. And I see that, especially as I said in the younger of the third generation who really didn't get to know my grandparents as well. It is what's shaping our family culture. It is the reason we're coming together and having dialogue.

Jaimie Mayer:

I would add yes to everything you said. And values really—they bring people together, because families—maybe your families are different than mine. You know one family, you know one family. But we're really aligned. We shocked ourselves. We're much more aligned than we thought we were. And the reason is because so many values are like—one of our values is learning and listening. Is somebody going to really say, I don't believe in learning and listening? They could, right? Everyone probably has a different definition of what that means and why they think that should be a value, and certainly 100% how they think that should be institutionalized, right?

But with putting the values down on paper, you're separating it. It's impossible to mentally separate it. But you're separating it in a tangible way there. And I think that the safe space it creates, especially generationally, we all have values as human beings, even if we've never articulated them, to take the hierarchy out of it, and put everyone side by side. And again for us, with the staff as well, we're all equals as humans with values.

Katherine Lorenz:

I would totally echo what Jaimie says about coming together. It is amazing how similar the values are when you start to do those exercises. We always shock ourselves as well. Like if you ensure the integrity of the process, you almost always are able to come together in the end with something that like, wow, how did we all agree on that. But if the process is good—I mean you are in the same family, right? You did grow up somewhat similarly and the values and experience somehow ground you and help you end up getting to the same conclusion as a group, which is astounding to me sometimes.

Nick Tedesco:

I was going to ask about the tension between the individual and the collective, particularly when you are in real-time defining motivations and values. But in many ways, Katherine and Jaimie, you answered part of this, right? It's about the integrity of the process and letting the process unfold. But your foundations are unique, because you are interpreting donor intent and you're starting from a place of legacy. But I'd love to hear you talk a little bit about the tension between the individual and the collective. Certain members of the board are going to have strong beliefs around what the motivation is or the value to do this work, whether it's a subsequent generation or whether it's a wealth creator. What are your thoughts about how to reconcile the tension between the individual and the collective here?

Jaimie Mayer:

For us, it's really—I liken it to when you have your career and you also sit on the board of a foundation, and you go to a conference. When you go to that conference, you represent whoever paid for you to go to the conference and that's what ends up on your badge. And that's your viewpoint while you're there, and the perspective that you bring. At the foundation board table for this work, in particular, yes, we're all still individuals. But you're there as a board member of the foundation, thinking about the values for the foundation, which hopefully align with your personal values, right? And it's personal stories that give us the values and instill the values in us that we have and that we think are important. But it's really about the greater whole. We did a lot of work looking at what the foundation is and then looking at what we would like the foundation to be, and seeing where that crossover is.

And the thing about values, is if you have too many of them, they don't really mean anything. So I'd say the hardest part is really whittling down your list of values and getting into that deeper conversation of what's more important, courageous transformation or equity, and where they go.

Katherine Lorenz:

So theoretically, I 100% agree with Jaimie that showing up with your board hat role and putting your own personal interests outside of the boardroom table would be awesome. That is not always how it actually happens in practice. And I'd say some family members are much better at it than others, and we've actually had some dialogue around, you know, what is yourself versus your role and who do you represent when you're in this room. Even still, it's so personal and it's driven by such passion, and it's linked to parents and grandparents that people miss, and there's so much emotion driving it, especially I'd say in our situation, because it's only family members in the room. We don't have kind of non-family board members to help, to just kind of calm, take the emotion out of it.

So for us, I'd say where it gets difficult is around a little less in the what are we going to fund, but more the "how." So what are the tactics that we use? I mean some people think litigation is the only way to go, and others think that if we pay lawyers with foundation money, we should go to jail. And we are unable to kind of see eye-to-eye on like, is litigation a tool in our toolkit or not. You know, things like do we want to fund on-the-ground movements or do we want to fund policy and science-based research. And that is where we end up having a harder time, because I'm not sure that's really values-driven. I mean that's much more in the tactics.

Our discretionary funding is a place where we try and enable people to kind of pursue their own passions and that's a really great outlet so that in our core program areas, we can be talking a little bit more about impact and what we're trying to accomplish, and which tools are going to get us there. And discretionary funding, family members can give to the things that they want and the tactics and the tools that they want, without having to agree with everybody else on the best way forward.

So I think it's a really hard topic of the individual versus collective. I think ideally, yes, we are collective stewards of one body. And if you don't like the way it's going individually, then maybe you should leave. That's just kind of not really how it works in practice, I'd say.

Nick Tedesco:

So Katherine, I think as a follow-up to that, Christie just asked whether to start with personal values or jump immediately to what we believe the foundation's values collectively might be. And I don't know whether you have an opinion on that.

Katherine Lorenz:

I think it's actually really important to do both at the same time. I mean I've certainly done the 21/64 values cards where you do your own, and then compare them with everyone else in the room, and then maybe do the foundation, and see where there's overlap and disconnect. I think actually naming it—when you're facilitating meetings sometimes you think, well, let's just not go there, there's going to be so much conflict. But actually if you name those things and get them out on the table, it's easier to resolve that conflict.

And so I would say if you're doing one, you should ideally try and do both, just so you can see where people are aligned and where people aren't aligned. But maybe you can even focus on the fact that you're not aligned personally on this, but you both agree that the foundation should be aligned there. And that can really help, I think, in what Jaimie was talking about—the "who am I" versus who's paying me to be here right now sort of thing. I think to just own that, and then sometimes it's like a Venn diagram. You're kind of both in certain ways, and the complexity there to name that I think can be really helpful.

Nick Tedesco:

So I know we are at time. We've got a couple of minutes here, but I wanted to end by asking each of you, Jaimie and Katherine, to share some advice that you might give to families as they reflect on shared purpose and values and motivations. We've got many people here in our virtual call and in the community who are asking the question of how to do this. So what advice would you give, as many are reflecting on their shared purpose and values? Jaimie, I'll start with you.

Jaimie Mayer:

Yeah, I'd say while the process seems and often feels arduous, it's actually really liberating. Because once it's on paper, I mean it's done until it's amended. We all know how this goes, right? But it's done and it's something that the foundation can keep checking back in and doing the sniff test of this looks like an amazing grant, this looks like a great partner, this looks like a great organization to potentially start; whatever it might be. And say, you know, that aligns with all of these, and that's why we're going to move forward. And if someone isn't for that, it gives you something to fall back on, because everyone agreed to the values.

In some ways it can be a little self-serving to move things forward. By having all of these checkpoints of making sure that everyone is aligned and signing off on all of this in terms of the values, the vision, the theory of change, the mission. But I'd go back to the "moving the needle" piece. If you don't know where you're moving the needle to, then what kind of impact can you really have? And if you don't start from within—I mean, to go back to the presentation, philanthropy is so deeply personal, especially family philanthropy. To not feel that connection that really is a values proposition, and especially for those of us who generationally are more and more removed, I'd say even more so, that's something that really ties us to the founder and to previous generations, and will continue to trickle down to future generations.

So don't underestimate the power of values. Don't be scared of the values process. And don't be intimidated, because no one is trying to take anything away from you. They're just trying to make sure that it gets passed on. And if anything, I would say you should be really excited about doing the work, because it means you'll be a greater part of the legacy.

Katherine Lorenz:

I couldn't agree more, very well said. I would say it feels like an easy step to skip over, but it grounds everyone in a way, and gives you a starting point that you're all starting from the same spot. It's a really liberating process. I agree. I'd say two really concrete bits of advice. First, have an external person lead it. Even if you're a non-family staff member, I think it can sometimes be too loaded. I think really having external person come in to take the grunt work out of it and to bear the brunt of any negativity that comes out of it, I think it actually is liberating and not so painful in the end. But I do think an external person helping with that can be really critical.

And the second piece of advice is to video it. It's not enough just to have the final product on paper, but to see the process of getting to the final product I think can be really powerful for future generations who are then kind of contemplating the same process. So the more you can have a video or an audio tape of at least key pieces of the dialogue, I think the better.

Nick Tedesco:

Jaimie and Katherine, I can't thank you enough. This has been such a wonderful conversation, full of information and really practical advice. So thank you so much. I really enjoyed our time together. I know we could talk for hours more. But I just want to thank you both for your insights, for your time, for your wisdom, and for your openness. You're incredible resources for the field, and I'm really excited to continue to watch how you grow your family philanthropy efforts as board chairs.