

# Fundamentals of Family Philanthropy

1<sup>ST</sup> EDITION

THE  
FAMILY  
GIVING  
LIFECYCLE



NATIONAL CENTER FOR  
FAMILY PHILANTHROPY





# About the Series



The Family Giving Lifecycle is a seven-stage framework that encompasses the breadth and inflection points of family philanthropy and helps guide donors to effective outcomes.

***Fundamentals of Family Philanthropy*** is a companion primer to the Lifecycle series. The primer includes worksheets to help you apply the concepts to your work as well as a playbook that you and your family can use to codify decisions and plan your course of action. The Lifecycle framework is relevant to families at all stages of their giving, whether they are wealth creators new to philanthropy or multi-generational families improving their practice. We recommend that donors and their families revisit this framework as their philanthropy goals evolve. Please visit the National Center for Family Philanthropy (NCFP) [website](#) for the complete series of primers and related resources.

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# Overview

Our lives are full of inflection points—moments when significant change is possible. They call for us to pause, examine our options, make informed choices, and plan for the present and the future. Family philanthropy has many points of inflection, during which a family can embrace proven practices and increase momentum or stall out due to uncertainty and lack of clarity.

There are a number of important topics that are essential for family donors to understand to effectively practice effective family philanthropy:

- **The social impact landscape:** The many resources and sectors you can use to make a difference.
- **Roles of family in philanthropy:** Why you choose to involve family members, how to shape family dynamics and culture, and ways in which families evolve in their collective philanthropy.
- **Principles of effective family philanthropy:** How to commit to accountability, equity, relationships, and reflection and learning in your family giving.
- **Effective decision-making:** How to create clarity, consistency, and competency in collective decision-making.
- **Navigating emotions, disagreement, and conflict:** How to embrace healthy conflict and channel emotions in constructive ways.
- **Rightsizing your philanthropy:** Aligning the scale and scope of your family's mission, strategy, and capacity.

# The Social Impact Landscape

The terms philanthropy and social impact are often used interchangeably, but there are distinct differences. Throughout the Family Giving Lifecycle, NCFP uses the following definitions:

- **Philanthropy** is voluntary action for the public good.<sup>1</sup> It includes making tax-deductible gifts to charitable organizations, informal giving, volunteering, grantmaking, investing for social or environmental impact, building social enterprises, advocacy, and other actions that intentionally benefit others.
- **Social impact** is a philanthropic activity's intentional net benefit to others.

Family philanthropies operate within the **social impact landscape**, a broader ecosystem comprised of the numerous resources donors use across diverse sectors to achieve their goals for preservation or change. It includes those who practice philanthropy as well as the nonprofit and for-profit partners who work to advance change.

<sup>1</sup> Definition created by Dr. Robert L. Payton, founding director of the Lilly Family School of Philanthropy at Indiana University.

## Philanthropic Resources

The first step toward effectively navigating the social impact landscape is for families to assess their resources. Conversations about philanthropy often center on financial assets. However, it takes several types of resources to achieve social impact. These resources are commonly referred to as the 5 Ts. They are:

- **Treasure:** Money, goods, stocks, business interests, and other assets you contribute to your philanthropic efforts.
- **Time:** The hours dedicated to the administration of your philanthropy as well as your commitments to advance change in communities and across issues.
- **Talent:** Your skills, knowledge, professional expertise, and creative energies.
- **Ties:** Your relationships with other people, businesses, and organizations.
- **Testimony:** The power of your voice and reputation to educate and inspire others and advocate for a cause.

As you assess your family's resources through a philanthropic lens, we encourage you to consider needs and opportunities at two levels:

- **Internal needs and opportunities:** What resources do we have to offer our partners? How might our family continue to learn and grow as our philanthropy evolves?
- **External needs and opportunities:** Which resources are needed the most? How might we be a better partner for social change?

## The Sectors in Which Donors Work

Philanthropic resources flow through four areas of the economy: the peer, charitable, private, and public sectors.<sup>2</sup> Each sector offers a unique avenue for advancing social change and works best in combination with other sectors. As you determine your goals, consider which sector or sectors might offer the greatest opportunity to help you achieve your social impact mission.

### Peer Sector

People support people. Families often give money, food, and other aid to friends, family, neighbors, and even strangers in need. Individuals with shared interests will combine resources through mutual aid efforts and collectively advocate for their beliefs and rights. This generosity, volunteerism, and civic responsibility reflects the core values at the heart of many families. In fact, more than half of Americans report informally helping friends, neighbors, or community members at least once a month.<sup>3</sup>

Technology has amplified peer-to-peer philanthropy through crowdfunding sites such as [GoFundMe](#) and [Sadagah](#) as well as platforms for managing giving circles such as [Grapevine](#) and [Givebutter](#). In the past decade, this type of tech platform-driven giving has substantially outpaced donations to nonprofits.<sup>4</sup>

#### As you think about involving the peer sector in your social impact goals, ask:

- Who is most affected by the challenges you are trying to address? How might they have a more significant role in creating, choosing, and implementing solutions?
- Are there informal, local groups already working on this challenge (for instance, parent support groups, patient advocacy groups, or neighborhood associations)? How might you amplify or enhance their efforts and advocacy to improve their communities?

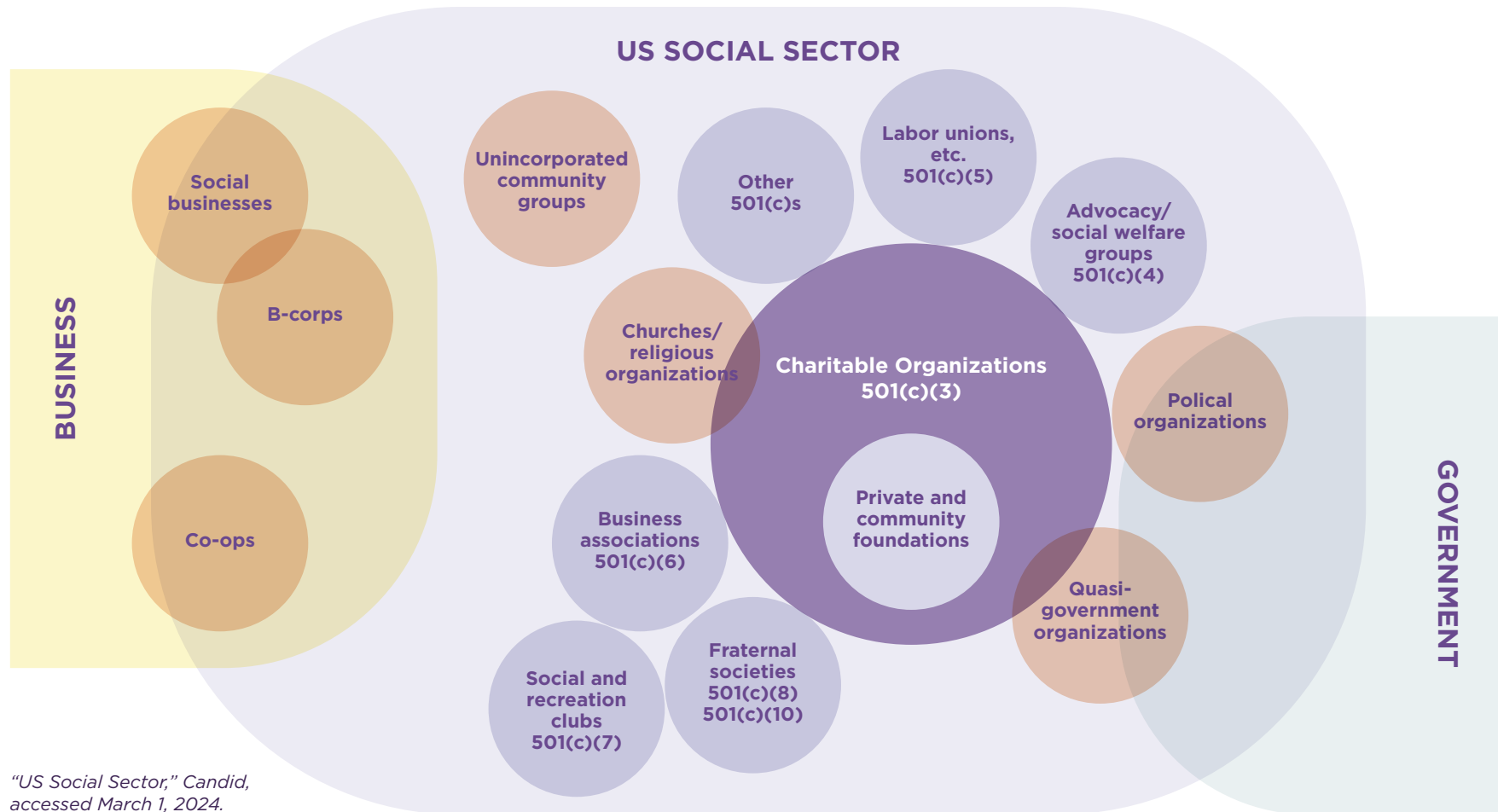
<sup>2</sup> The Four-Sector Society,” Our State of Generosity, accessed March 1, 2024, <https://ourstateofgenerosity.org/section/role-of-philanthropy-four-sector-society>.

<sup>3</sup> “Volunteering and Civic Life in America | AmeriCorps,” November 23, 2022, <https://americorps.gov/about/our-impact/volunteering-civic-life>.

<sup>4</sup> “Crowdfunding Industry Report,” May 2012, <https://s3-ap-northeast-1.amazonaws.com/01booster-com-upload-prod/uploads/wp/2014/05/crowdfunding-industry-report.pdf>, “2015 Massolution Report Released,” March 2015, <https://ncfacanada.org/2015-massolution-report-released-crowdfunding-market-grows-167-in-2014-crowdfunding-platforms-raise-16-2-billion>, “Crowdfunding Market Share, Size, Trends, Industry Analysis Report, By Type (Equity-based, Debt-based, and Others); By Application; By Region; Segment Forecast, 2022-2030,” <https://www.polarismarketresearch.com/industry-analysis/crowdfunding-market>.

## Charitable or Social Sector

People establish nonprofit organizations to benefit others and solve societal problems. Nonprofits typically perform services that businesses can't profit from or that the government doesn't have the will or public backing to deliver. As such, they are often able to innovate new solutions, catalyze support, and fill gaps in services. For example, nonprofits provide a range of services—workforce re-entry training, protecting birds in urban areas, supporting after-school programs, and much, much more. While a nonprofit may earn revenue from its programs or products, it must reinvest any profits into its mission.



*"US Social Sector," Candid, accessed March 1, 2024.*



As of 2023, there are more than 1.85 million nonprofits in the United States.<sup>5</sup> The IRS approves between 80,000 and 120,000 new nonprofits annually.<sup>6</sup> Eighty percent of nonprofits are 501(c)(3) charitable organizations, the most common recipients of tax-deductible gifts and grants. Close to half have annual revenues below \$50,000.

Nonprofit business models vary widely, and there are many ways to balance revenues and expenses. Nonprofit revenues may include payments from customers and clients, government contracts, and philanthropic donations and grants.

**As you think about involving the charitable sector in your social impact goals, ask:**

- How might our resources advance the mission of a nonprofit organization? What do charitable organizations need to succeed in their missions? Would it help to consistently give, volunteer, and attract other supporters to a set of nonprofits?
- What combination of nonprofits is needed to make progress on a social impact goal? For instance, a mix of organizations that provide direct services to people or communities and organizations that advocate for policy changes?

<sup>5</sup> “US Social Sector,” Candid, accessed March 1, 2024, <https://candid.org/explore-issues/us-social-sector/people>.

<sup>6</sup> “SOI Tax Stats - IRS Data Book | Internal Revenue Service,” accessed March 1, 2024, <https://www.irs.gov/statistics/soi-tax-stats-irs-data-book>.

## Private or Business Sector

Businesses may contribute to social impact through activities such as employee volunteerism, giving to nonprofits, and lending their voice to advocacy campaigns. They can also use business practices such as purchasing from Black-owned or veteran-owned suppliers or hiring and training people who have historically been underrepresented (e.g., people who are formerly incarcerated or people who have severe disabilities).

Some business leaders wish to achieve both purpose and profit. More than 10,000 American businesses have incorporated as benefit corporations to ensure that they can balance profits with the needs of employees, communities, and the environment. Many seek certifications from organizations such as B Labs, Green America, or Fairtrade International to prove their commitment to social and environmental impact.

Lastly, donors, family businesses, and foundations can make impact investments—investments in companies and funds that generate both financial returns and social or environmental ones. Impact investing is on the rise. In recent years, the practice has grown faster than charitable giving.<sup>7</sup> Impact investments often serve as a complement to traditional grants. They spur innovation, support burgeoning entrepreneurs, help demonstrate proof of concept, and take on risk that other funders will not.

### **As you think about involving the private sector in your social impact goals, ask:**

- How would an investment in a business or entrepreneur advance change in your chosen area(s) of philanthropic focus? How might it complement a traditional grant?
- Are there ways for you, your family, business, or foundation to align more of your purchasing and investing with your values and social impact goals?

<sup>7</sup> “2023 GIINsights,” The GIIN, accessed March 1, 2024, <https://thegiin.org/research/publication/2023-giinsight-series>.

## Public or Government Sector

The public sector consists of local, state, and federal government agencies as well as appointed and elected officials. It includes public entities from your local school board to the US Congress. The public sector uses revenue from sources such as taxes and fees to pay for services like safety, roads, and parks that benefit the broader public. Moreover, elected and appointed officials advocate for policy changes spanning a broad range of issues from healthcare to employment to affordable housing.

Families who plan to use philanthropic structures to influence policy must follow certain restrictions. Private foundations are prohibited from using financial assets to influence legislation. However, individual family members and family businesses may advocate for causes and support elected officials at-will. Families can also use additional vehicles, such as 501(c)(4) structures, to pursue desired policy changes.

### As you think about engaging the public sector in your social impact goals, ask:

- How do current laws, regulations, and policies affect the communities and nonprofits you support? How might they benefit from policy change and how could you help usher in these changes?
- Would your family increase impact by aligning your political giving with your charitable giving, by investing in vehicles that support policy change, or by personally advocating for causes important to you and your family?





## Why is understanding the social impact landscape important?

The four sectors are interdependent and work in combination across most all social and environmental issues. Take, for example, early childhood care and education:

- **Private:** Private providers offer care to segments of the population, but not every family can afford or access their services.
- **Charitable:** Nonprofit organizations can fill this gap by providing free, more affordable, or more accessible care to those families because they receive private donations or grants, subsidies, and contracts from government agencies.
- **Public:** Government regulations affect the quality and staffing of both business and charitable providers, so both types join nonprofit advocacy organizations to influence public sector regulations and funding.
- **Peer:** Volunteers create parenting support groups, help each other with pick-up and drop-off, and join in the advocacy efforts. Some use scholarships, funded by philanthropy and government, to obtain certifications to work at or manage early childhood programs.
- **Foundations and companies:** Donors make grants to early childhood coalitions that involve all four sectors with the aim of increasing the equitable availability of high-quality, well-staffed services.

Understanding your social impact landscape is essential to maximizing your family's resources—financial and beyond—toward making progress with a chosen cause.



# Navigating the Social Impact Landscape

Family philanthropies work within the larger ecosystem of their social impact landscape. That landscape includes five resources (time, talent, treasure, ties, and testimony) used across four sectors (peer, charitable, private, and public). This worksheet is designed to help you begin thinking about the social impact landscape. You'll create more detailed plans in the *Impact Vehicles & Structures* primer and *Impact Strategies & Tools* primer.

## 1. What are two or three priorities in your philanthropy or goals for social impact?

They might be informal (e.g., creating a thriving community) or something more specific (e.g., ensuring food security for everyone living in your county).

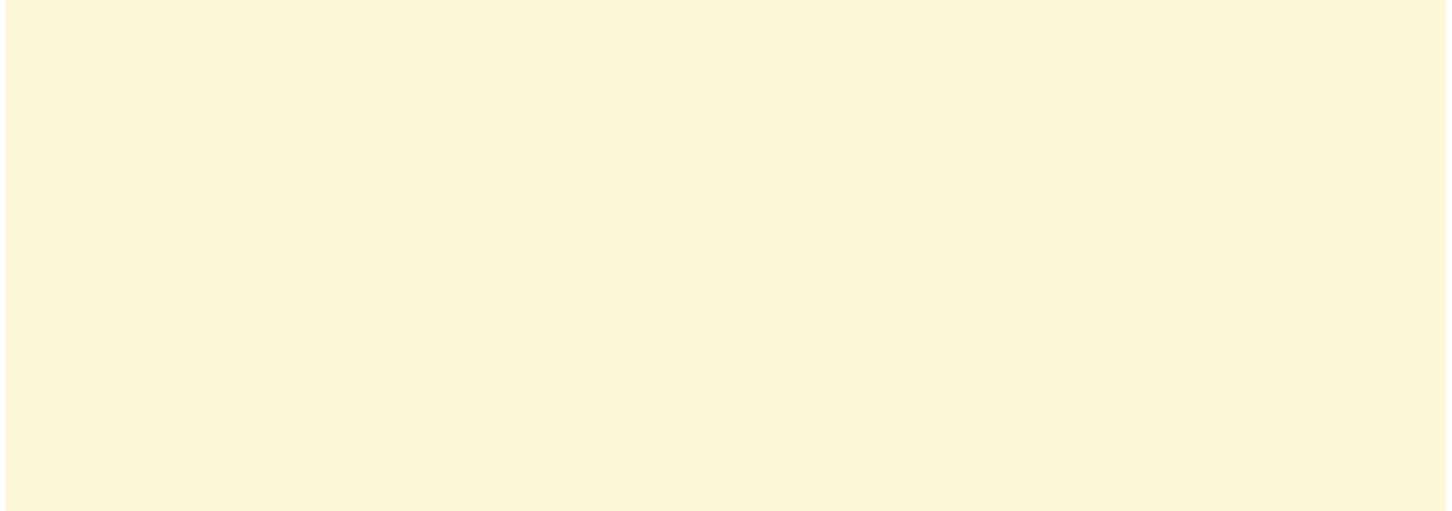
## Resources

2. In the next 6 to 12 months, how could you use your resources within each sector to advance your philanthropic priorities?

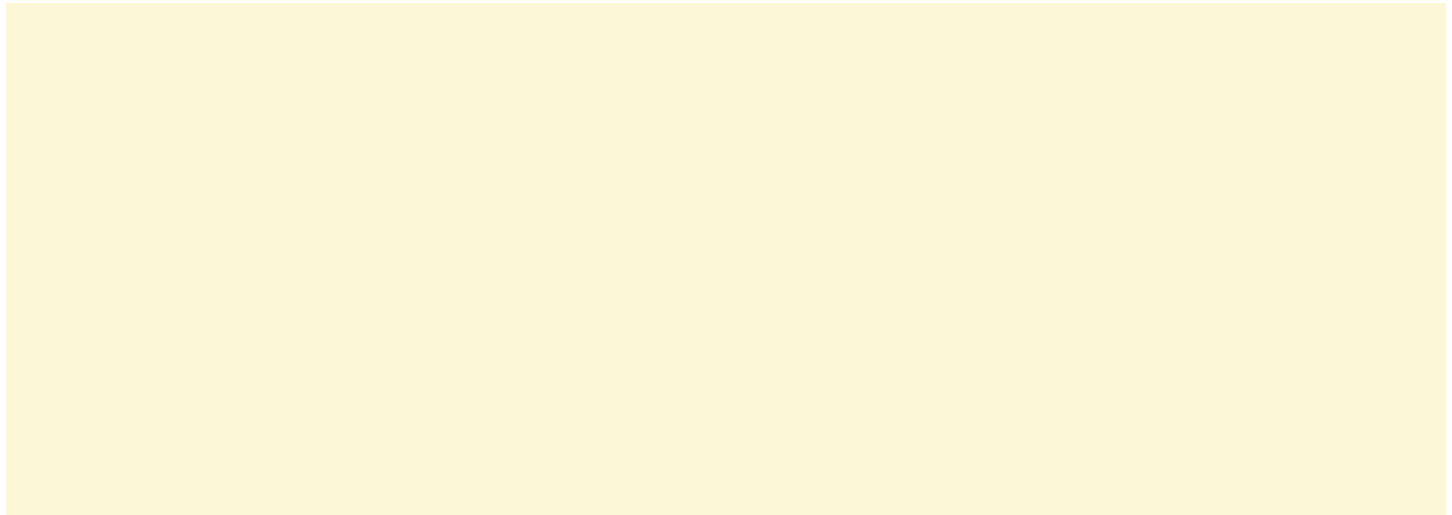
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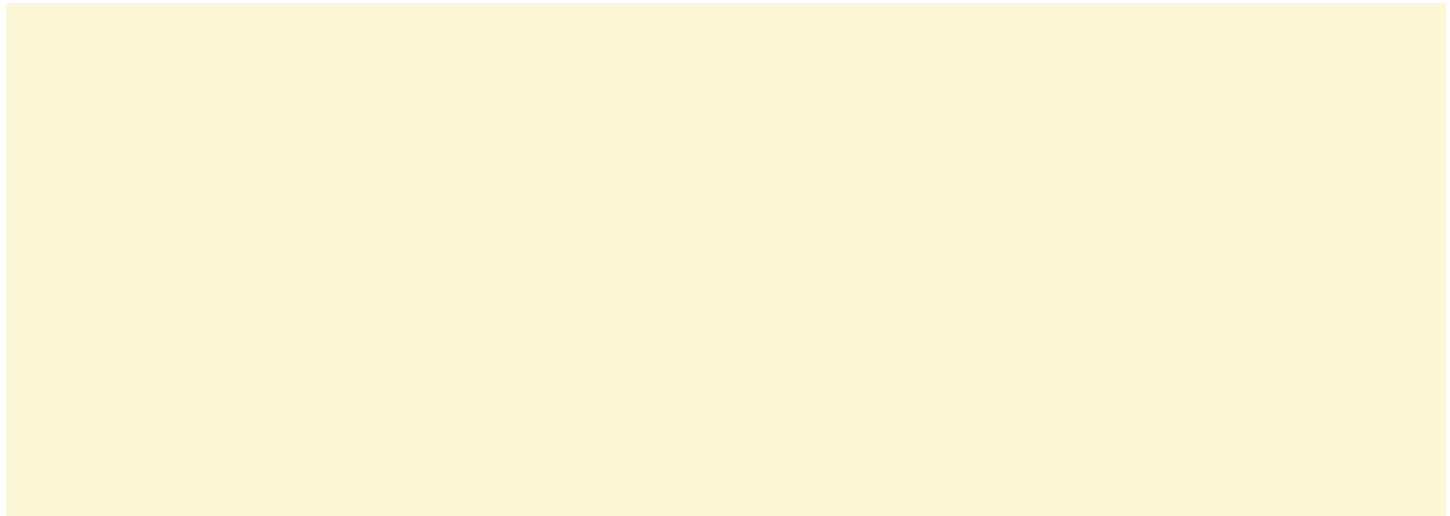
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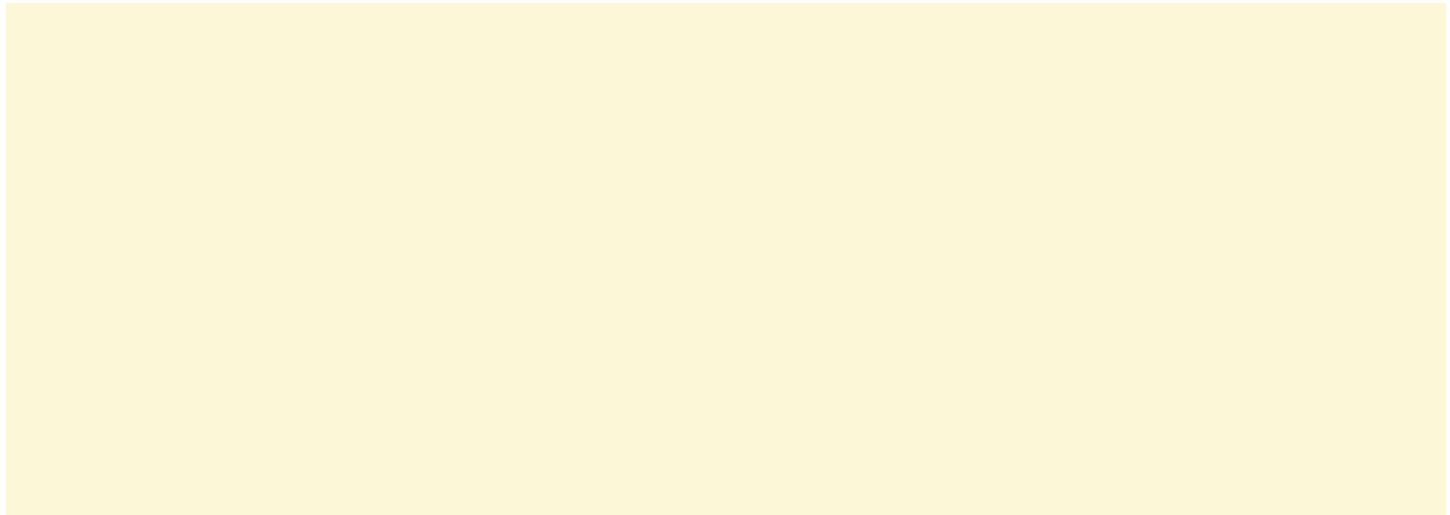
## Learning

3. In the next 6 to 12 months, what do you want to learn about how each sector is involved in your philanthropic priorities?

PEER

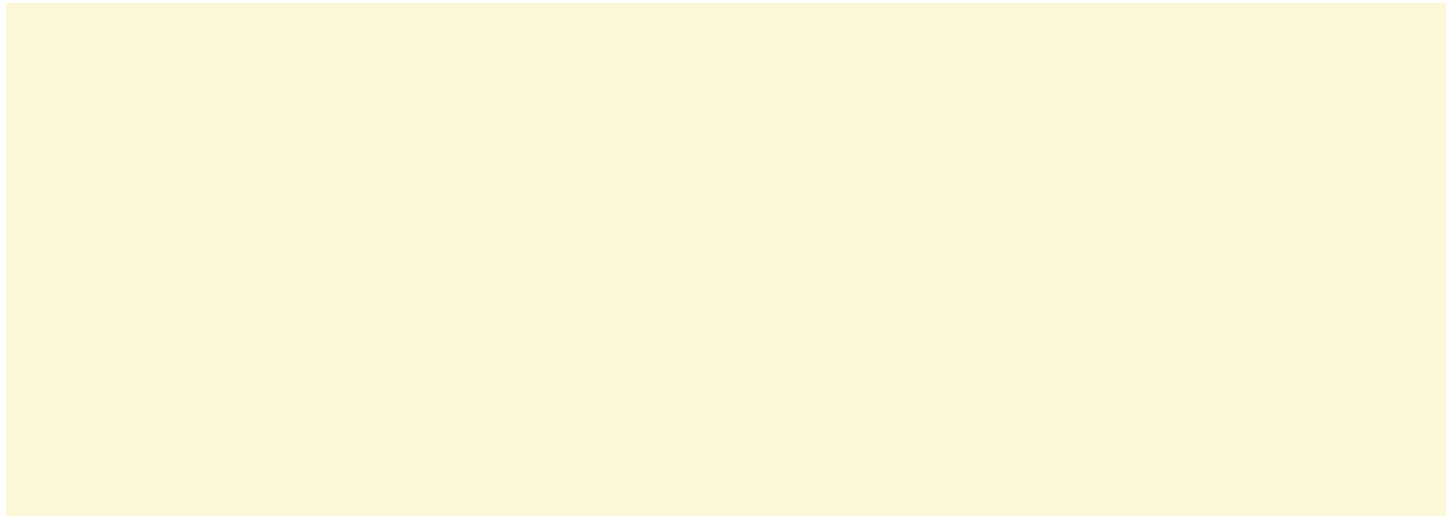


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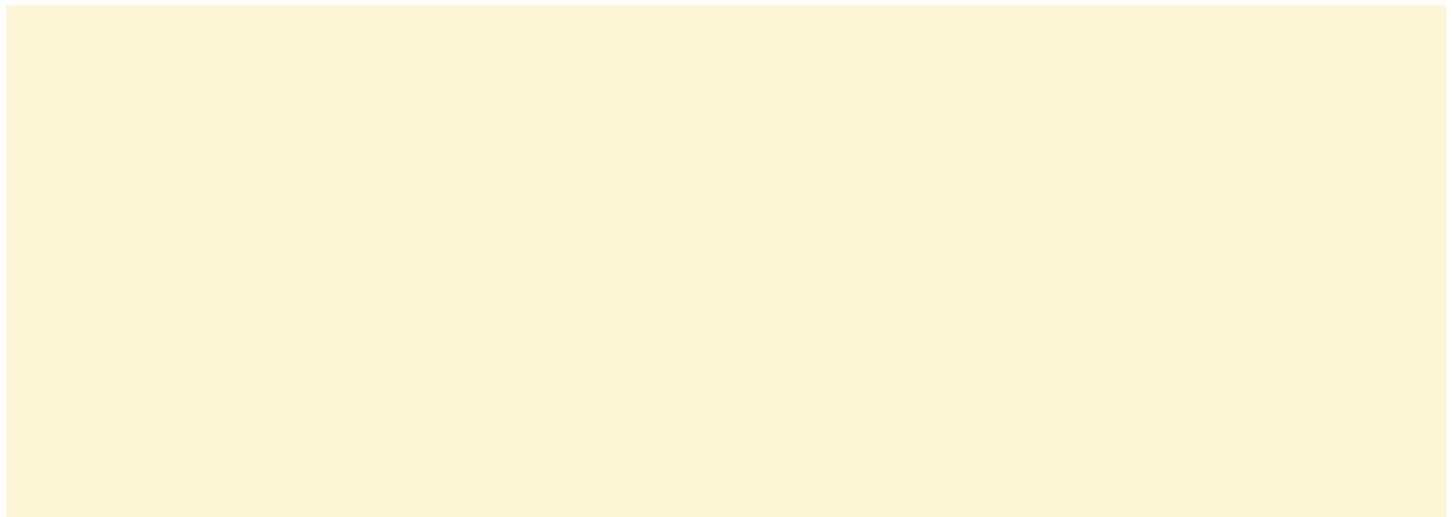




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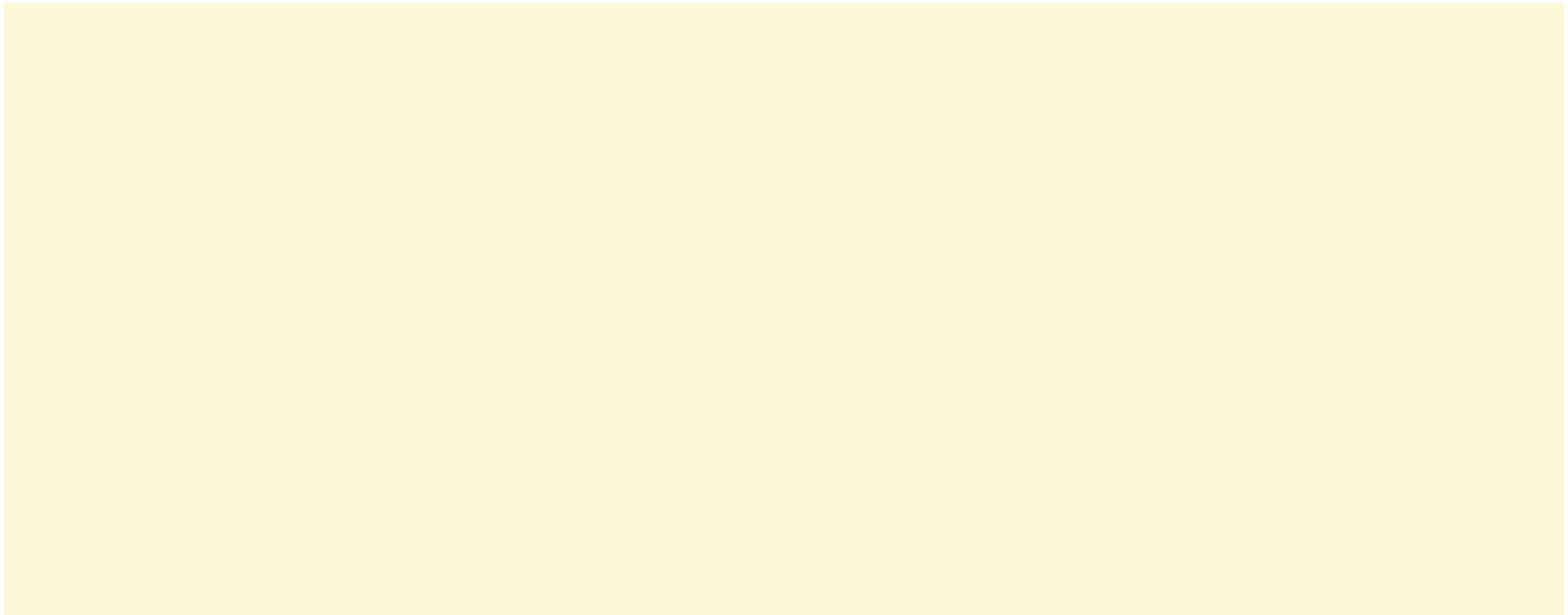


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## Next Steps

4. **Who might you want to talk with to learn more about the social impact ecosystem surrounding your philanthropic priorities?** (E.g., experts, field leaders, peers, community members, staff members.)



# Family in Philanthropy

Family philanthropy is, at its core, a collective act—rooted in a family’s values, engaging its members, and carrying forward the family name and legacy. True collaboration in family philanthropy requires members to put aside their individual interests for the sake of collective goals. It also requires active support for collective decision-making by the family.

How you define family is up to you. This could include your family of origin (biological family or the family in which you were raised), extended family (other relatives and spouses or partners), members of a blended family, or family members of choice (other people who are your support system and whom you treat as family). You may also choose to invite community and expert representation to help oversee your family philanthropy.

## Why involve family?

The motivations for involving family members in collective philanthropy tend to fall into four categories:

- **To foster meaningful social change:** Using resources to create a net positive impact on issues and within communities.
- **To promote connectedness:** Encouraging closer relationships and ensuring people feel valued within the family through philanthropy.
- **To advance learning and personal development:** To build competencies in decision-making, financial oversight, leadership, and other topics. To instill a spirit of generosity.
- **To build a shared identity and legacy:** To pass on shared values and heritage, develop a collective identity, and define the family's reputation.

Each reason influences the decisions a family makes throughout the Family Giving Lifecycle. Not every member of the family may have the same priorities. Taking the time to work through differences is vital because family philanthropies are most effective when family members align on the most important motivations for collective giving. Families often revisit their motivations as more people join, leadership positions change, or there's a significant change in the resources available.

## How can we shape family dynamics and culture?

Successfully engaging your family in any collective endeavor takes intentional work and consideration of family dynamics. Family dynamics are the patterns of interactions among relatives and the many factors that shape communications, relationships, and roles within the family. They influence each family member's well-being and personal development throughout their life and across generations. They also influence the governance of a family's philanthropic vehicles.

Think of a family as an ever-changing system. Its members are interconnected and interdependent and their relationships constantly shift. Births, deaths, sibling rivalries, parenting styles, illnesses, wealth events, natural and economic disasters, and other factors will affect the system. Some changes will be temporary, while others can reverberate through years or generations.



As family dynamics and systems change, it is natural to encounter challenges. You can't control family or group dynamics as an individual. However, you can use the practices below and in the next chapters to help nurture more productive interactions in your family.

**1. Support Both the Individual and the Group.** All human relationships must strike a balance between two forces: individuation and attachment. Individuation is the development and maintenance of a stable sense of self and individual personality. On the other hand, attachment refers to the feelings of affection or obligation that bind you to your family. Too much of either force can create imbalances in family relationships and, by extension, your family's philanthropy.

**2. Promote Active Stewardship.** In family philanthropy, a culture of stewardship can improve the balance of individuation and attachment. Stewardship is typically defined as the act of supervising or looking after something. In the context of family philanthropy, stewardship may involve caring for shared assets, personal relationships, the environment, community health and well-being, the welfare of employees and professional partners, and more. Having an orientation toward stewardship means choosing leaders based on shared principles and purpose. It also means prioritizing the needs of a larger cause or group over self-interest. Successful stewards aren't passive caretakers of a family legacy or shared financial assets—they seek new ways to build on that legacy and grow the resources to do so. The *Governance* primer offers principles and practices for developing a culture of stewardship.

The culture of stewardship is especially important when your family has placed assets in a charitable vehicle such as a family foundation or donor-advised fund. Such resources are permanently dedicated to charitable purposes and primarily preserved to benefit the public. This means that when a family transfers assets to a charitable vehicle, those assets belong to the charity and are no longer the family's money. Families who understand this and adopt a stewardship mindset have a much better chance of maintaining healthy governance of their foundation or fund across generations.<sup>8</sup>

**3. Nurture Family Culture.**<sup>9</sup> Your family's culture is part of what defines who you are as a family and gives you a sense of belonging to something bigger than yourself. Family culture is both a *product* (a family's accepted accumulated wisdom) and a *process* (renewing and reinventing culture as people join and leave). Your family's culture shows up in three ways:

<sup>8</sup> "Philanthropy in Complex, Multi-Generational Families," NCFP, 2023, <https://www.ncfp.org/wp-content/uploads/2023/04/Philanthropy-in-Complex-Multi-Generational-Families-NCFP-2023.pdf>

<sup>9</sup> Jamie Forbes and Kelly Nowlin, "Family Culture: Creating a Resilient Family Tree" (National Center for Family Philanthropy, 2018), <https://www.ncfp.org/knowledge/family-culture-creating-a-resilient-family-tree>.

- **Artifacts:** Tangible things such as pictures, written stories, the look of a home or family office, or family crests or branding.
- **Behaviors:** What others can observe about how family members interact with each other through words, body language, and other expressions of love.
- **Values:** The principles, beliefs, attitudes, habits, and even unspoken rules that underpin conversations and actions.

Having a clearly defined and healthy family culture makes it easier for people to participate in collective decision-making. It reinforces a sense of belonging and satisfaction, strengthening the family's ability to weather negative influences and manage eventual transitions in leadership. It also informs how the family should cultivate relationships with the communities and grantees it serves.

To foster a culture that centers a family's collective purpose, try these practices:

- Develop and discuss a shared mission or values statement.
- Share stories about how family members embodied certain principles or values, especially during hard times or tough decisions.
- Make an effort to bring together multiple generations or branches of the family for vacations or volunteer work.
- Discuss the history of family traditions to help people remain true to the “why” of their philanthropy even if the “how” evolves. Talk about how traditions reinforce shared principles or parts of your heritage, and what traditions no longer serve the family or may not align with present-day values.
- Assign someone to welcome and orient new family members, such as spouses, to the family's culture and learn about the family cultures that new members bring.
- Create a family tree, biography, timeline, or another storytelling tool that can be passed down and added to over time.

**4. Strive for Resiliency.** Resilience is your family’s ability to bounce back to healthy functioning after stress and even use stress as a catalyst for personal growth. Psychologists have found that resilient families create collective agreements about three topics: shared beliefs, communication and organization, and use of resources. As it turns out, these topics are also fundamental to good governance of a philanthropic vehicle.

Family Resilience	Good Governance
<b>Shared beliefs:</b> Often tied to cultural or faith traditions, which help family members find meaning and a positive outlook.	<b>Principles:</b> Written vision, values, and beliefs for philanthropy and social impact.
<b>Communication and organization:</b> The way a family stays connected as well as the forums it creates for collaborative problem-solving.	<b>Policies:</b> Rules and guidelines for philanthropic pursuits and decision-making structures.
<b>Use of resources:</b> Mutual goals and values for the use of the family’s money, home, and other assets.	<b>Practices:</b> Using treasure, time, talent, ties, and testimony to benefit others and achieve social impact.

# What Can Family Bring to Your Philanthropy?

Family philanthropy works best when family members can clearly articulate the value of their engagement and understand how family culture and dynamics shape group decisions. This worksheet helps you document define your family motivations for philanthropy as well as identifying potential challenges to collective action.

## 1. Why Family?

Your philanthropy is dedicated to serving something bigger than yourself. You want to make an impact on the lives of others. But why do you choose family philanthropy? We've listed common motivations, and you can add your own. Rank at least three motivations, with "1" being the most important. You may also write "no" beside any statements you believe should not be a primary motivation in your family's collective philanthropy.

- |   |   |
|---|---|
| <input type="checkbox"/> Bring our family together, create or improve family bonds  | <input type="checkbox"/> Model and teach family values, beliefs, or heritage              |
| <input type="checkbox"/> Create leadership role(s) outside of the family's business   | <input type="checkbox"/> Model and teach empathy for the larger world                     |
| <input type="checkbox"/> Help family members feel their ideas and participation are valued  | <input type="checkbox"/> Enhance governance and leadership skills                         |
| <input type="checkbox"/> Enhance personal fulfillment by giving   | <input type="checkbox"/> Enhance the brand or reputation of the family or family business |
| <input type="checkbox"/> Fulfill estate planning goals  | <input type="checkbox"/> Create a wider network of relationships within the community     |
| <input type="checkbox"/> Create a shared legacy of impact, make the world a better place  | <input type="checkbox"/> Other: _____   |
| <input type="checkbox"/> Use more family resources (talents, time, ties, treasure, testimony, or more) to advance a philanthropic mission or goal | <input type="checkbox"/> Other: _____   |



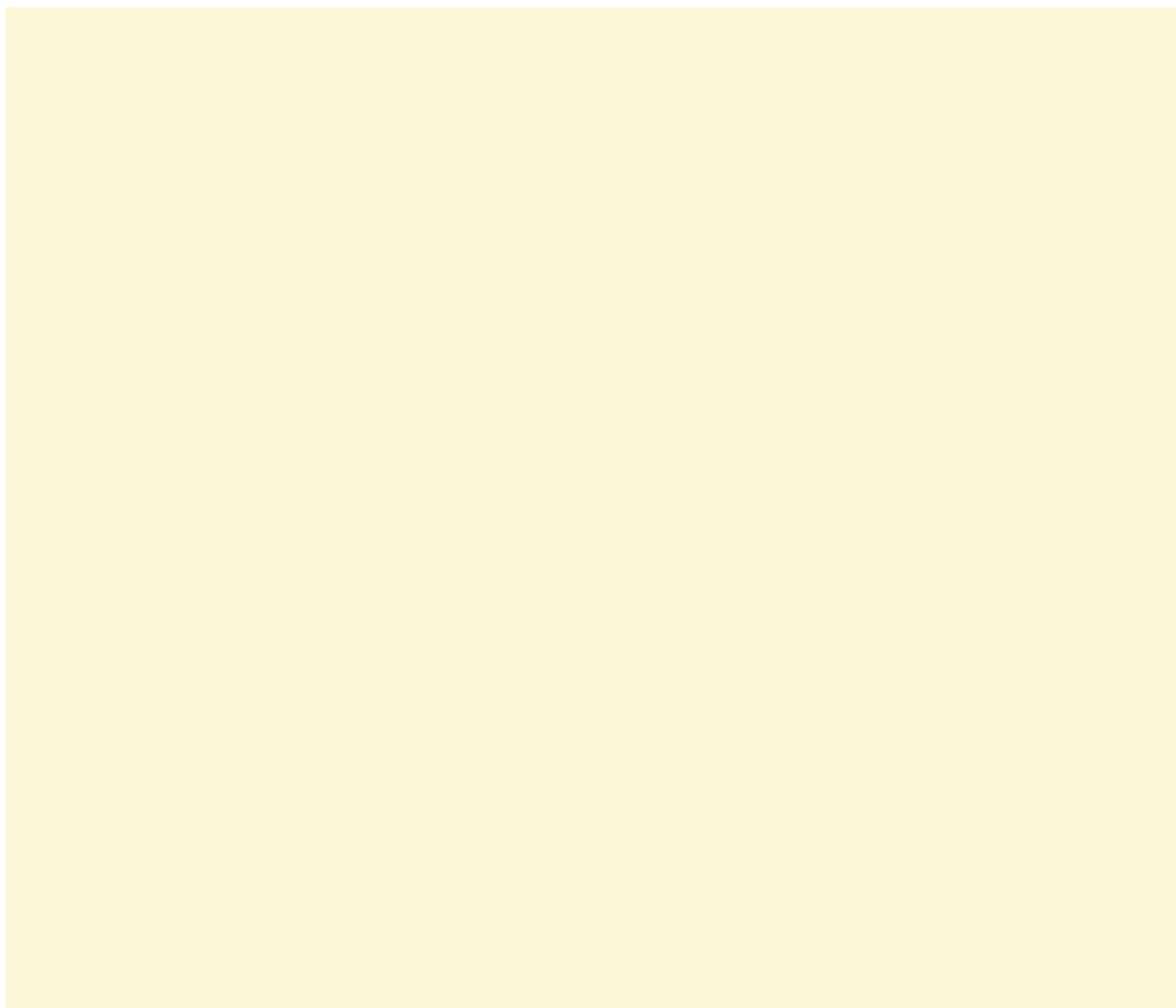
What should family members, advisors, or staff members know about your ranked choices? What made them most important to you?

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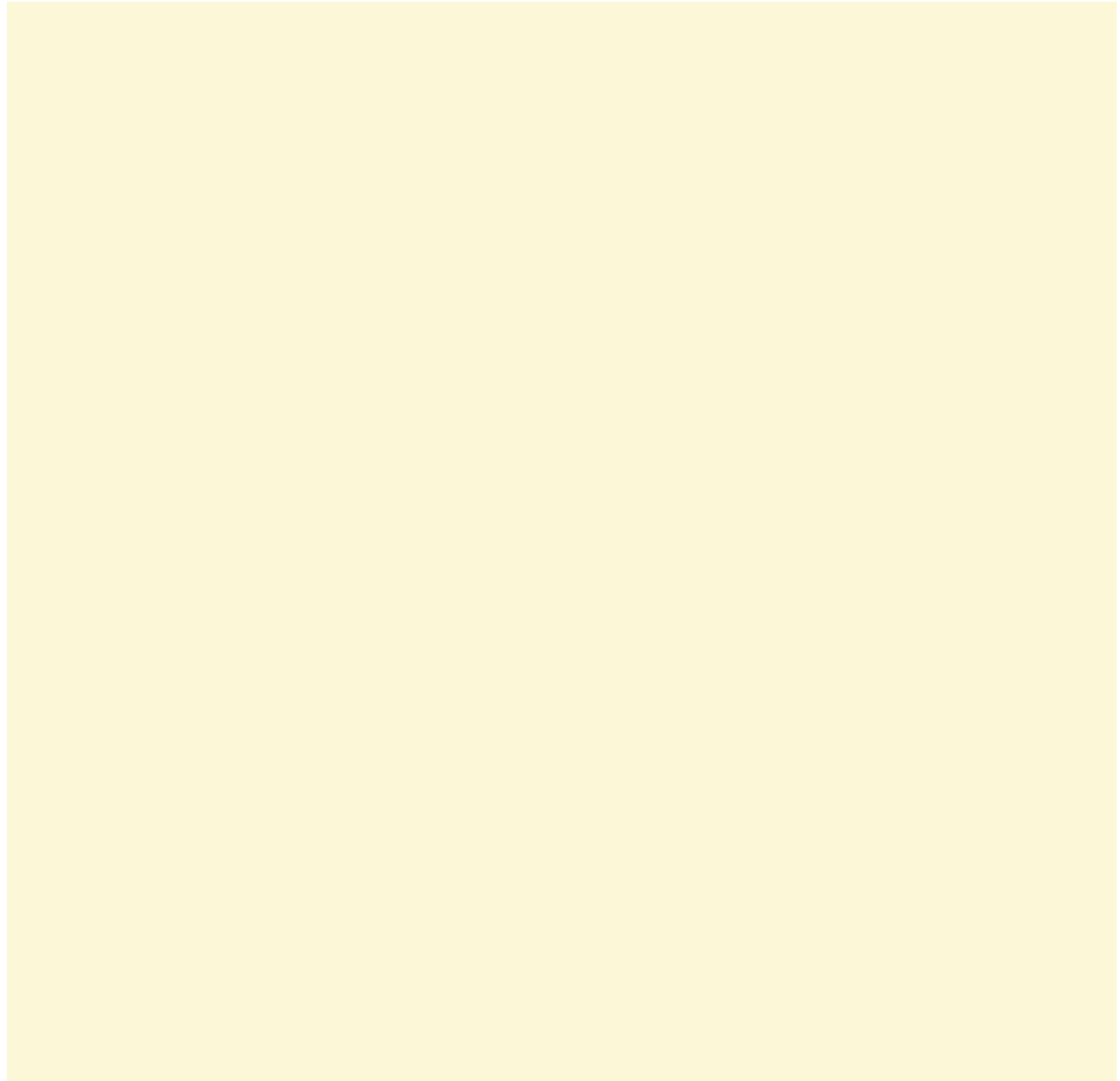
## 2. Family Dynamics and Culture

Your family's culture combines tangible artifacts, observable behaviors, and underlying values and beliefs. Family dynamics are ever-changing patterns of interactions, relationships, and roles that affect family members' well-being and development.

How would you describe your family's culture and family dynamics?

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What elements of culture and dynamics could positively influence your family's philanthropic decision-making?



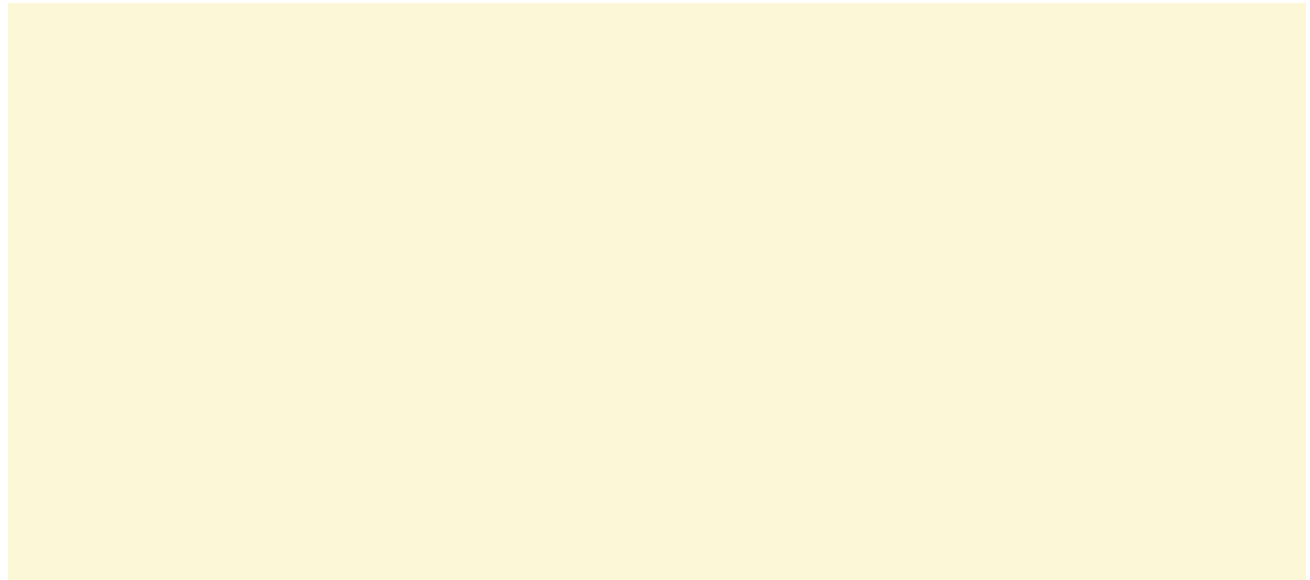
How do you hope to maximize those positive influences in your family's work together?

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What elements of culture and dynamics could pose challenges to your family's philanthropic decision-making?

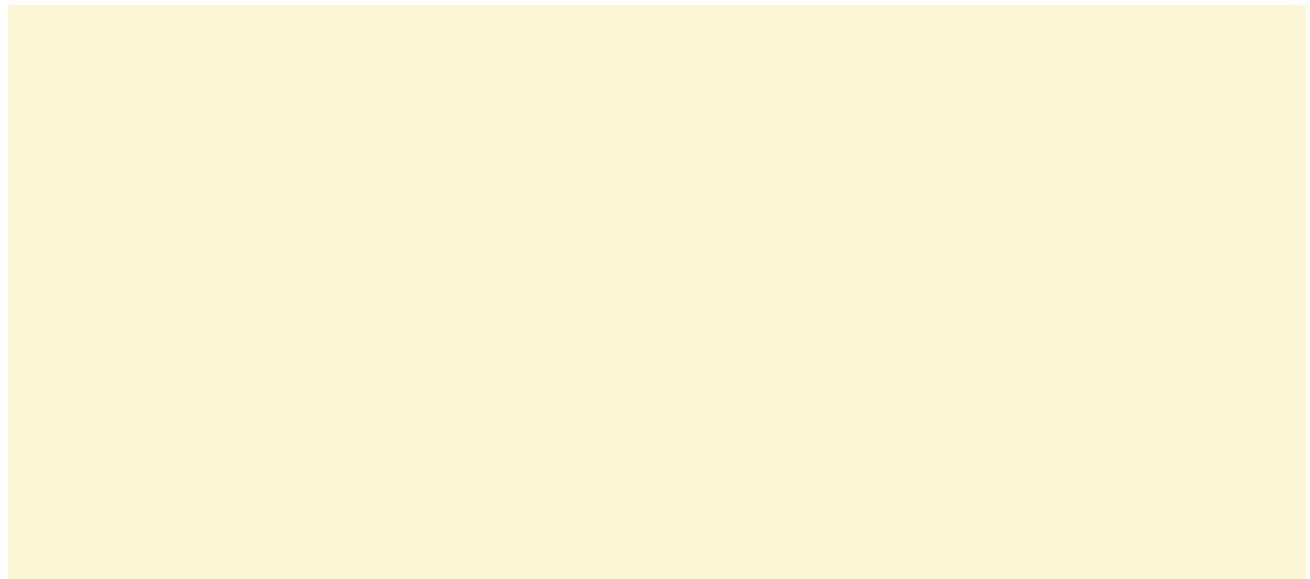
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How do you hope to minimize or avoid those challenges?



### 3. Next Steps

Who do you want to talk with to learn more about shaping the motivations, culture, and family dynamics within your philanthropy?



# Principles of Effective Family Philanthropy

Committing to effective family philanthropy means working to improve both how the family works together and how it supports meaningful societal change. NCFP's research identified four core principles that are essential in effective family philanthropies: accountability, equity, relationships, and reflection and learning.





## Accountability

Accountability means taking ownership of your actions and their effect on others. It is fundamental to trust-building, healthy relationships, and recognizing and mitigating power dynamics. Because philanthropy's primary purpose is to benefit others, your accountability must start with the communities and populations you serve. Examples of ways to be more accountable include:

- **Scheduling a periodic review of your mission** to ensure your philanthropy is responsive to current community priorities and conditions.
- **Gathering feedback from grantees or other partners.** Sharing the results and how you plan to respond to their ideas.
- **Conducting an annual board survey or conversation** to explore how you might improve family dynamics, staff management, fiduciary oversight, and other practices.

## Equity

Philanthropy is born of inequality. It is the direct result of systems that benefit some and intentionally disadvantage others. Despite good intentions, the failure to acknowledge this reality has historically perpetuated inequities and harm. Families should spend time learning and discussing their role in this history, the origins of their wealth, and current philanthropic practices that may continue to perpetuate harm. Families must also find ways to ensure equity is woven into the fabric of their work—policies, practices, relationships, governance, and philanthropic strategies. Examples of equity-focused practices include:

- **Increasing opportunities to consider multiple perspectives** from the family and community in meetings. Practices include rotating leadership positions, delegating authority to committees, and using guest speakers and learning agendas.
- **Sharing or ceding power** (money, positional power, influence, decision-making) to family, staff members, or community members who possess the knowledge and experience to advance real progress on an issue.
- **Ensuring your grantmaking criteria account for and reduce inequities** across race, class, ethnicity, gender identity, sexual orientation, and disability.

## Reflection and Learning

Philanthropy presents an incredible opportunity for families to learn together and from one another. When done well, family philanthropy is an ongoing process of relating to family members and learning about the social impact landscape, solutions to challenges, and more. Effective family learning programs trust the feedback of the communities the family serves and remain accountable to improving based on collaborative insights. Other effective practices include:

- **Developing annual goals for continuous learning and improvement** for family and board members, staff members, strategies, partners, and grantees. This can include book clubs, speakers, site visits, online videos, and workshops. Varying the format accommodates different learning styles.
- **Creating and reinforcing a culture of learning.** Rewarding curiosity and providing a safe environment for constructive feedback, respectful dissent, and learning from mistakes.
- **Listening to how the communities you partner with define progress and success.** Ensuring your evaluation processes don't disrespect or marginalize people of color and those with less privilege.

## Relationships

Effective family philanthropy is rooted in healthy relationships among family members, between family and staff members, and between the family, grantees, and communities. These trusting relationships require transparent communication, listening, humility, empathy, power sharing, and honesty. This may involve:

- **Striving to reduce the unequal power dynamics** inherent in family philanthropy. Those include power differences between grantmakers and grantseekers as well as generational hierarchies within the family.
- **Being a partner who listens with openness and humility.** Asking what is needed and how you can help.
- **Attending to family dynamics with grace and empathy,** especially during hard conversations.

## Why are the four principles of effective family philanthropy important?

Think about the social impact landscape surrounding your philanthropy—the many sectors, resources, and strategies for supporting impact. The landscape is constantly changing. Natural disasters, new public policies, technology innovations, the health of the economy, and many other factors influence people's beliefs about philanthropy's roles and priorities.

The four principles equip families to adapt successfully to the changing social impact landscape. Family and community relationships are strengthened by mutual accountability, collective learning, and thoughtful approaches to inclusion and equity. In turn, strong relationships create new opportunities for your family philanthropy to be a critical lever for positive change.



## Considering the Principles of Effective Family Philanthropy

Effective family philanthropy embodies four core principles: accountability, equity, relationships, and reflection and learning. This worksheet is designed to prompt reflection about how these principles currently figure into your philanthropy's work. It's okay if not every question has a neat answer or is perfectly applicable to the way your philanthropy works. Just do your best. (When we move forward to other Family Giving Lifecycle primers, you'll have opportunities to apply the principles to more specific areas such as your social impact strategy, legacy, or operations.)

### ACCOUNTABILITY

The accountability principle asks us to take responsibility for the impact of our actions.

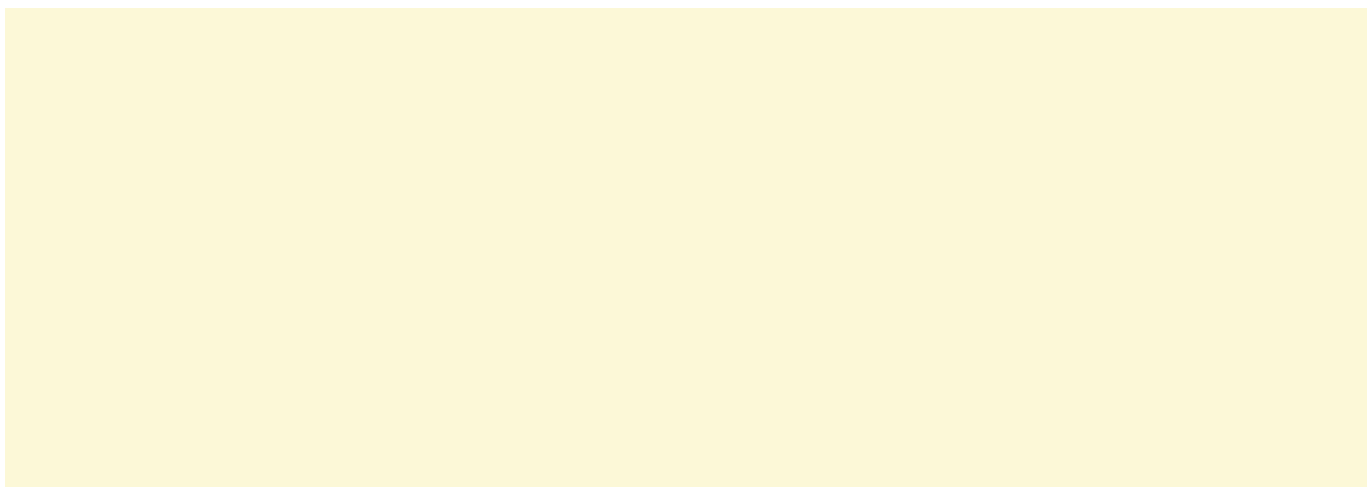
1. What do you feel responsible for in your philanthropy? Or what standards are you setting for yourself in your philanthropy?

2. What do you do to ensure you meet those expectations? Are there people who help you stay accountable?

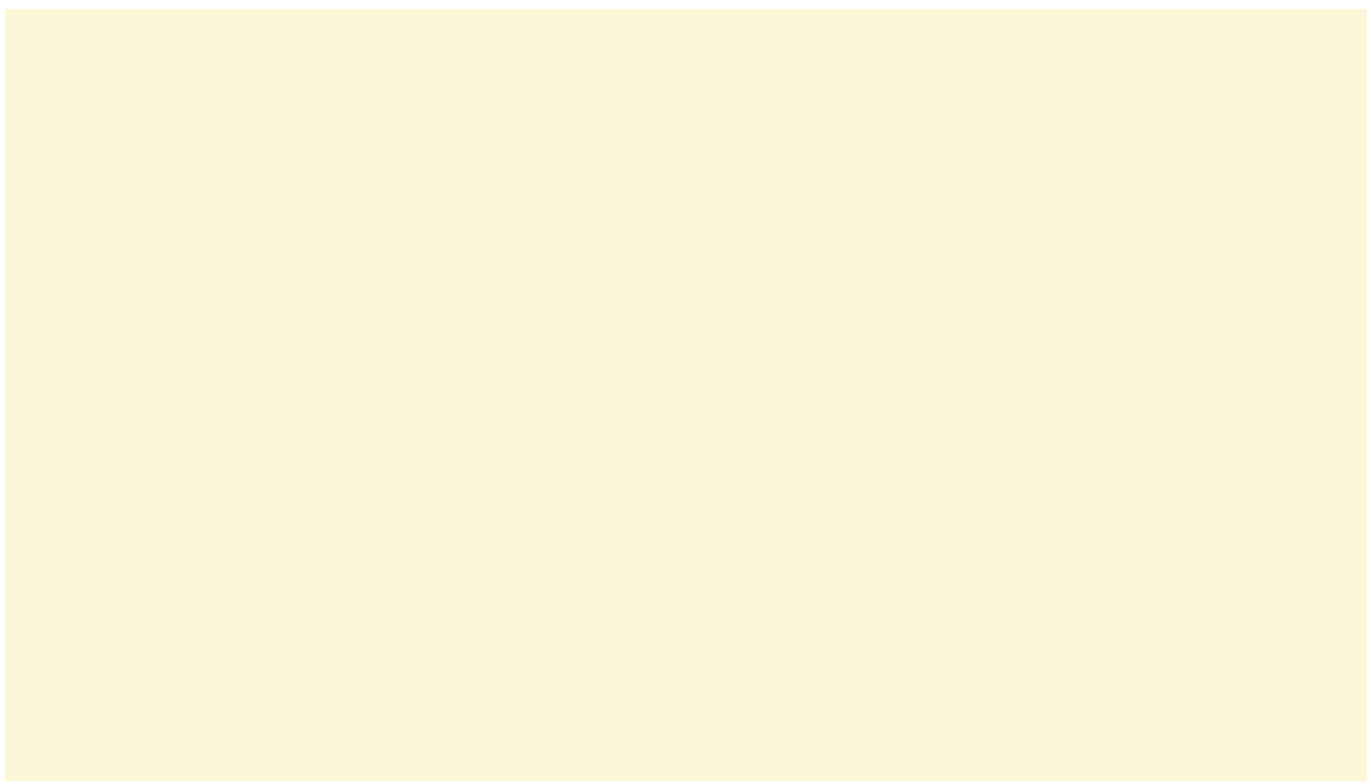
**Think about the people you've involved, or hope to involve, in your family's philanthropy.**

3. What responsibility should they feel to each other?

4. What responsibility should they feel to the communities your philanthropy serves?



5. How might you support them in taking accountability for those expectations?  
How might they support each other in being more accountable?

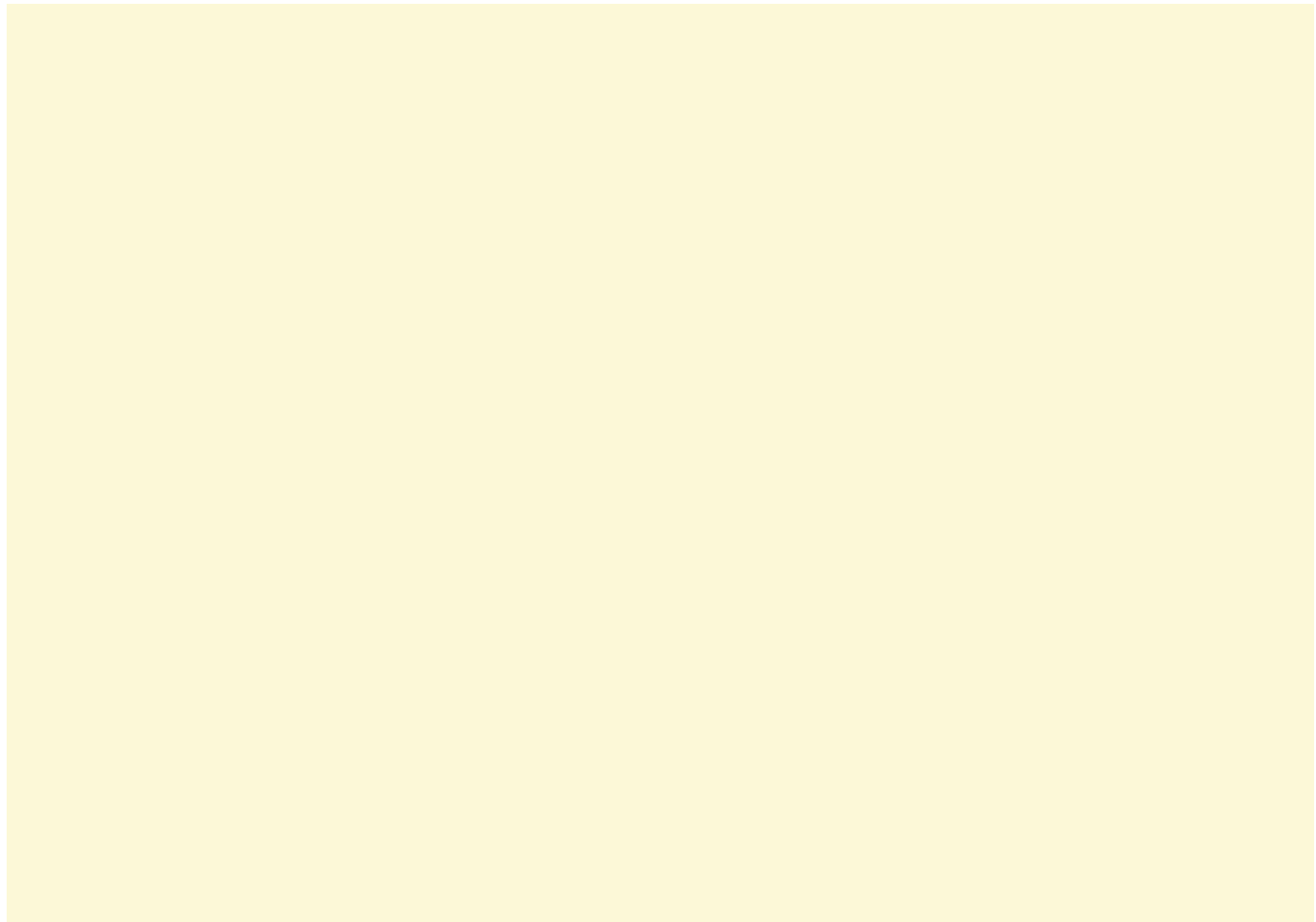


## EQUITY

The equity principle asks us to seek to understand other people's unique identities and lived experiences, acknowledge the harms and injustices they've faced, and help to repair those harms. Examples of our identities include age, birth order, race/ethnicity, faith, gender, sexual orientation, ability/disability, socioeconomic status, and immigration status.

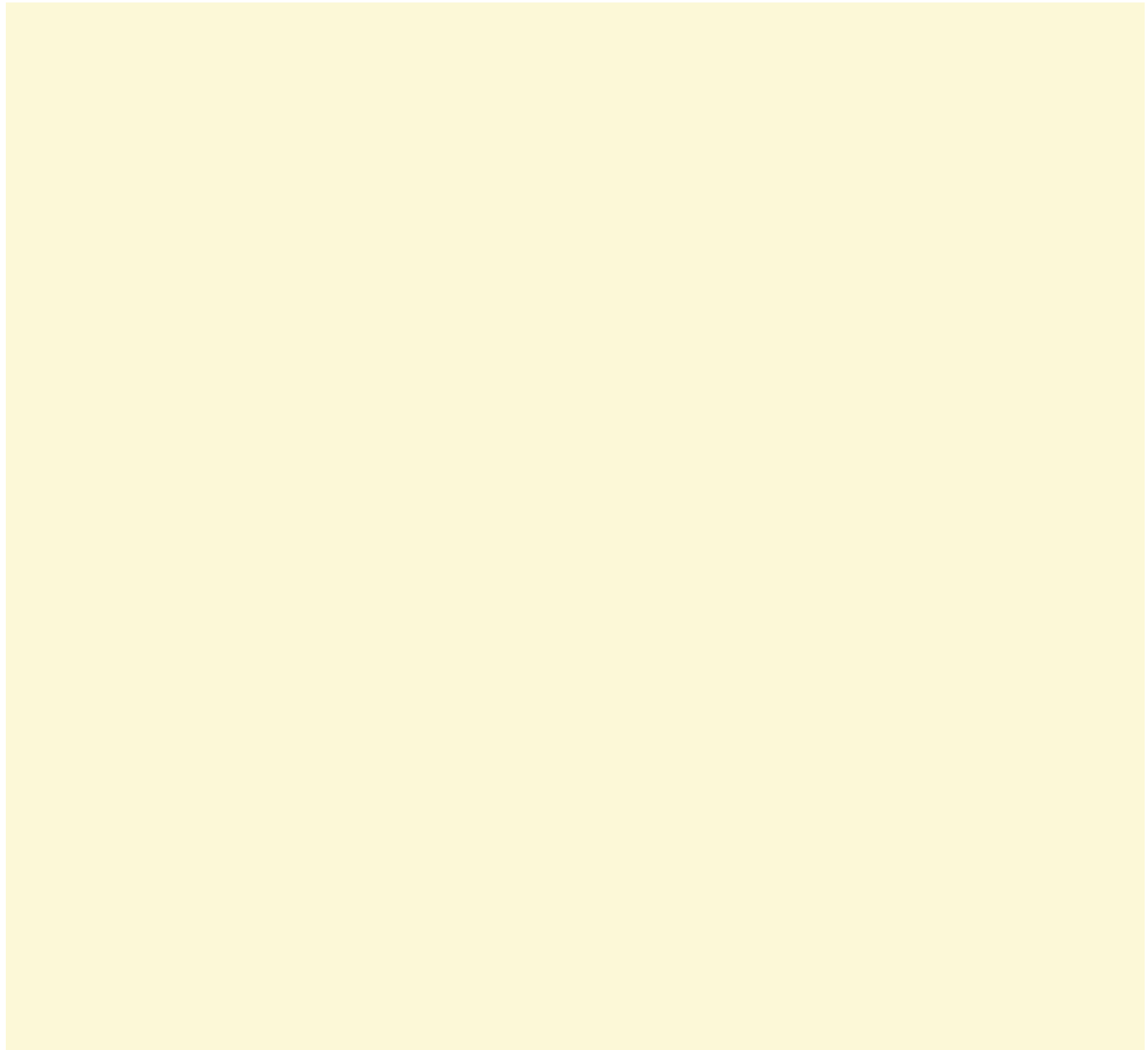
**Think of a time when you felt unsafe being yourself or felt unwelcome because of who you are.**

1. What happened?  
How did you react?

A large, empty yellow rectangular box intended for a person to write their response to the prompt above. It occupies the right two-thirds of the page.



2. What could have improved that situation?



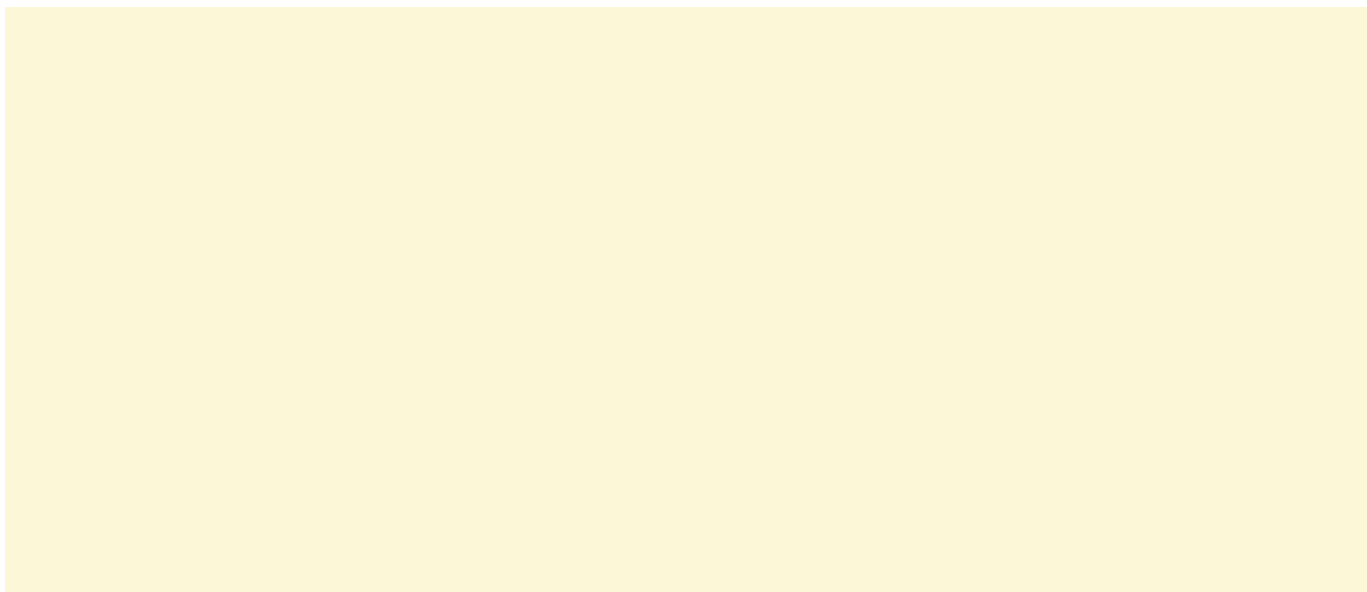
### Think about your family gatherings.

3. Are there family members who might feel less safe or welcome because of their identities? What about your staff members and advisors?

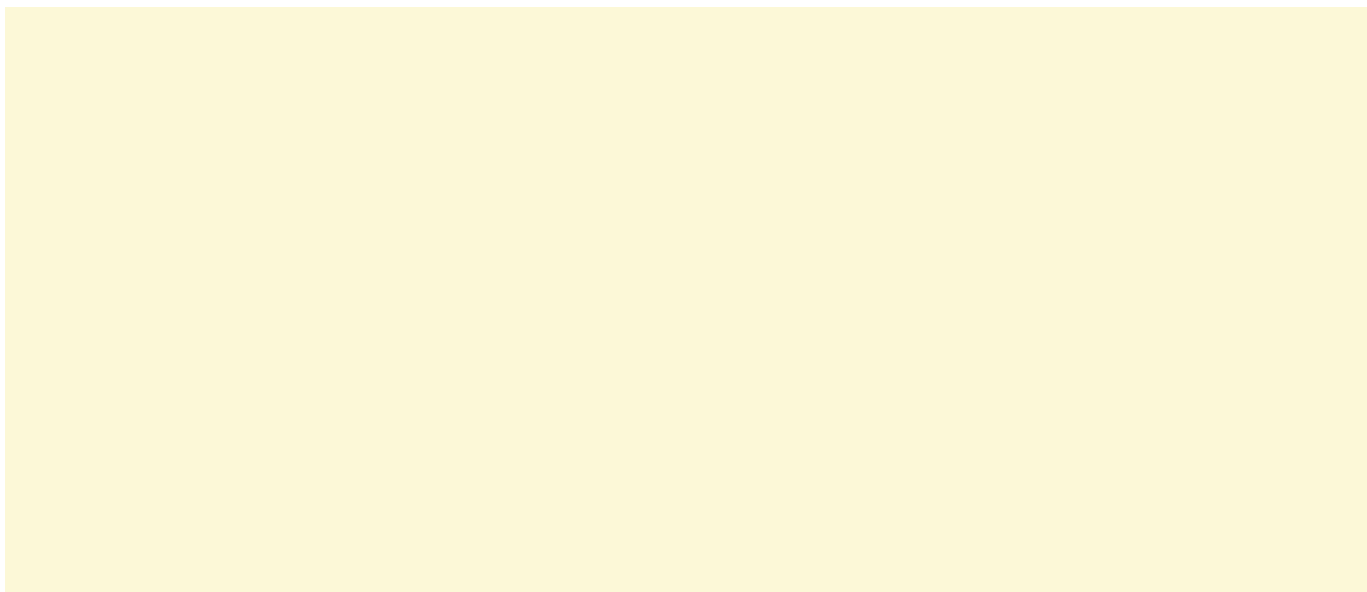
4. How could you change the culture or decision-making processes to help them feel welcome in all their identities? Are there ways to honor perspectives from those identities in decision-making?

**Lastly, reflect on how you share resources with others—the rules and methods you use for giving or granting.**

5. Which groups might feel less welcome or face additional barriers because of their identities?



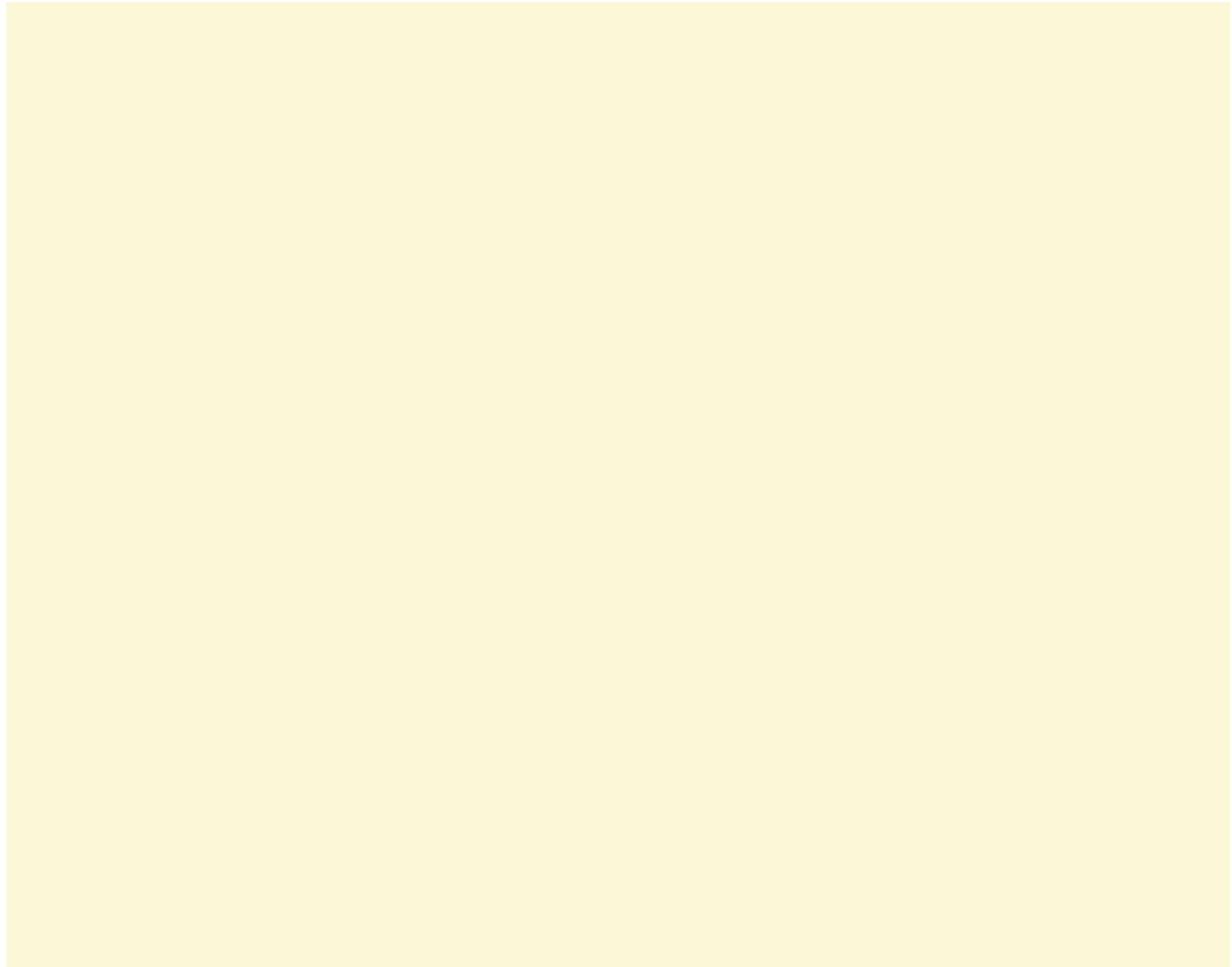
4. How might you help reduce or repair the harm others have faced in the communities and causes you care about?



## RELATIONSHIPS

Healthy relationships are based in practices such as transparent communications, listening, humility, empathy, honesty, and power sharing.

1. Who in your life is great at maintaining healthy relationships, even with people very different from them? What do they do to make those relationships work?



2. In your family philanthropy, what goal(s) do you have to develop and maintain healthy relationships with:

**Family members and other decision-makers?**

**Staff members, advisors, or others who help you implement your work?**

**Nonprofits or other groups you support with your philanthropy?**

Who will you ask  
to help you stay  
accountable for  
those goals?

## REFLECTION AND LEARNING

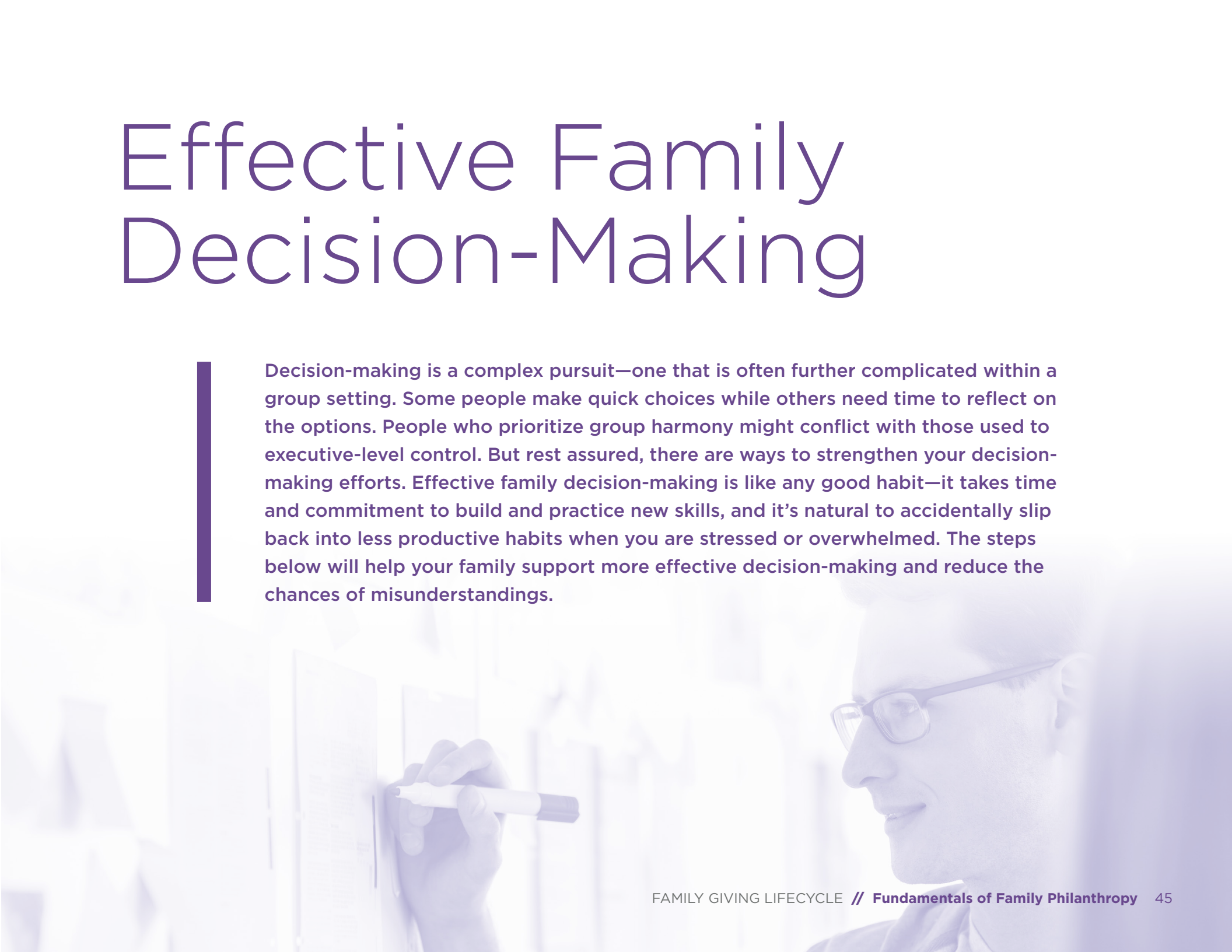
The principle of reflection and learning invites us to develop a culture of curiosity and to regularly reflect on and assess our philanthropy.

1. What activities most help you personally learn, reflect, and grow? Which do you want to apply to improving your philanthropy?

2. What goal(s) do you have for learning from nonprofits and people who are closest to the issues and communities your philanthropy supports?

Who will you ask to help you stay accountable for those goals?

# Effective Family Decision-Making

A man with glasses is shown in profile, smiling and writing on a whiteboard with a white marker. The background is a soft-focus office setting with papers and charts. The entire image has a light purple overlay.

Decision-making is a complex pursuit—one that is often further complicated within a group setting. Some people make quick choices while others need time to reflect on the options. People who prioritize group harmony might conflict with those used to executive-level control. But rest assured, there are ways to strengthen your decision-making efforts. Effective family decision-making is like any good habit—it takes time and commitment to build and practice new skills, and it's natural to accidentally slip back into less productive habits when you are stressed or overwhelmed. The steps below will help your family support more effective decision-making and reduce the chances of misunderstandings.



## 1. Start with principles and ground rules

Base decision-making policies and practices in a set of values or principles. Some families have a list of shared values such as respect, humility, or service, while others create a family credo or North Star. Families who find success in group decision-making:

- **Turn their values or ideal family culture into written guidance** such as a code of conduct, a set of ground rules, or a set of meeting agreements. (For guidance on developing a set of shared values, see the primer on *Philanthropic Purpose*. NCFP's Policy Central provides examples of codes of conduct.)
- **Keep all written guidance visible during meetings** by posting it in large print, adding it to the meeting agenda, or creating reusable placemats.
- **Empower family members to hold each other accountable to the guidance**, rather than delegating accountability to a facilitator.

## 2. Create the decision-making team

Define roles and responsibilities. You'll want to be clear about who is involved in what roles. Research<sup>10</sup> has repeatedly shown<sup>11</sup> that decision-making and performance improve when teams are more diverse (including by age, ethnicity, race, gender, personality type, socioeconomic status, and more).

Making decisions for others can deny them opportunities to learn and grow. No matter who they are, everyone deserves the dignity and opportunity to make informed choices. Therefore, effective family philanthropy leans into including people who will be most affected by the family's decisions, whether those are younger family members or the people closest to the challenges you're trying to solve.

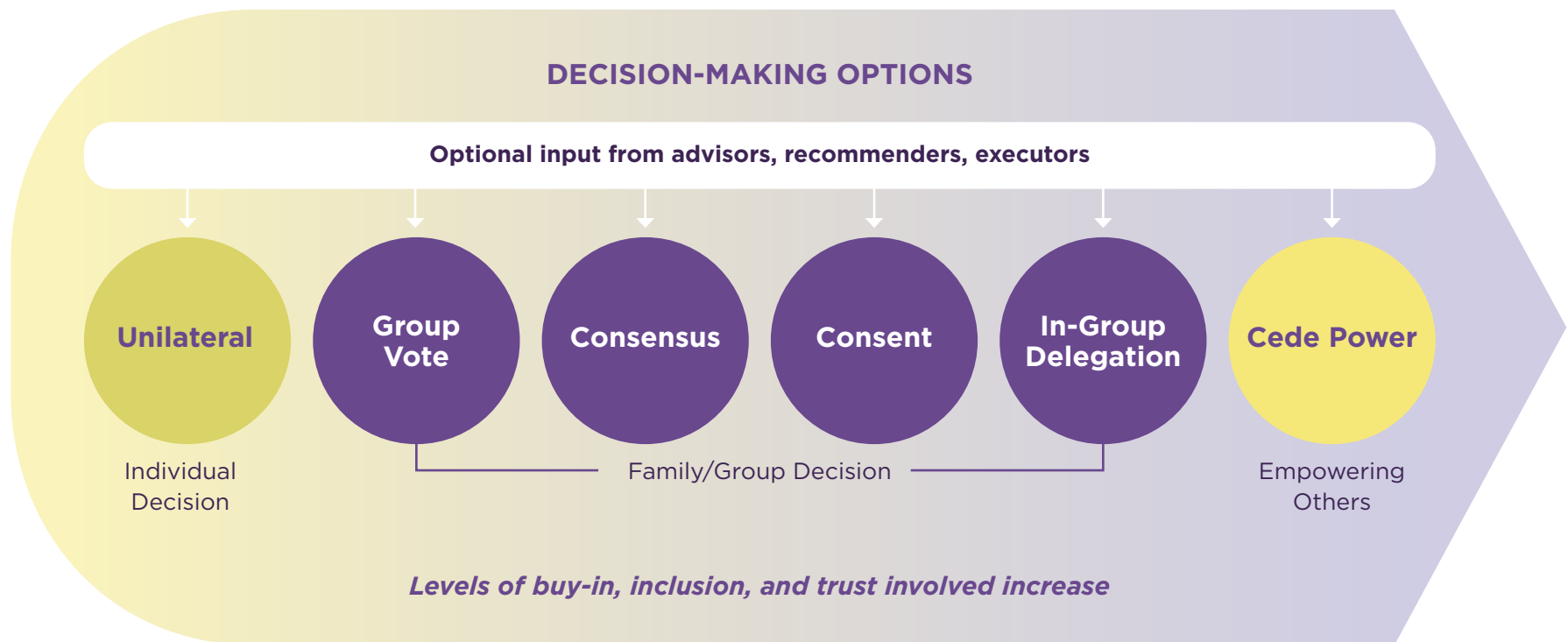
<sup>10</sup> Erik Larson, "New Research: Diversity + Inclusion = Better Decision-Making At Work," *Forbes*, accessed March 3, 2024, <https://www.forbes.com/sites/eriklarson/2017/09/21/new-research-diversity-inclusion-better-decision-making-at-work>.

<sup>11</sup> Cameron W. Piercy, "Working in Diverse Teams," August 1, 2021, <https://opentext.ku.edu/teams/chapter/hofstedes-cultural-dimensions>.

The DARE model offers one way to clarify roles:

- **Deciders** are empowered to make the final choices.
- **Advisors** help shape the conversation and are often important people in the family or community.
- **Recommenders** research options, analyze pros and cons, and offer suggestions for effective paths forward.
- **Executors** implement the decisions. Deciders involve them before or during the decision-making meeting to ask clarifying questions and spot flaws in rationale.

### 3. Decide how to decide



Defining a decision-making process promotes a healthy culture. It depersonalizes the outcomes and relies on a mutually agreed upon process as an arbiter. The diagram on the previous page shows common methods for decision-making, each with advantages and disadvantages. You don't have to apply the same method to every decision. Instead, you can vary methods based on the type of decision and goals you're trying to accomplish. Within each method, the deciders can seek information from advisors, recommenders, and executors.

In the **unilateral** option, one person makes the final choice. This is appropriate for quick and simple decisions or when a position such as a CEO or board chair has clear authority.

The next options are designed for decisions that require or warrant shared oversight and authority. As you look farther right on the diagram, each option requires higher trust among the people involved:

- **Group Vote:** The group dedicates time to discussing an idea (which is often time bound) and then votes, with a simple majority or larger majority winning. The voting might be a simple yes/no, a ranking of options, or scoring along a range (e.g., intensity of excitement for an option). Anonymous voting allows people to make choices without fear of judgment or pressure from other family members.
- **Consensus:** Each group member has equal power to shape the decision and attempt compromise, with the goal of reaching a decision everyone accepts. Accepting the decision means nobody will actively block its implementation even if they have reservations. Some groups practice “consensus minus one” in which they'll move forward even if one person wants to block the decision. It is wise to have voting or delegation (see below) as a fallback option if your group can't reach a consensus within a reasonable timeframe.
- **Consent:** All group members have an equal voice in sharing opinions about the choices. Consent differs from consensus in that group members don't try to persuade others to change their minds and cannot block the group from moving forward. Consent doesn't require full agreement; it means nobody sees a risk that would significantly damage the group or organization. It takes more trust than consensus but can lead to quicker decisions.
- **Delegation:** The group delegates the final decision to a sub-group with clear guidelines for the process and result. The sub-group does not have to seek permission or approval from the main group to decide and implement.

Done well, both consensus and consent involve multiple steps to elicit opinions, test options, and move to a final decision. However, consensus is harder to scale as a group gets larger.

In the final option—**cede power**—the family turns decision-making authority over to people outside of the family. For example, a family foundation is focused on a rural region experiencing economic and population decline. The family has gotten to know many residents of the region and trusts them to know what’s best for their community. The family gives a group of residents full discretion to develop and manage a grantmaking program using the foundation’s money. While the foundation’s board must legally approve the grants, the board agrees in writing to follow all decisions by the resident group unless they run afoul of regulations. Other examples include a family yielding operational decisions to staff or turning impact investing decisions over to an experienced fund manager.

## 4. Prepare the decision-making team

Consider the following tips to ensure everyone involved has what they need to feel confident and competent in participating in the conversation:

- **Set expectations.** Set clear expectations for people’s roles, the code of conduct or ground rules, and the timeline for the decisions. Clearly state the decision-making method beforehand or choose it at the start of the meeting.
- **Set context.** Provide a short summary that explains the considerations of the current decision, which might carry forward the results of prior decisions, feedback, and any additional insights.
- **Create lead time.** Share materials about the decision and options ahead of time, remembering that some people will need more time to review and reflect on materials.
- **Ensure inclusion.** Think about the need for alternate formats (e.g., audio, larger type, a different language) and on-site support (e.g., live language or ASL interpretation or trained notetakers). People with disabilities, with cognitive decline, or for whom English is a second language might need supported decision-making, which invites a person to act as a “supporter” to help them understand the decision, think through options, remember important things while deciding, and/or communicate the person’s decision. The supporter respects and honors the person’s wishes and does not voice their own opinions in the decision-making.

## 5. Continue to build your decision-making toolkit

Families often benefit from building a toolkit of different methods to learn, work, and decide together. Websites such as [Gamestorming](#), [Liberating Structures](#), and [SessionLab](#) all provide free tools anyone can use to facilitate group conversations, encourage differing perspectives, improve brainstorming, and inject fun into meetings. Some tools help people explore their assumptions and beliefs about the decision or stretch the group's thinking before making a final decision. NCFP's [Demystifying Decision Making in Family Philanthropy](#) is another helpful resource.

As the group discusses, ensure someone is taking notes to document the process and recording any dissents or questions to be resolved. Once the decision is made, ask for verbal confirmation that everyone is clear on the outcome and the next steps and resources needed to implement the decision. In some cases, you may need to set a timeframe on the decision (e.g., “we’ll try this for six months before reevaluating”) or clarify other conditions that could spur the family to revisit the decision.

### Recruit Help as Needed

Many families have tricky dynamics, and it can be hard to remain a neutral observer or fair facilitator. Even families with positive relationships use trusted friends or professionals to bring new perspectives, experiences, and skills to their decision-making. Your advisors may know people gifted at facilitating family discussions. You can also find help in these online directories:

- [21/64](#), an independent nonprofit that provides multigenerational advising, facilitation, and training for managing family dynamics.
- [Academy of Professional Family Mediators](#), [Association for Conflict Resolution](#), and [International Mediation Institute](#), which all provide certified mediators. [National Network of Consultants to Grantmakers](#) offers consultants who have expertise in working with donors, foundations, and other social impact organizations.
- [Certified Money Coaches](#) and [Accredited Financial Counselors](#) can help families navigate issues around money and wealth.
- [Family Business Alliance](#) lists universities with family business centers, which are great resources for finding local facilitators and experts.

# Preparing for Effective Decision-Making

Effective decision-making in a family isn't automatic. Important choices take thoughtful preparation. This worksheet helps you think about how your family currently makes decisions and how you would like to operate in your philanthropy. You may choose to make decisions differently in your philanthropy than you do at home or in a family business.

## Current Practices

1. What methods does your family most frequently use to make important decisions (inside or outside of your philanthropy)?

- ☐ Unilateral
 ☐ Group Vote
 ☐ Consensus
 ☐ Consent
 ☐ Delegation
 ☐ Cede Power
- ☐ Other \_\_\_\_\_

2. What other facilitation or meeting techniques do you believe could be valuable to your family's philanthropic decision-making?



## Thinking Ahead

1. Name a significant philanthropic decision that your family will address soon.

2. What principles, values, meeting agreements, or codes of conduct should guide the decision-making conversation?

3. Who is important to the decision-making process? Write specific names where possible.

**Deciders**

(make final choices)

**Advisors**

(shape the direction)

**Recommenders**

(analyze options)

**Implementers**

(understand  
operational  
implications)

**Other roles**

4. What decision-making method would be most useful?

☐ Unilateral

☐ Group Vote

☐ Consensus

☐ Consent

☐ Delegation

☐ Cede Power

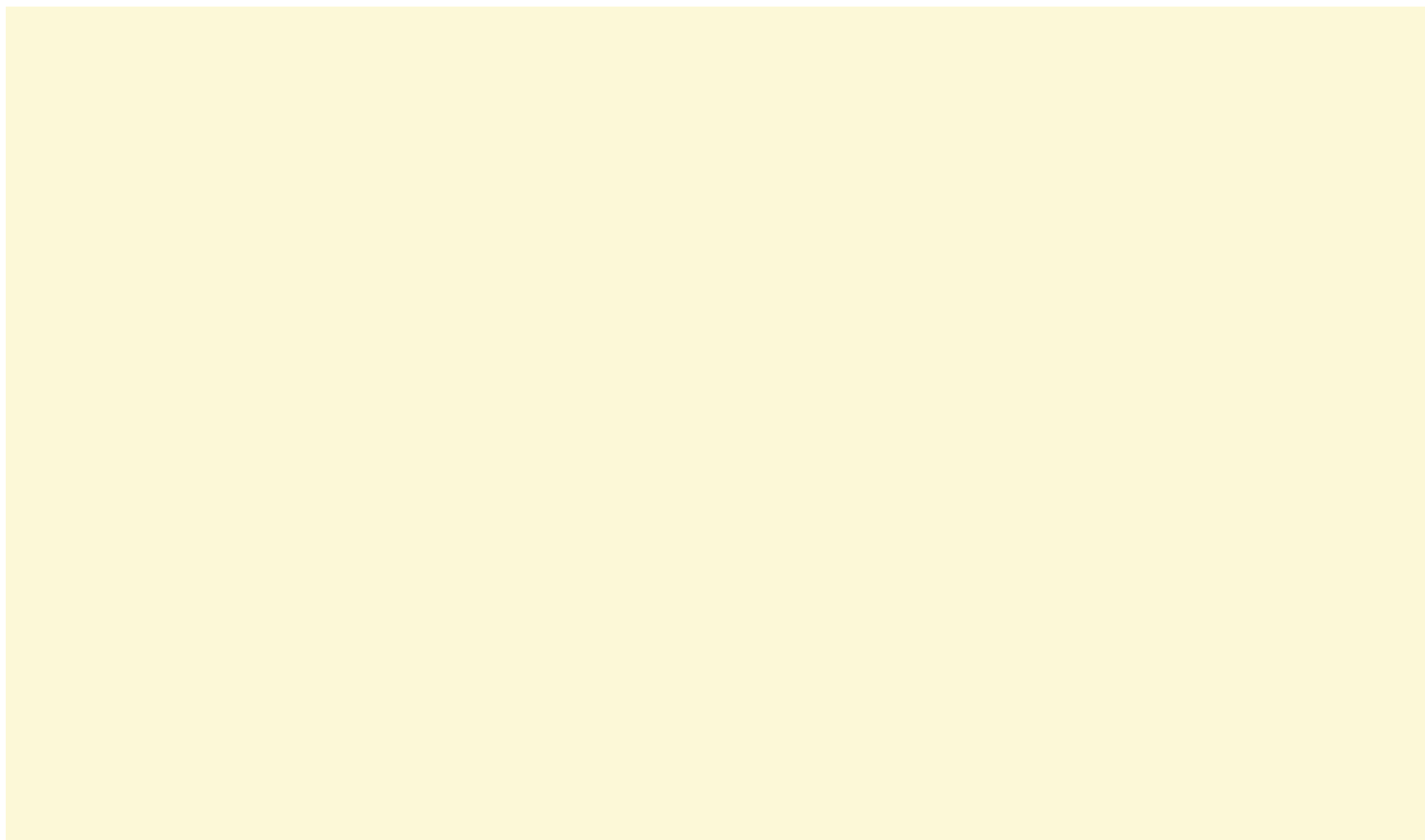
☐ Other \_\_\_\_\_

Why did you choose  
that method?  
Are there any  
disadvantages to it?


5. What will you do to prepare the people involved for competent, confident participation in the process? What steps can you take to be as inclusive as possible?

## Next Steps

Who do you want to talk with to learn more about shaping the decision-making processes within your philanthropy? How do you want to develop the decision-making skills of your family?



# Navigating Emotions and Conflict



Our **emotions** are a powerful force. But they are typically fleeting responses to a stimulus, leading to unconscious physical reactions (for instance, fight or flight). Our more enduring **feelings** and mindsets are influenced by how we subjectively interpret our emotions. Those emotions more directly affect our decision-making and attitudes in groups. The good news is, we can consciously shift our feelings and mindsets.

Generosity creates positive feelings, also known as the warm glow of giving. But the warm glow can dissipate when people have short-term disagreements or longer-term conflicts about choices. When family is involved, it is much harder to walk away from conflict.

That said, **conflict** is a natural part of human relationships, especially within families. Families are complicated, and conflicts are inevitable, particularly when individuals have strong motivations and opinions about how to make an impact in the world. Internal conflict is one of the most commonly cited reasons why families get stuck in their philanthropic efforts.

Conflict can take many forms—from outright eruptions between family members to more subtle passive-aggressive behavior that can become a stalemate. Regardless of how the conflict manifests, the inclination is often to avoid it, hoping it will disappear on its own. Unfortunately, glossing over conflict can damage a family’s long-term ability to work together by draining the emotional resiliency and goodwill needed to create shared philanthropic impact.

Instead, think of dealing with conflict as building an essential muscle. According to psychologist and executive coach Rebecca Trobe, the goal is for families to develop the emotional agility to engage in a healthy, productive way. Emotional agility is the ability to manage your own feelings and thoughts so that you can approach stressful situations with a constructive mindset. Accepting that conflict is inevitable allows family members to practice building emotional agility and move toward engaging in healthy conflict rather than trying to avoid, control, or eliminate it.

This section provides an overview of how families can prepare for conflict. Strategies include instituting structural interventions, deescalating tense situations, and developing and deploying intentional communication techniques to move through conflict.

There are four ways to **prepare for conflict**:

- 1. Establish clear decision-making roles and processes:** As outlined above, conflicts often arise due to mismatched expectations or poorly defined procedures for decision-making, so it’s crucial to put clear governance structures in place. Governance is a framework in which you codify *who makes decisions and how those decisions will get made in your philanthropy*. Establishing a sound governance structure for your family foundation can help avoid confusion and misalignment in family member expectations. (See above for decision-making roles and methods. You can learn more about governance in the *Governance* primer.)
- 2. Use independent trustees:** Appointing independent trustees (or decision-makers) is an effective strategy because it introduces a neutral voice into family dynamics. This outside party can hold family members accountable to better behavior and disrupt cycles of dysfunctional communication.
- 3. Define your culture through a code of conduct or culture statement:** This includes a clearly articulated list of internal values, stated in operational terms. It is not enough to state that the family philanthropy cares about trust or diversity. These values must be translated into concrete behaviors or actions within the organization. What does trust look like in the boardroom? Among staff members? What does broken trust look like? What behaviors and practices can ensure we live out these values? A code of conduct delineates the desired behaviors that should permeate throughout the organization.

**4. Identify a monitor or ally:** A conflict monitor is a trusted person whom board members can turn to when conflicts erupt. This should not be the board chair. The monitor should possess a calm demeanor and be skilled at deescalating conflict, refocusing discussion on the shared mission, and naming the emerging conflict in the room.

Another important skill for helping families build emotional agility is knowing how to **de-escalate in the moment when a conflict erupts**. Some helpful strategies include calling for a break to let people cool off and using techniques such as open-ended questions, affirmations, and reflective listening. It's also helpful to address small conflicts before they snowball. The **pinch/crunch model** is a way of tackling minor issues (pinches) before they become major conflicts (crunches). In fact, it is estimated that 90 percent of difficult conversations could have been avoided if only participants had engaged in an easier conversation earlier.

For families trying to move through conflict, it is imperative to reflect on their own emotions, separate facts from assumptions, and use intentional communication. Much of the work here is personal and internal. By being conscious of what you feel, what you're assuming, and how you communicate your feelings, you are more likely to have a constructive conversation that leads to agreed-upon next steps.





## Navigating Emotions and Conflict

Think of a time when your family worked well together to make an important choice. What happened? What parts of the decision-making process might you use again?

Think of a time when you and a family member successfully resolved a disagreement or conflict. What happened? What part of that resolution process might you repeat in the future?

## Thinking Ahead

Name a significant philanthropic decision your family plans to take up soon (it might be the same one as in the previous worksheet).

What disagreement or conflict might arise in the process? What are the sources of that disagreement or conflict?

What steps can you take to set the stage for a healthier disagreement or conflict?

# Rightsizing Your Philanthropy

As you consider your philanthropic objectives and governance structure, it is critical to understand the importance of rightsizing—adjusting your philanthropy to an optimal size. *Rightsizing your philanthropy* creates intentional alignment between three primary areas:

- **Mission:** How you articulate what you're trying to achieve. It could be a simple statement of priorities to guide personal giving, or it could be a more extensive strategy working across multiple sectors.
- **Resources:** The amount of time, talent, treasure, ties, and testimony you and your family want to dedicate to that mission.
- **Capacity needs:** How much support you'll need to achieve your mission. For instance, the people (a group of decision-makers, staff members, or consultants), the social impact vehicle(s), and the operations and systems (financial and grantmaking processes) you'll need to effectively do the work.

There's no one-size-fits-all solution to family philanthropy. Stick to simple policies and practices when you have fewer resources or fewer family members involved. You can always add more structure to address a potential change in resources, necessary personnel, or evolving needs and opportunities related to the issues, communities, and organizations you support.

The following worksheet will help you think through how to right size your philanthropy. The rest of the Family Giving Lifecycle resources will help you make more informed decisions about your options. Across the resources, you'll see these themes for rightsizing your philanthropy:

- 1. Lead with purpose.** Your purpose should guide all decisions related to your philanthropy and can help you calibrate the level of effort or resources necessary to achieve your goals.
- 2. Form follows function.** Function is what we want to accomplish: our human needs and desires, our goals, and the related tasks. Form is the structure or container for those functions. In your philanthropy, your purpose and strategies must drive the choice of vehicle (e.g. foundation, LLC, giving circle), governance, and operations—not the other way around.
- 3. More doesn't always mean more.** Administration is an important consideration in family philanthropy. Committing large sums of money sometimes leads to hiring more staff members or renting offices, but it doesn't have to. Philanthropists are increasingly leading with commitments of efficiency and capacity. For example, family foundations with tens of millions can make meaningful grant decisions through an all-volunteer operation, with outsourced bookkeeping or a donor-advised fund. Another example is Warren Buffett, who gives his wealth to foundations led by other people, trusting them to make good decisions.
- 4. Don't underestimate the cost of complexity.** Some philanthropists are drawn to more complex strategies. However, it is easy to underestimate what it takes to implement and make durable progress on the strategies. For instance, some donors haven't hired enough people to maintain the breadth of relationships necessary to understand or adapt to the changing social impact landscape. Or, the size and restrictions of their gifts don't give nonprofits enough flexibility to adapt to the changes.

## Why is Rightsizing Important?

Rightsizing helps you create an organizational structure that does not overwhelm those who are involved. It also allows you to test their interest and grow their competencies with simple structures before you create more permanent decisions.

Similarly, rightsizing makes you a better partner for the people, organizations, and causes your philanthropy supports because it ensures that you have the time and/or people available to learn from your partners, adjust your strategies, and find new ways to use your resources more effectively.



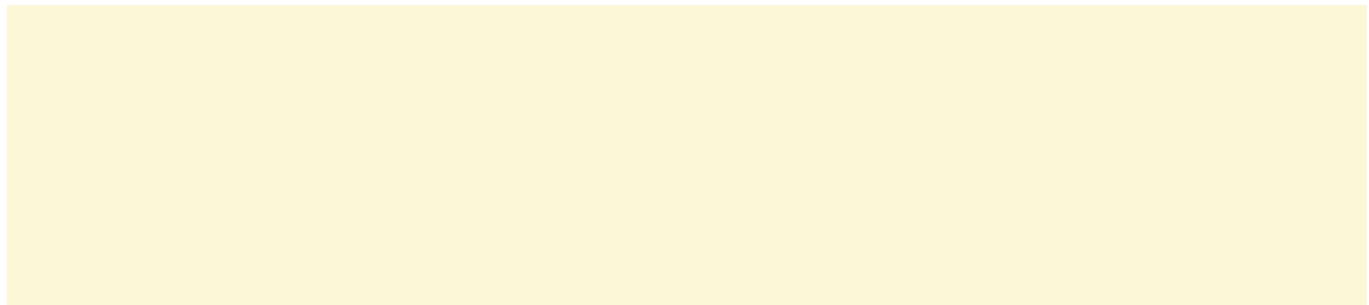
# Rightsizing Philanthropy

Rightsizing your philanthropy means creating intentional alignment between three primary areas: mission, resources, and capacity. The diagrams below represent spectrums of complexity in each of those areas. Use this worksheet to document your current hopes for rightsizing.

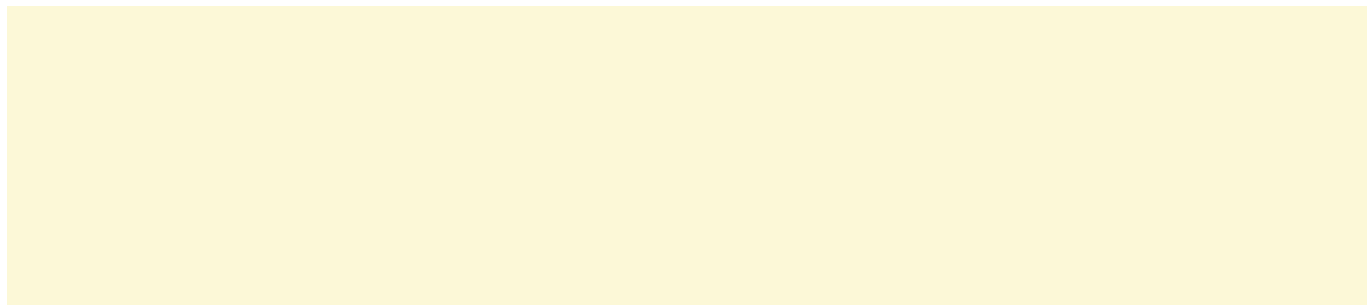
1. Think about one way that you give—either a philanthropic priority (e.g., poverty in Central America) or a vehicle you use (e.g., personal giving or a donor-advised fund).

**a) Current status.** On the **Rightsizing Map** on page 66, put a dot along each spectrum representing how complex your philanthropy is now. Connects the dots with a solid line.

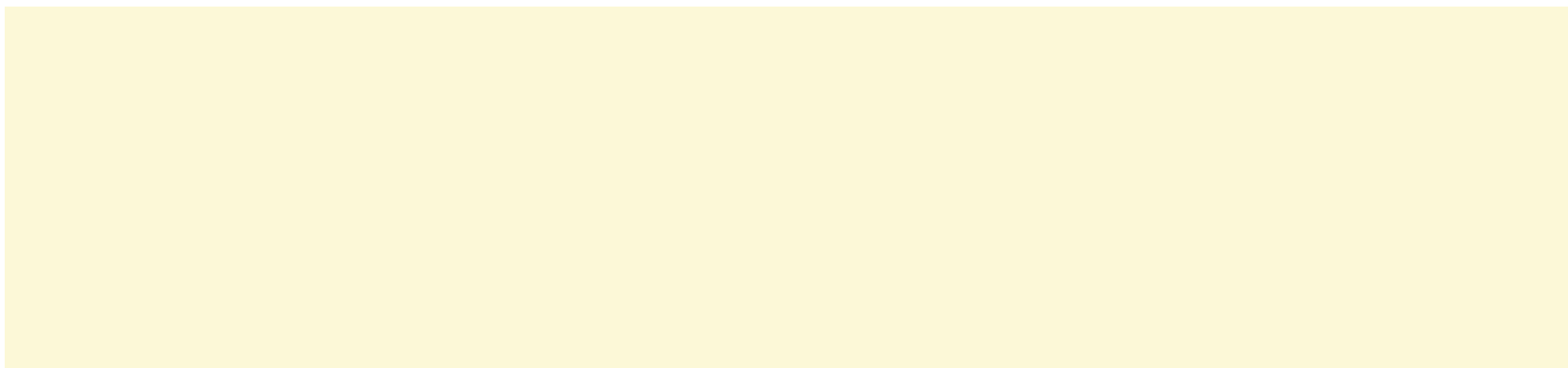
**b) What is working well?**



**c) What is not working well?**



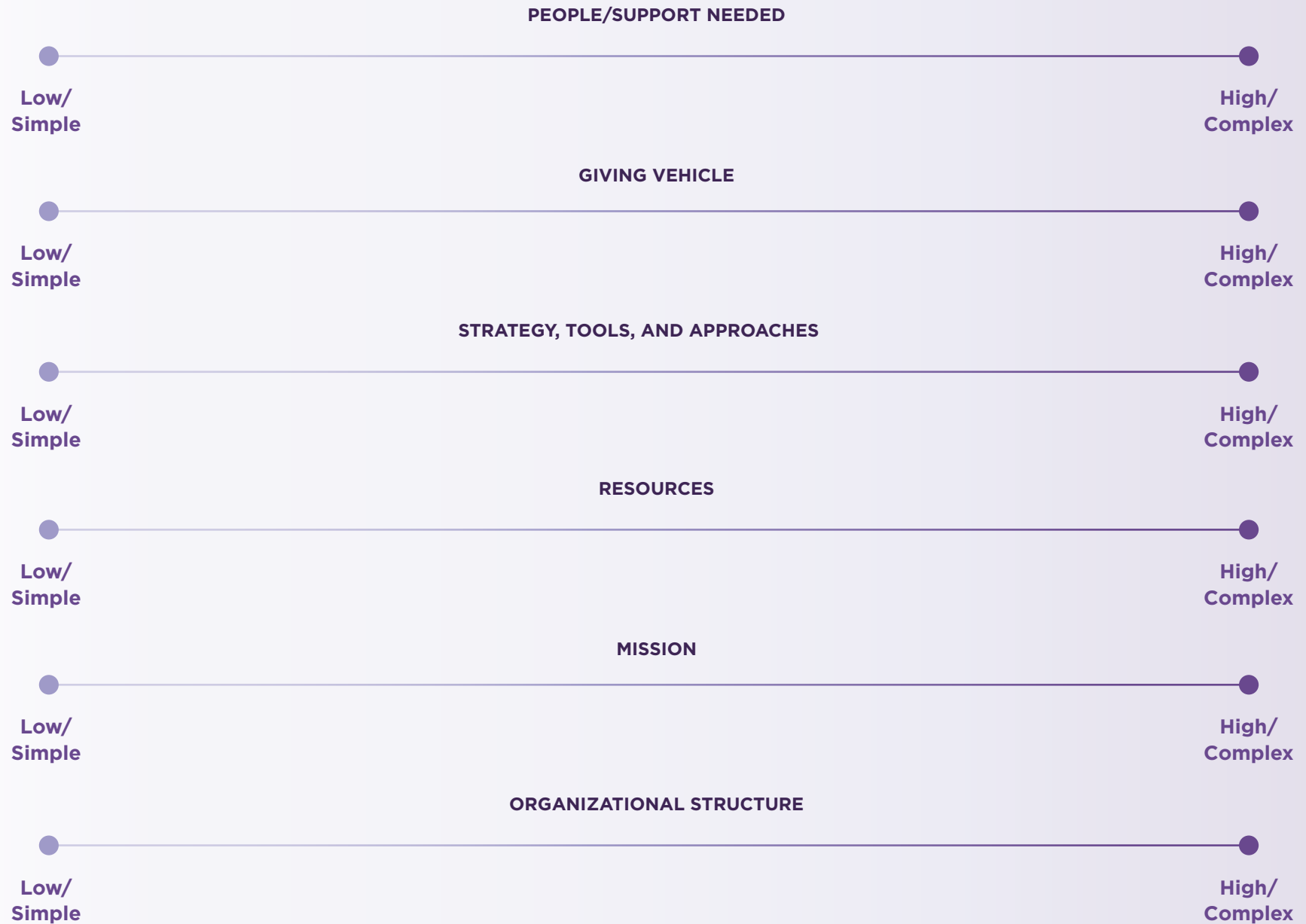
**d) Think ahead.** Take a few minutes to envision five years from now. Think about the potential changes in people and resources you'd like to involve, and in needs and opportunities in the causes and communities you support. What are those potential changes at a high level?



**e) Envision adaptation.** On the same **Rightsizing Map** on page 66, draw a second dot along each spectrum representing what complexity you might need in five years to respond to those changes. Connect those dots with a dotted or dashed line.

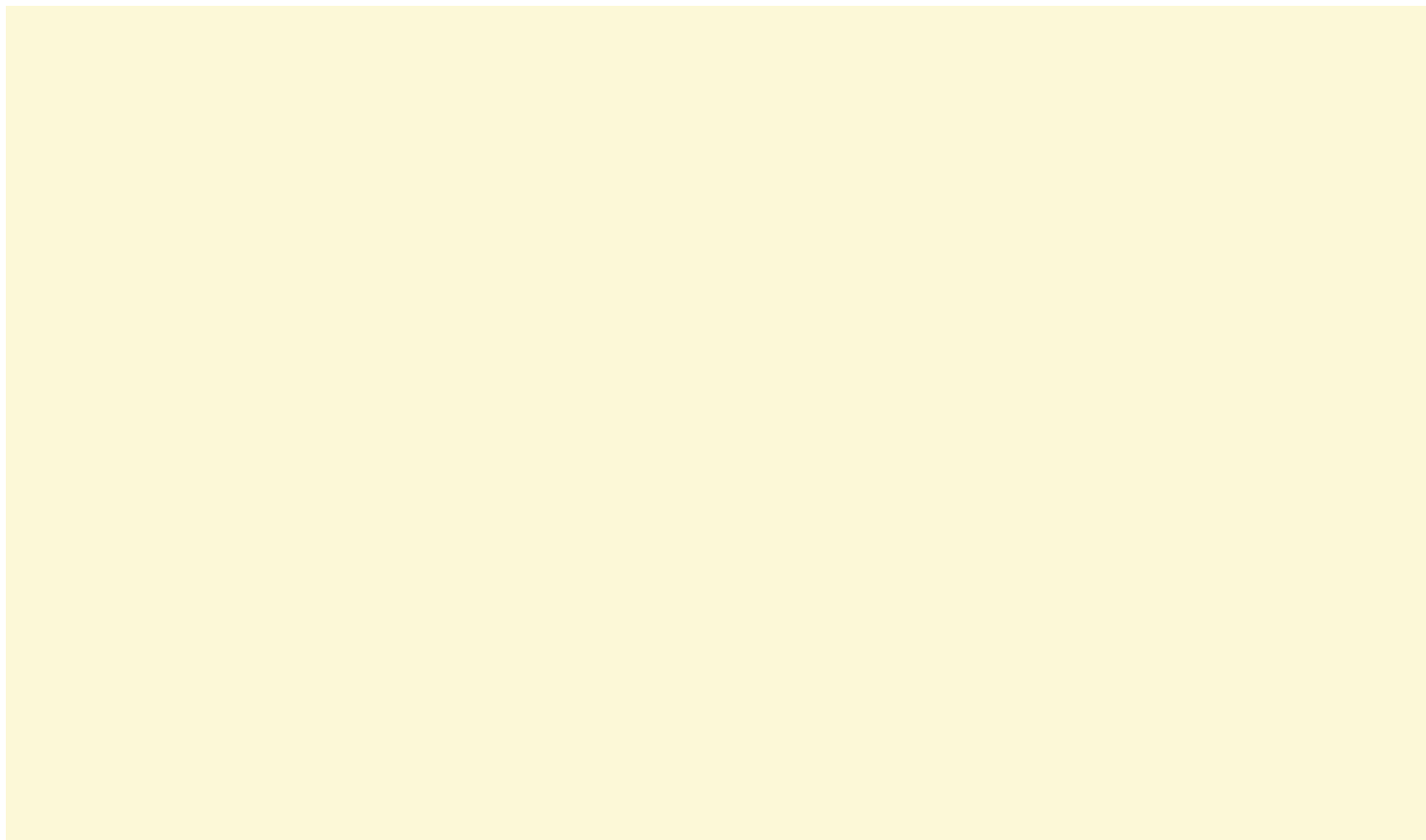


# RIGHTSIZING MAP



## Next Steps

What steps do you need to take to prepare for rightsizing your current philanthropy? For shifting between the current state and the future you envisioned in the diagrams?



# Next Steps

Your family's philanthropy has the power to produce wonders in the communities you serve and within your family. This is true no matter the scale of resources you've dedicated, how organized you feel, or the experiences of your family members.

The decision to be intentional about your philanthropy is all you need to start unleashing that power. However, to remain intentional and be effective, you'll want to:

- **Watch for and respond to changes** in the social impact landscape
- **Steward healthy family dynamics** and decision-making practices
- **Practice principles** of accountability, equity, relationships, and reflection and learning
- **Plan for times of change** across the Family Giving Lifecycle

You can find NCFP's suite of Family Giving Lifecycle resources [here](#). Beyond those resources, you'll find a library full of tips and tools from other families and experts, peer learning groups, webinars and conferences, and a team of professionals willing to serve as guides to your philanthropic journey and goals.

# Fundamentals of Family Philanthropy Playbook

NAME OF FAMILY OR SOCIAL IMPACT VEHICLE

UPDATED ON

NEXT REVIEW SCHEDULED FOR

FAMILY AND/OR BOARD/COMMITTEE MEMBERS INVOLVED

ADVISOR(S) TO THE PROCESS

# Instructions

This **Fundamentals of Family Philanthropy Playbook** is designed to help you and your family make important decisions and plan your course of action. As individuals, you completed the primer worksheets. These prompts will guide you in synthesizing that information into a shared vision for your collective philanthropy. Consider the playbook a living document to test as you practice philanthropy together. As such, some language will be imperfect, and some answers might be “to be determined.”

Before you begin, you’ll want to clarify *who* you will include in completing each section of the playbook. Some families ask a member of the founding or controlling generation to complete a draft based on their vision for the family’s philanthropy and later discuss it as a group. Other families develop a draft together or designate a small group to do so.

Then choose how you’ll make decisions. For instance, will you work toward consensus or take votes? Lastly, ensure everyone has access to materials that inform their decisions, such as documents related to your philanthropic purpose (e.g., values, principles, mission, donor intent, legacy letter), the founding of your social impact vehicle (e.g., bylaws or fund agreement), and your social impact strategy.

## Guiding the conversation

In some sections, it can be helpful to first compile everyone's top three answers and share that list. Next, verbally acknowledge both similarities and differences, taking care to respect family members' unique personalities and experiences. Some tips to help:

- **Often compiled lists have many similar or overlapping answers.** Feel free to combine or reframe similar ideas. Make time to listen to stories that explain why certain answers are important to individuals.
- **Emphasize curiosity and experimentation.** For instance, the social impact landscape and principles of effective family philanthropy can inspire family members to look at ideas in new ways.

The family dynamics, culture, decision-making, and conflict sections of the playbook often require more than one conversation. It can be useful to step outside of the family's current situation and learn from:

- **The family's history** of collaboration and resiliency in previous generations
- **Experiences with positive and negative aspects** of culture and decision-making in other settings such as jobs, school, or nonprofit board service
- **Business founders or older generations of other families** who have successfully shared or shifted power and control
- **Experts in family culture and conflict**, found in online videos such as TED Talks or through trusted advisors and NCFP

Lastly, when in doubt, lean toward decisions that benefit the long-term health of the group or an organization such as a foundation. Family-led organizations thrive longer when they prioritize the needs of the organization over the preferences of individual family members.

# Guiding Principles for Collaborative Work<sup>12</sup>

Consider these tips from other families as you facilitate family conversations about the template:

- **Take your time:** Know in advance that teasing out these ideas is a process that takes patience. Developing shared goals may take more than one meeting.
- **Listen to stories:** One of the best ways to learn is by inviting each other to tell stories. Hearing other perspectives on the social impact landscape and family dynamics can be enlightening. For instance, younger generations can use questions from the worksheets to interview grandparents, aunts, or uncles.
- **Avoid off-topic trouble spots:** Some families encounter tense conversations about subjects like religion and politics. Do your best to set those aside and focus on the topics that unite you.
- **Talk with other families:** It's immensely helpful to talk with families who've been through this process. NCFP can suggest donor families willing to speak with you. You can also contact your local community foundation or [regional philanthropy-serving organization](#) for sample purpose statements and to meet other families.
- **Document the process for future generations:** A video or audio recording of the stories and decisions will preserve valuable insights.

<sup>12</sup> Adapted from [Splendid Legacy 2: Creating and Re-Creating Your Family Foundation](#), National Center for Family Philanthropy, 2017



# Shared Vision for the Fundamentals

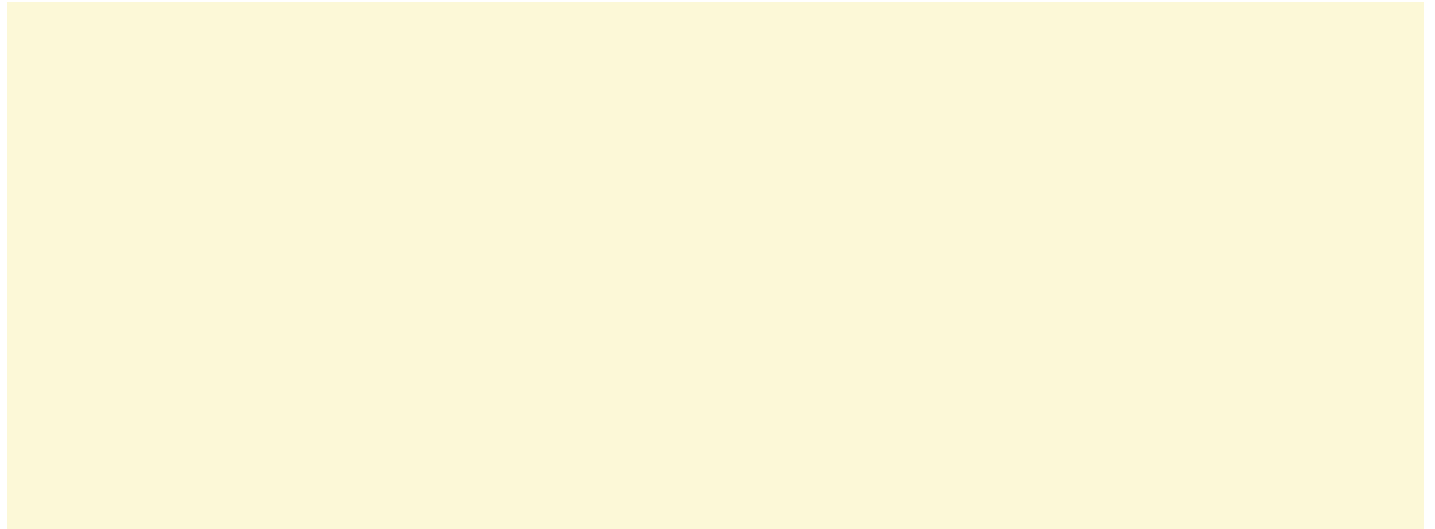


## Our Work in the Social Impact Landscape

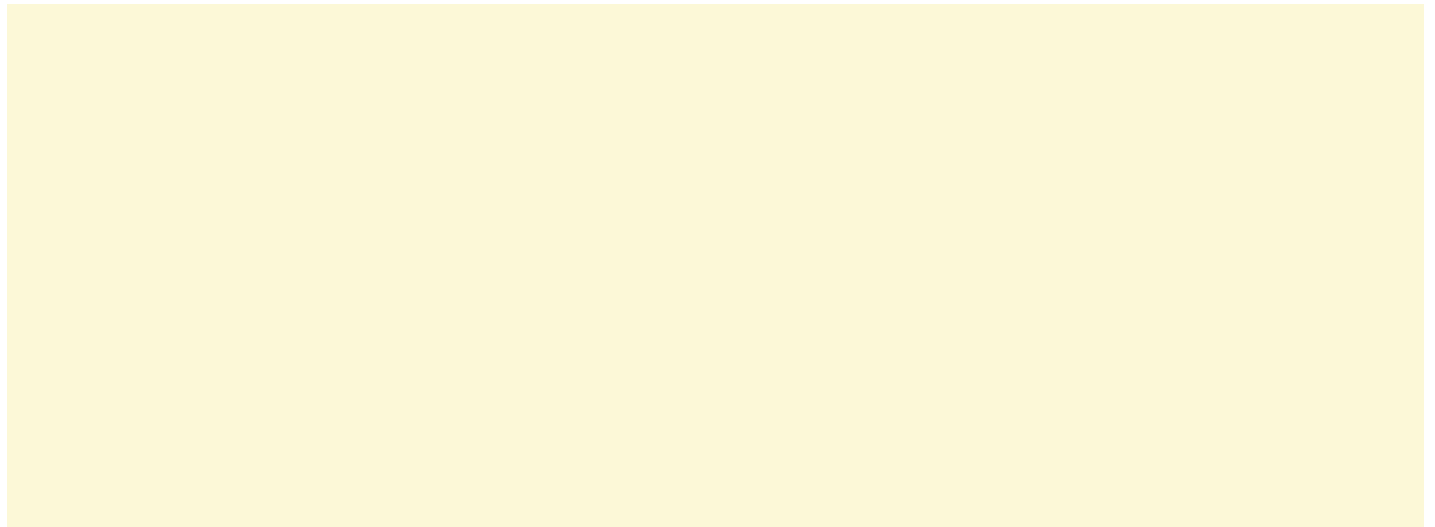
Our collective philanthropy entails all the ways we're using our resources for the public good. These resources include our time, talent, treasure, ties (relationships), and testimony (how we speak up). We might be using them across four sectors (peer, charitable, private, and public). The chart on the following pages describe the ways your philanthropy is working in each of the four sectors and highlights opportunities to improve or shift resources.

## Charitable Sector

Our **current activities and resources** committed

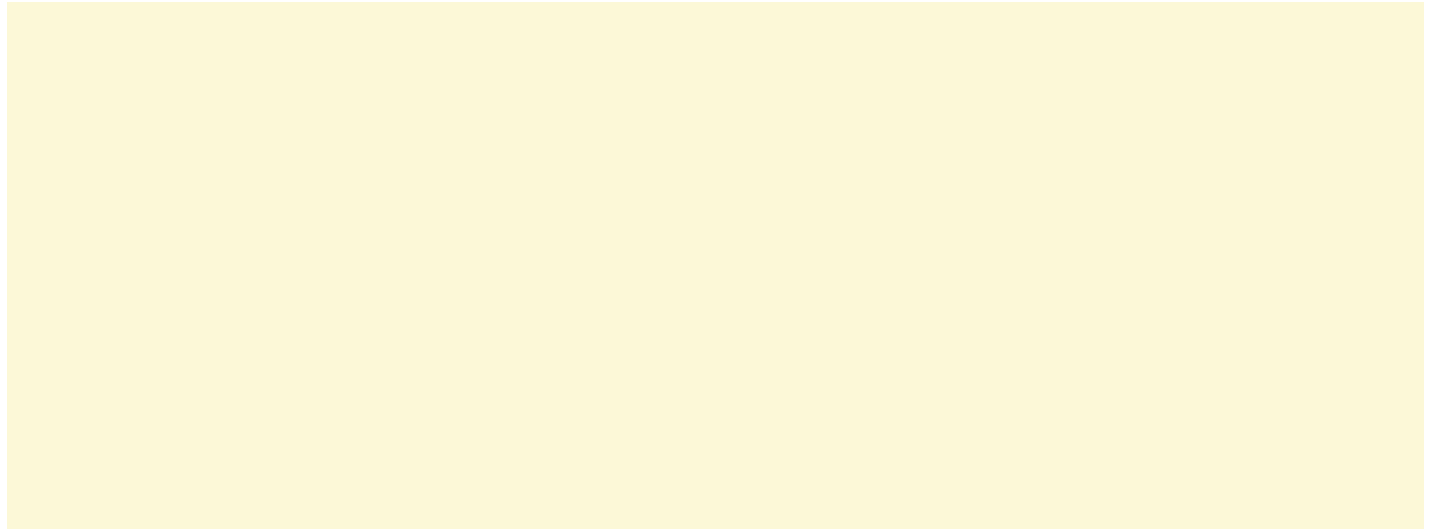


**Opportunities** to improve or shift our resources

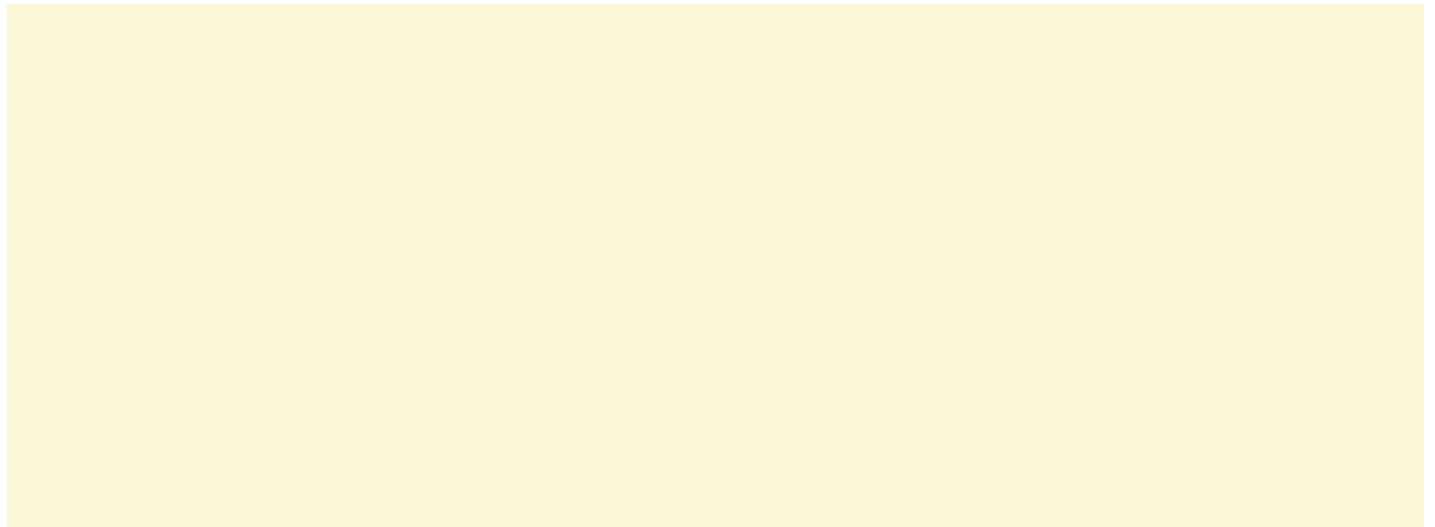


## Private Sector

Our **current activities and resources** committed

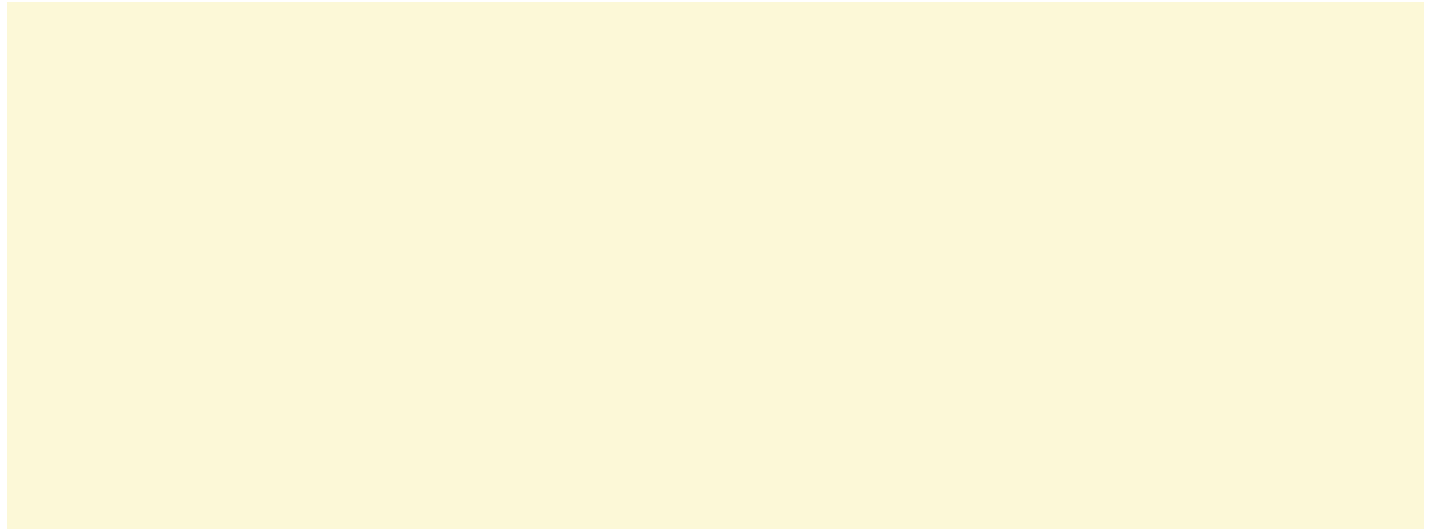


**Opportunities** to improve or shift our resources

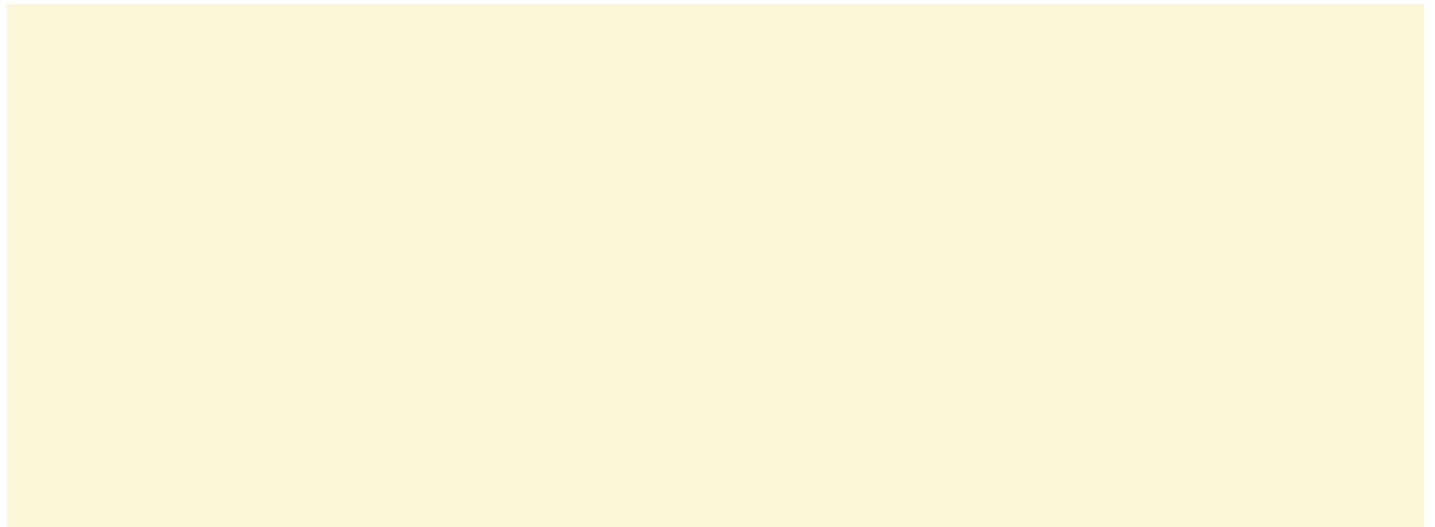


## Public Sector

Our **current activities and resources** committed

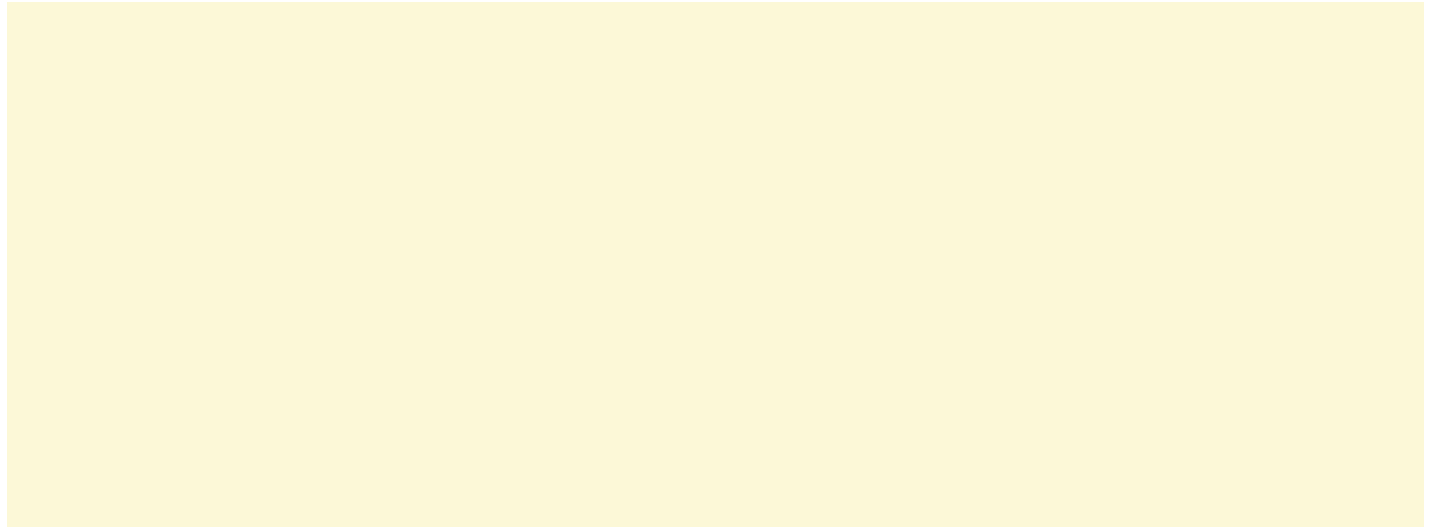


**Opportunities** to improve or shift our resources

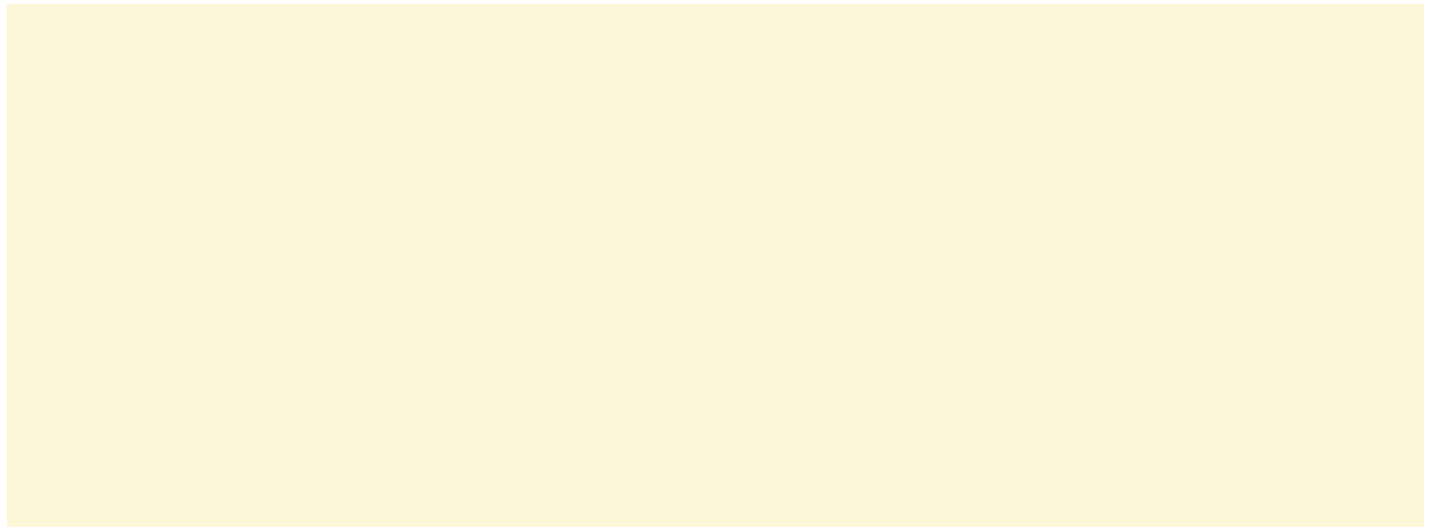


## Peer Sector

Our **current activities and resources** committed



**Opportunities** to improve or shift our resources





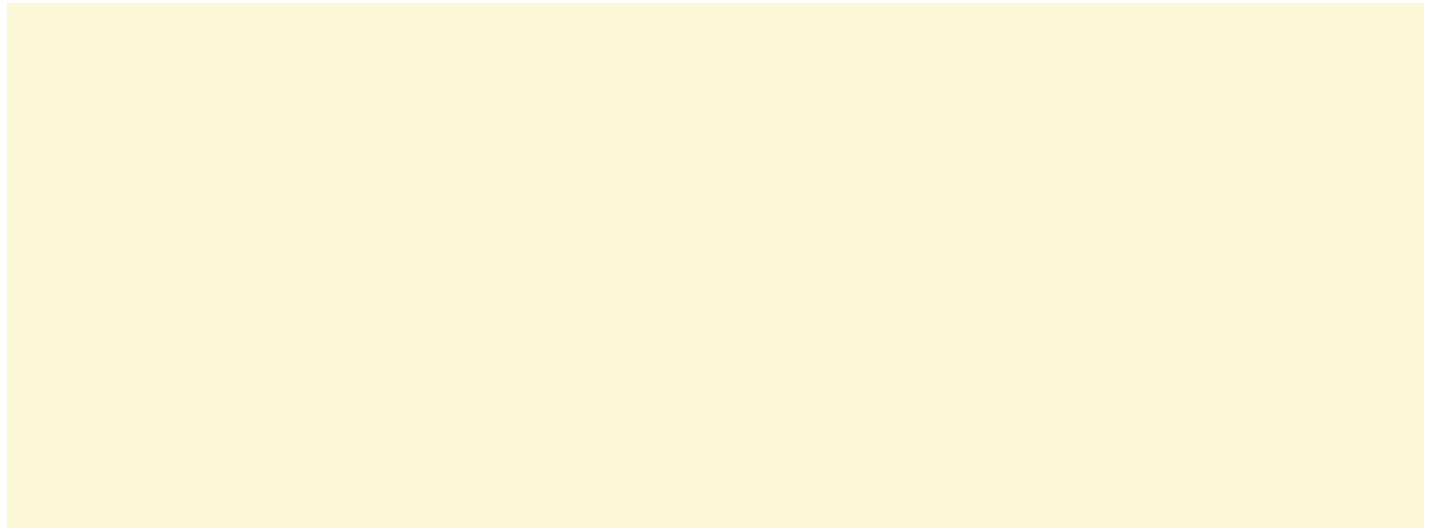
## **Family Dynamics, Culture, and Resiliency**

We must maintain healthy family dynamics and culture to support our collective philanthropy.

## SHARED VISION FOR THE FUNDAMENTALS // FAMILY DYNAMICS, CULTURE, AND RESILIENCY

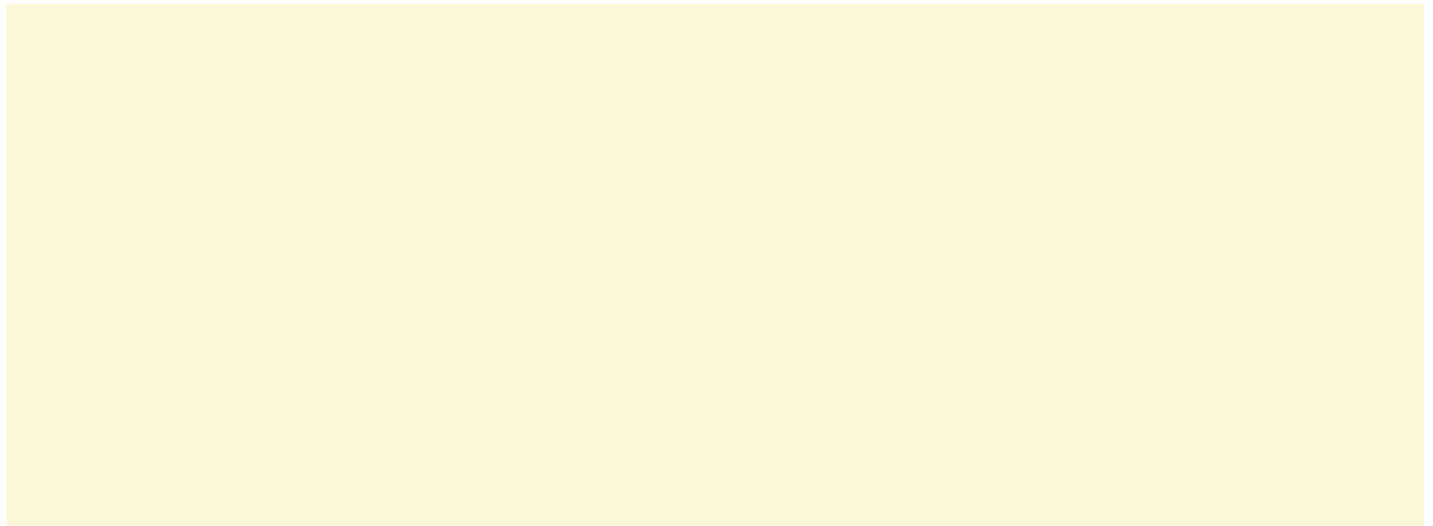
### **Why are we choosing family philanthropy?**

*(the top 3 to 4 motivations across the family, listed in order of importance)*



### **Elements of our family culture and dynamics**

that are positive influences in decision-making and help us be more resilient





## SHARED VISION FOR THE FUNDAMENTALS // FAMILY DYNAMICS, CULTURE, AND RESILIENCY

**We will reinforce  
positive elements**  
in our philanthropy by...

**Elements of our family  
culture or dynamics** that  
we hope to avoid in our  
philanthropy

**We will reduce  
nonproductive or  
harmful dynamics** by...

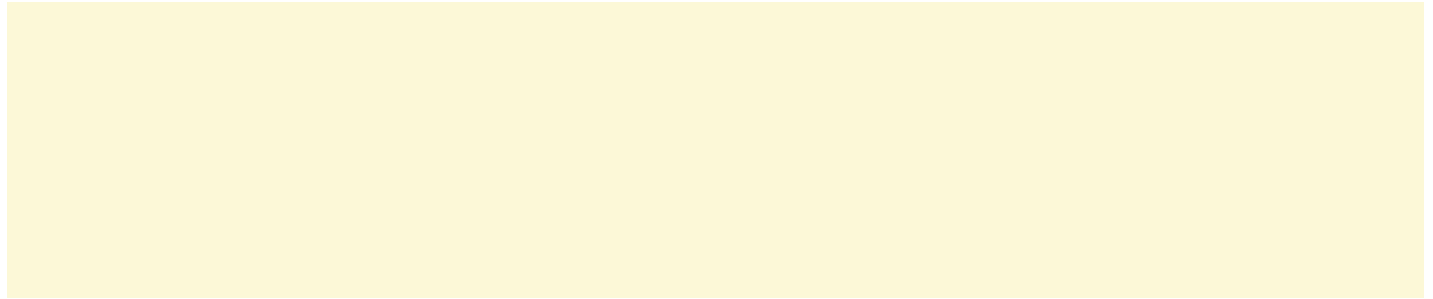


## **Principles of Effective Family Philanthropy**

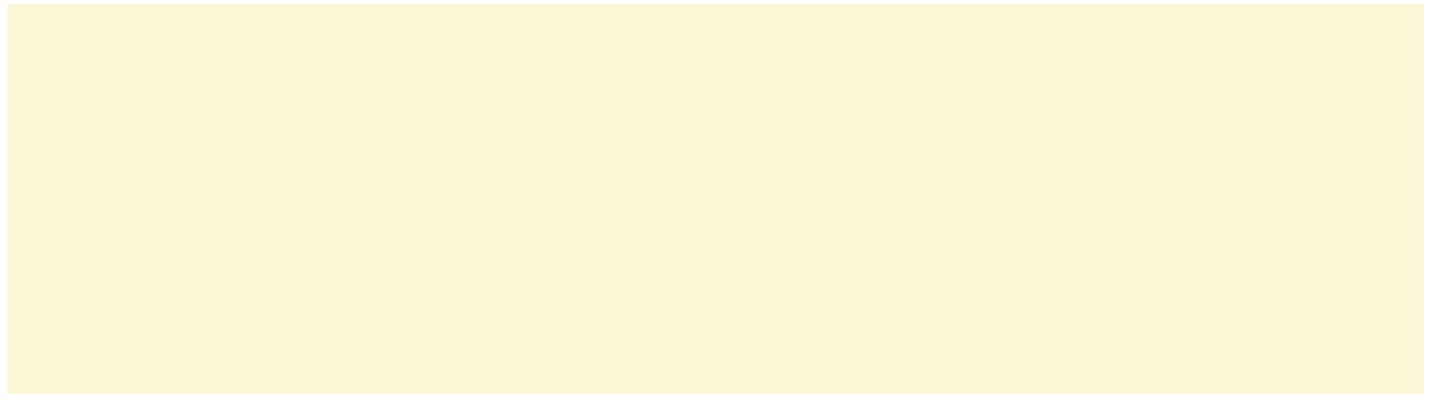
Let's consider ways we can incorporate the four principles of effective family philanthropy. Many other families have found the principles help them adapt to changes and make a bigger impact with their philanthropic priorities.

## Accountability

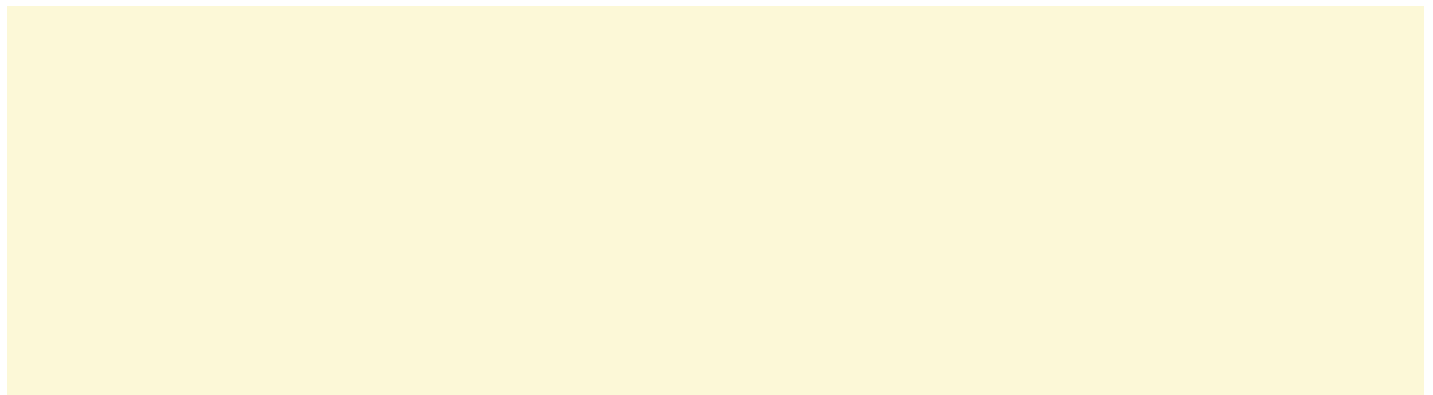
**To whom are we most accountable?**



**We will be accountable to each other** in our family and decision-making groups by...

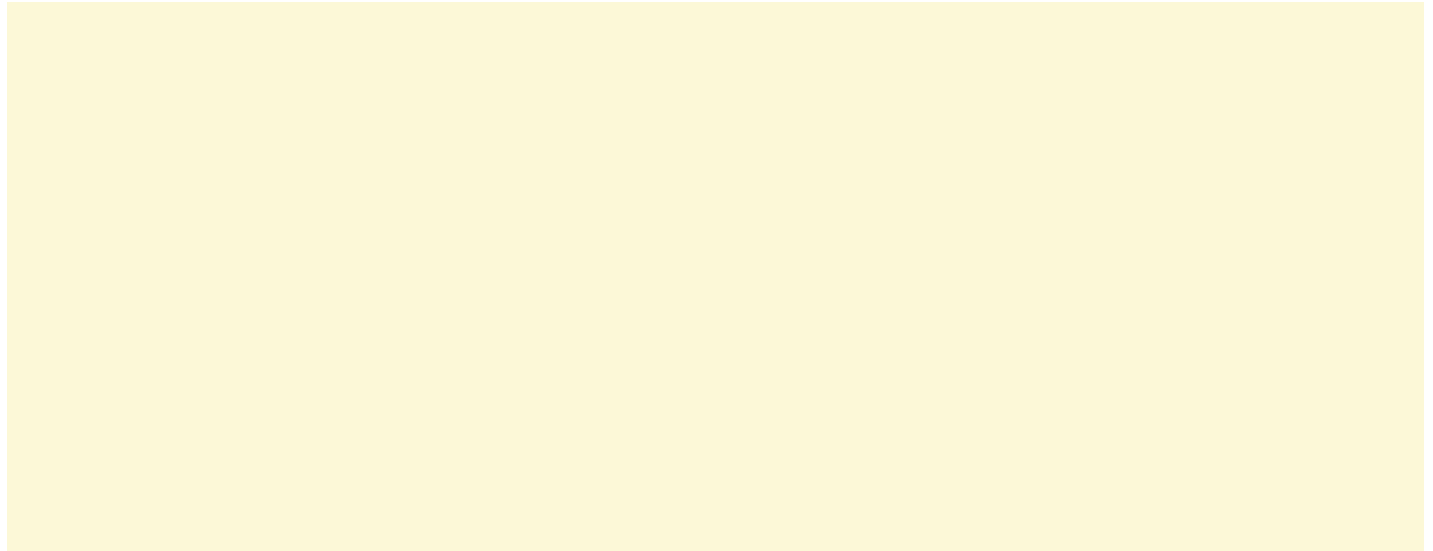


**We will be accountable to the organizations and communities** we serve by..

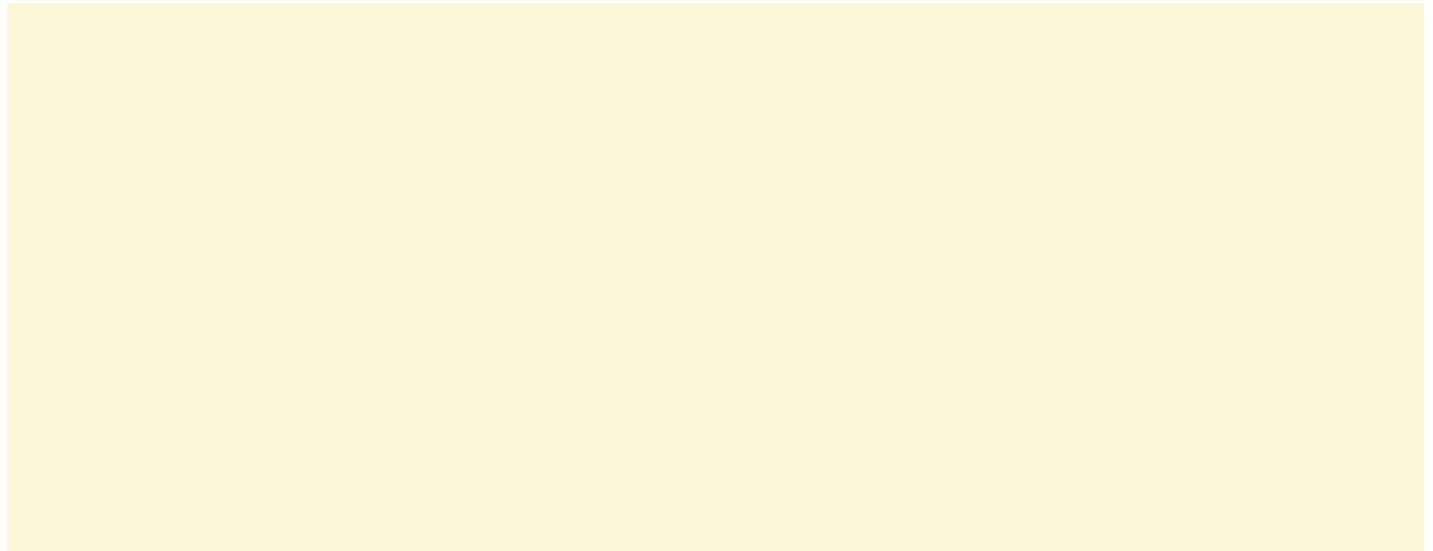


## Equity

**We will reduce inequities  
and power imbalances  
within our family and  
decision-making groups** by...

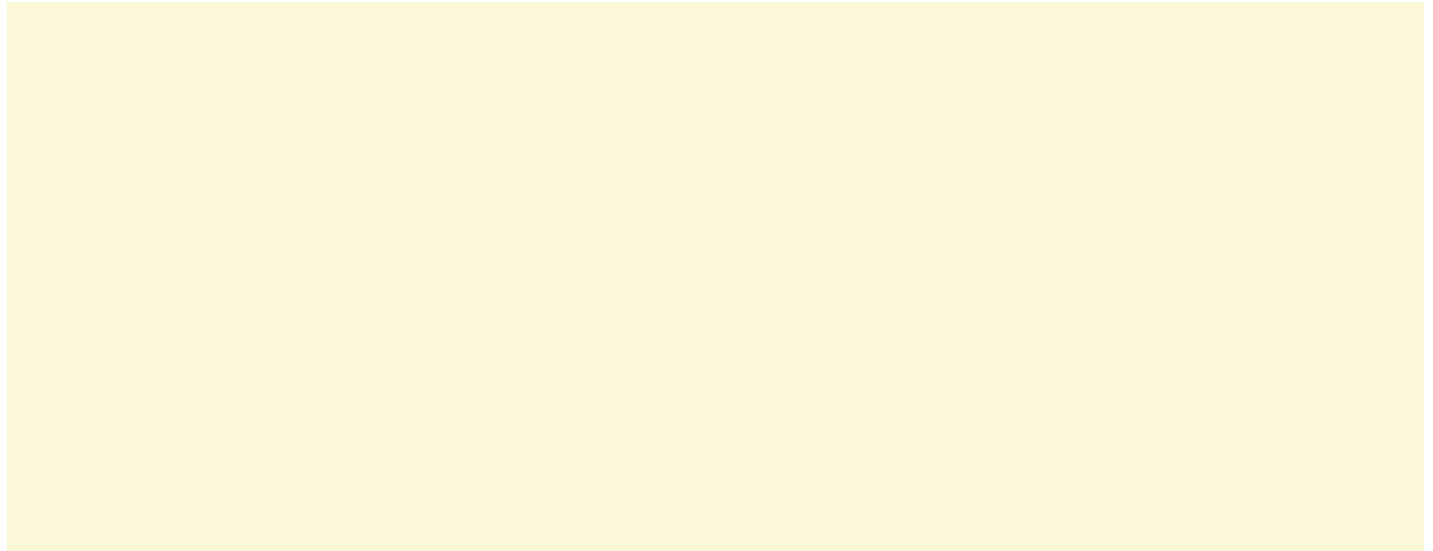


**We will reduce inequities  
and power imbalances  
in our support of the  
organizations and  
communities** we serve by...

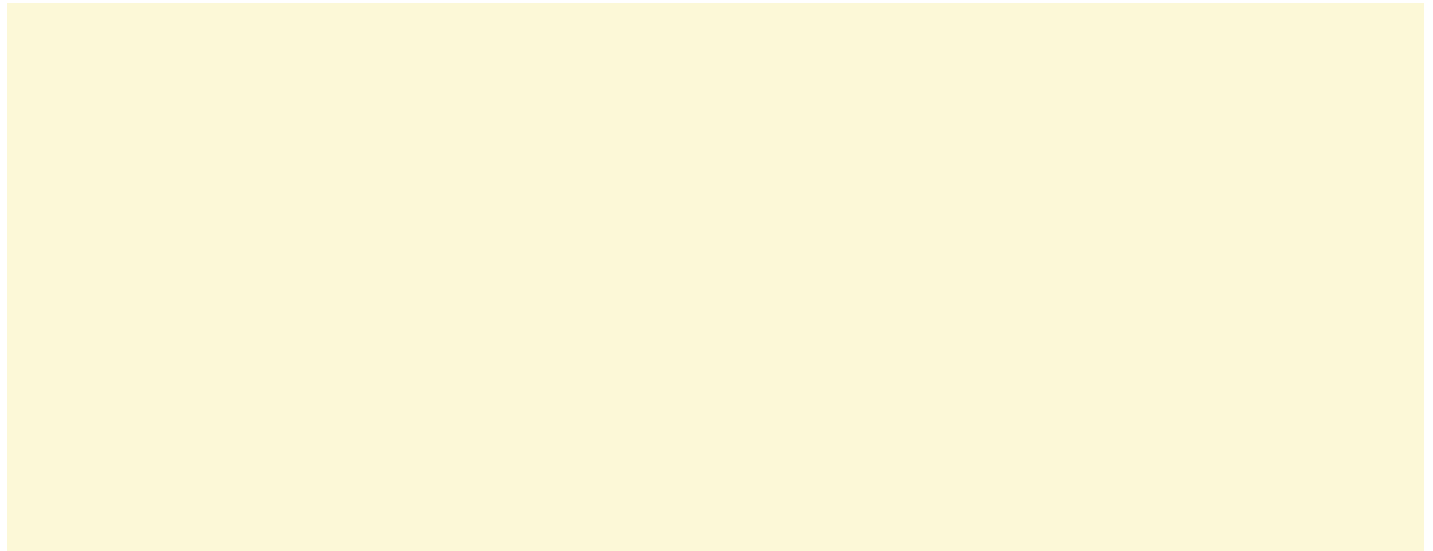


## Reflection and Learning

**We will learn from each other** within our family and decision-making groups by...

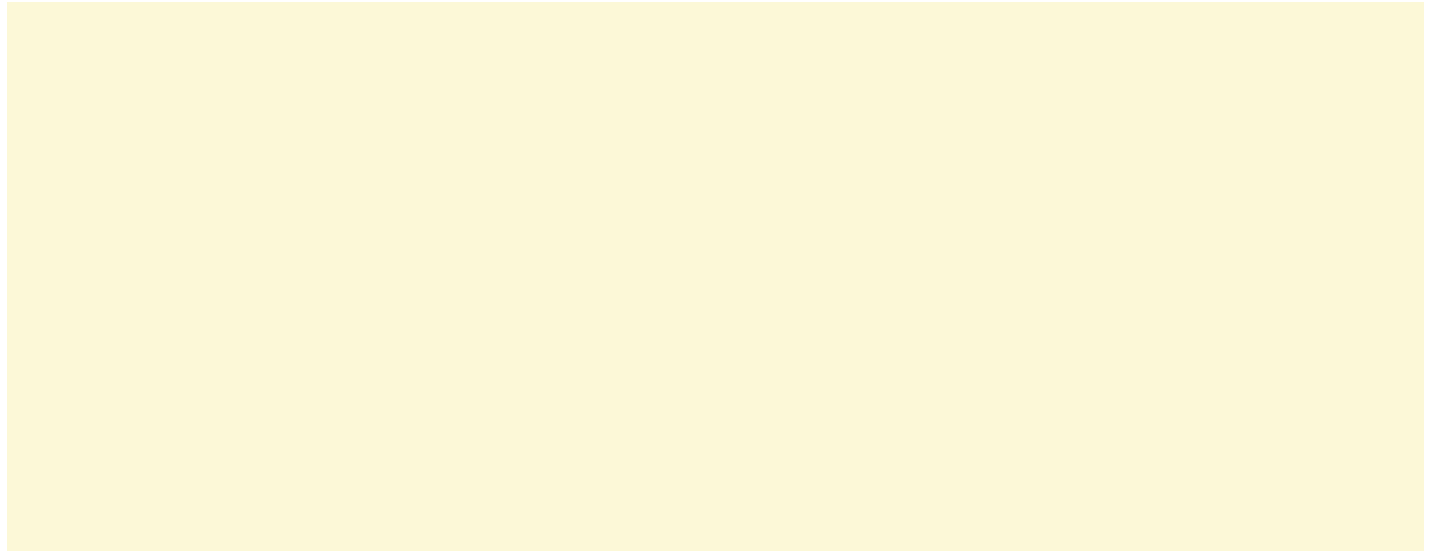
A large, empty yellow rectangular box intended for reflection and learning.

**We will learn from the organizations and communities** we serve by..

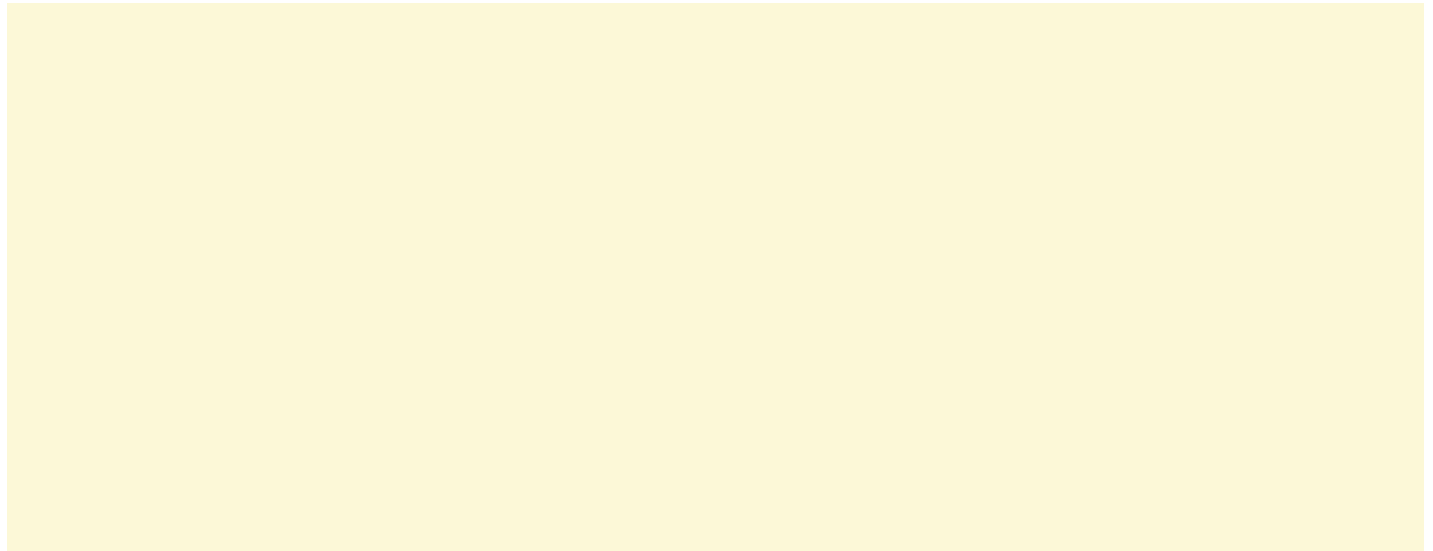
A large, empty yellow rectangular box intended for reflection and learning.

## Relationships

**We will maintain healthy relationships** within our family and decision-making groups by...



**We will maintain healthy relationships with the organizations and communities** we serve by...



## Decision-Making and Conflict

We're planning for effective decision-making in our philanthropy. We've listed ground rules and how we envision managing disagreements and conflicts. For essential choices in family philanthropy, we've listed the primary decision-making methods we'll use (unilateral, group vote, consensus, consent, delegation, cede power), who will advise and recommend options, and who will make the final decisions.

## SHARED VISION FOR THE FUNDAMENTALS // DECISION-MAKING AND CONFLICT

### **Principles or ground rules**

that should guide our  
family's decision-making

**Expectations for how  
people will behave** during  
disagreements and conflict

**Our group will help  
manage disagreements  
and conflicts by...**



## SHARED VISION FOR THE FUNDAMENTALS // DECISION-MAKING AND CONFLICT

Topic	Primary Decision-Making Method	Deciders	Advisors and Recommenders
Developing <b>purpose</b> (values, mission, priorities)			
Developing <b>governance policies and practices</b>			
Choosing <b>social impact vehicle(s)</b>			
Developing a <b>social impact strategy</b>			
Developing an <b>assessment and learning plan</b>			
<b>Operational decisions</b>			
Defining <b>legacy</b> beyond the founders' lives			



## **Rightsizing Your Philanthropy**

We want to ensure that we're creating the optimal alignment between our mission, resources, and capacity needs in order to maximize our social impact.

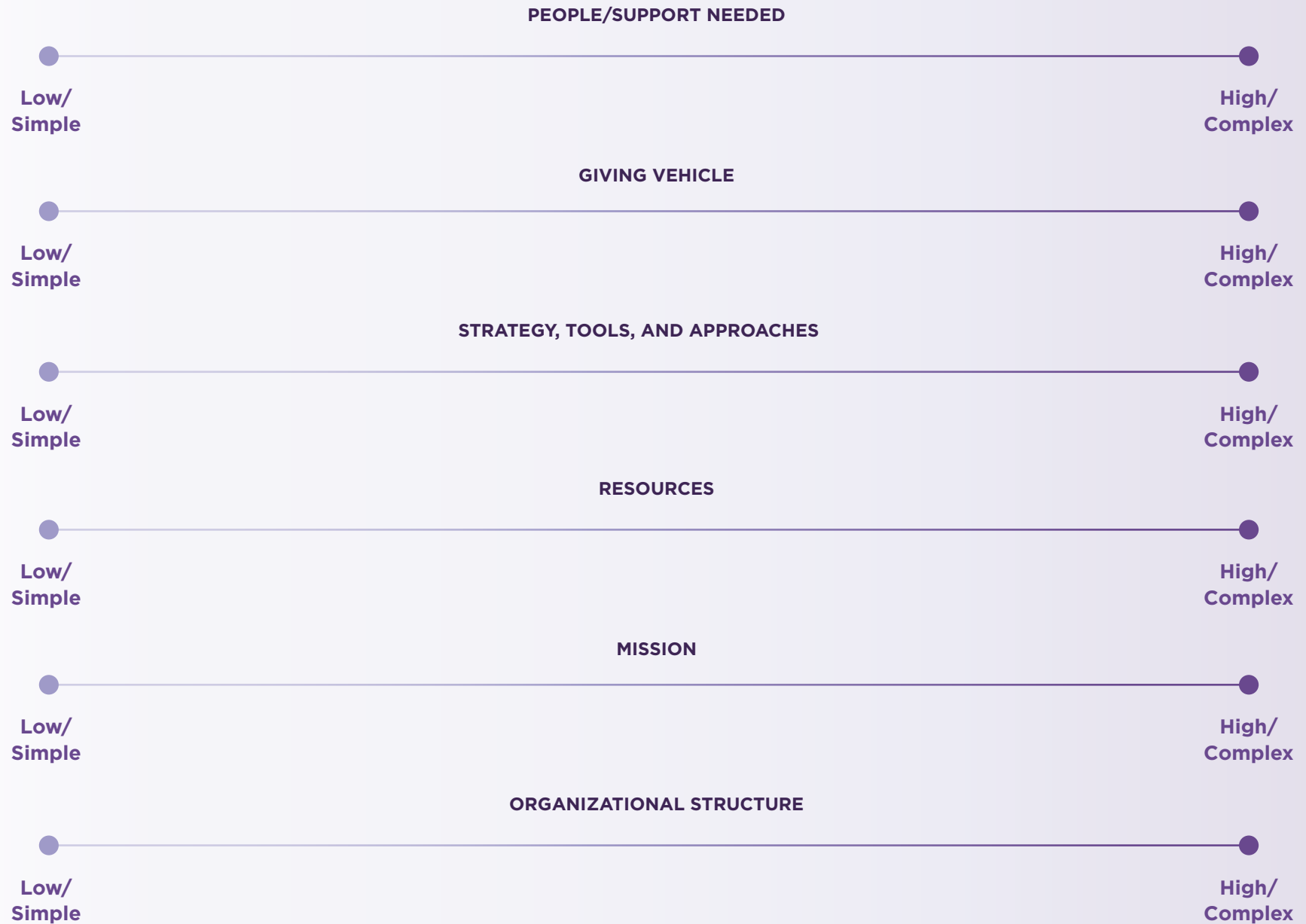
SHARED VISION FOR THE FUNDAMENTALS // RIGHTSIZING YOUR PHILANTHROPY

Looking five years into the future, we foresee these potential changes...


In our family	
In the causes we support	
In the communities we support	
Other topics	

On the graphic on the next page, we’ve indicated with a dot where we currently fall along the spectrums and have connected those dots with solid lines. We have also marked where we might need to be on the spectrums to respond to the changes we’ve forecasted above. We’ve connected these with a dotted line.

# RIGHTSIZING MAP



# Learning Agenda



In the next year, we hope to learn more so we can deepen our understanding of the fundamentals of family philanthropy.

## LEARNING AGENDA

### Social Impact Ecosystem

What we want to learn

Resources to explore  
or people to contact

Who will do it?

## LEARNING AGENDA

# Family Dynamics, Culture, and Resiliency

What we want to learn

Resources to explore  
or people to contact

Who will do it?

## LEARNING AGENDA

# Principles of Effective Family Philanthropy

What we want to learn

Resources to explore  
or people to contact

Who will do it?



## LEARNING AGENDA

# Decision-Making, Disagreement, and Conflict

What we want to learn

Resources to explore  
or people to contact

Who will do it?

## LEARNING AGENDA

### Rightsizing

What we want to learn

Resources to explore  
or people to contact

Who will do it?

# Notes

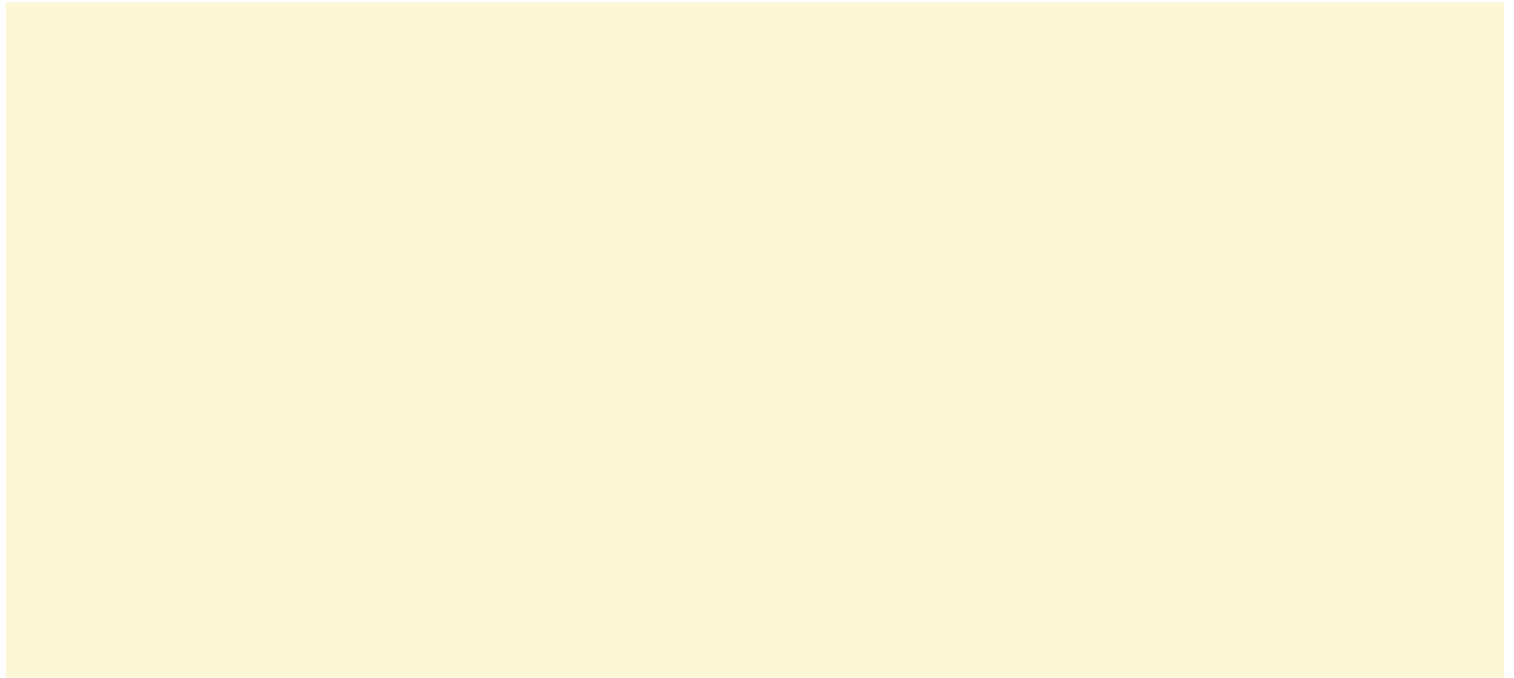


These notes will help us remember how we got to our shared vision and help people who weren't part of the discussions understand our choices.

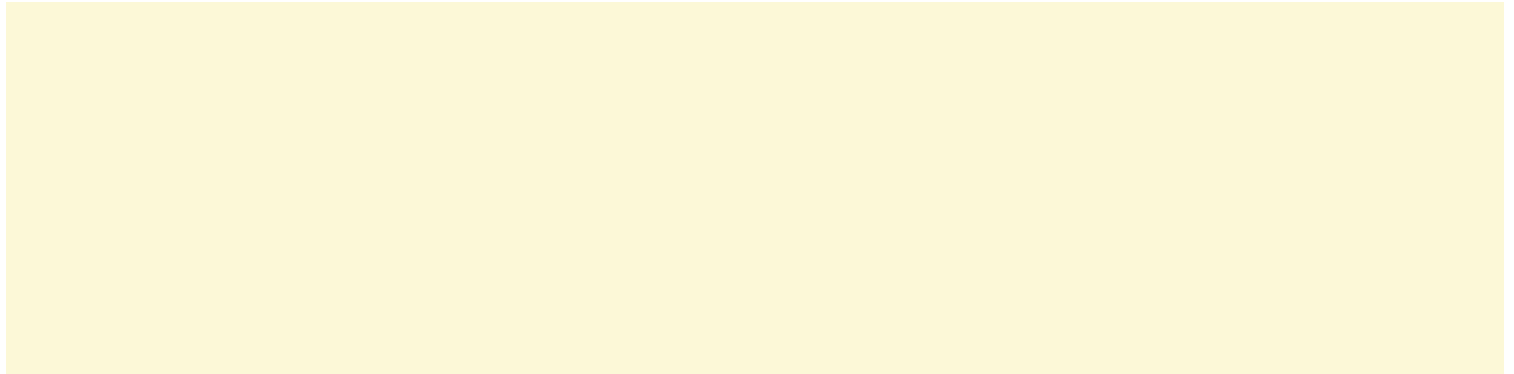
## NOTES

### Social Impact Ecosystem

Why were our choices important to us? What stories or ideas guided the choices?



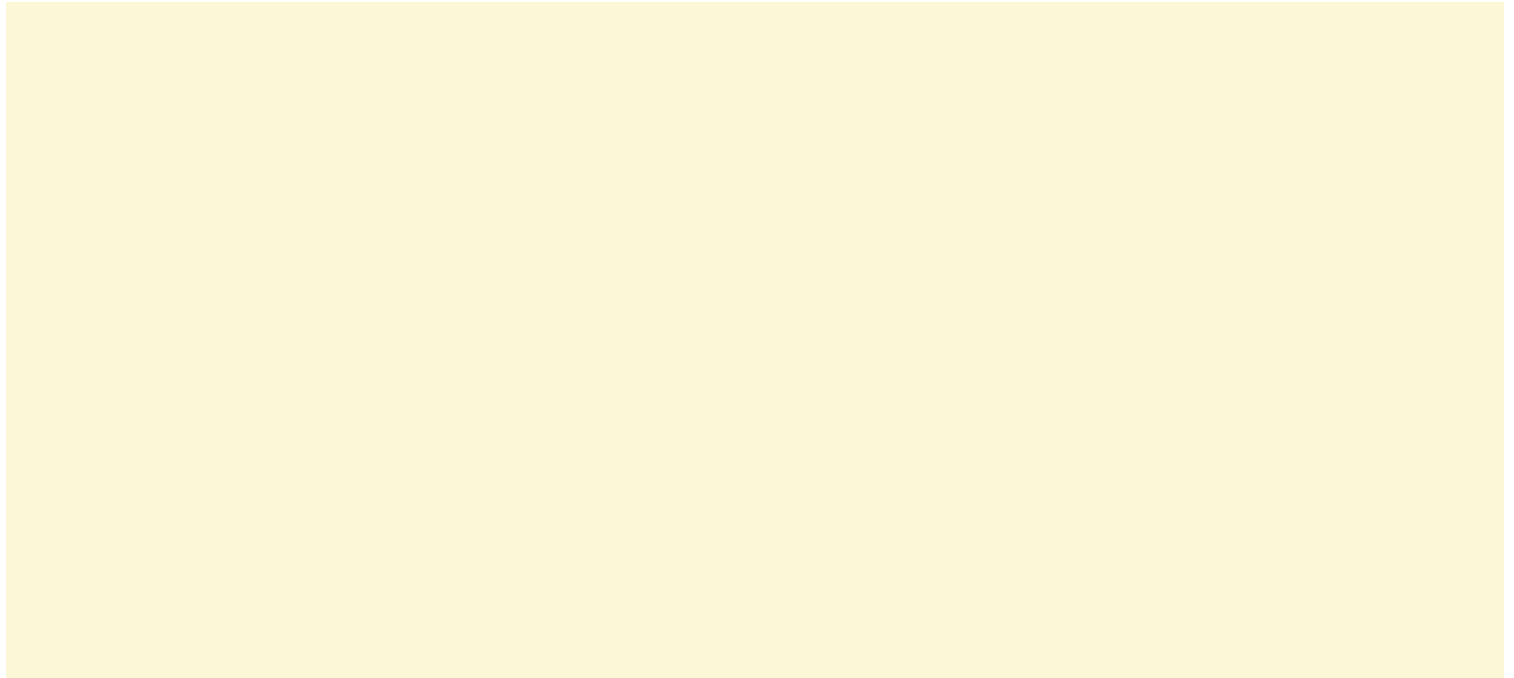
Other important ideas that didn't make it into the shared vision



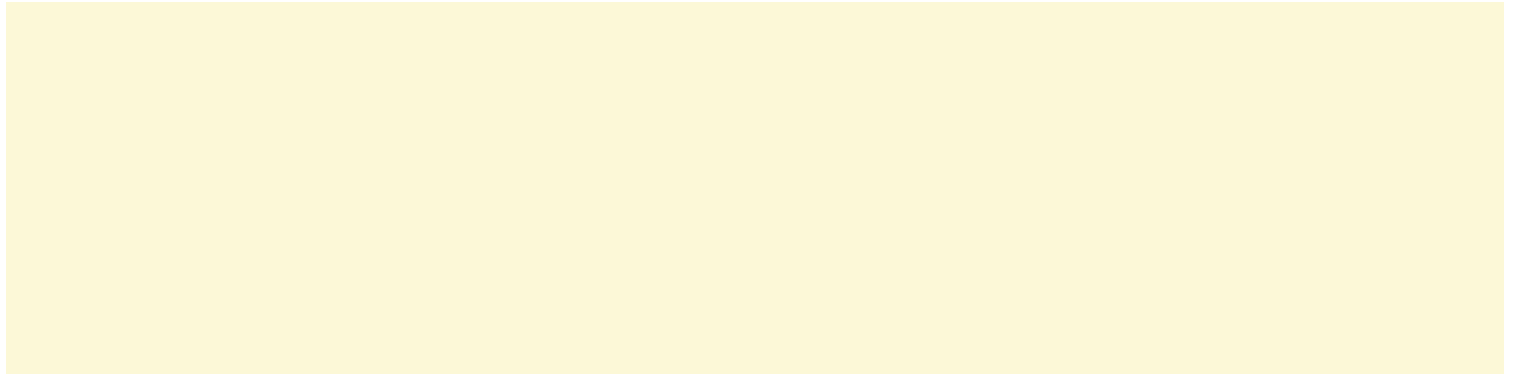
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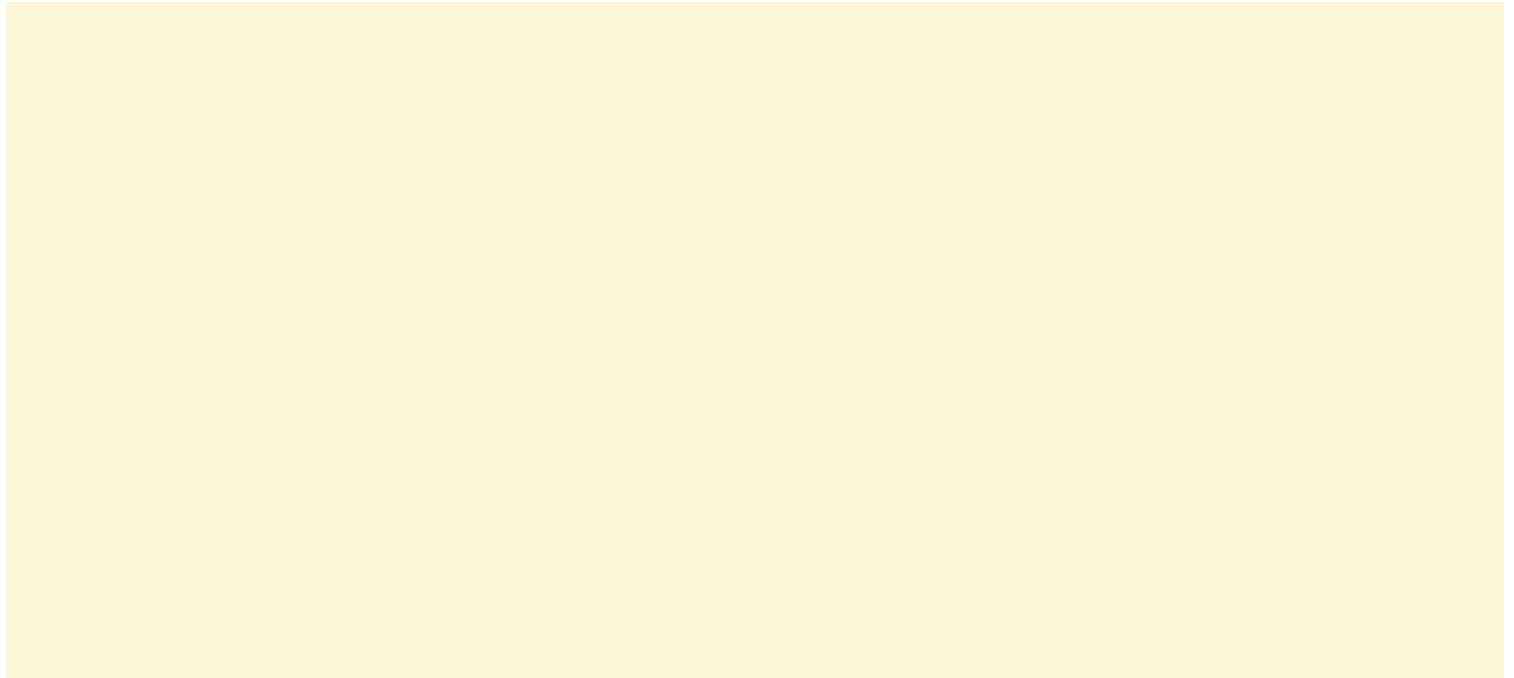
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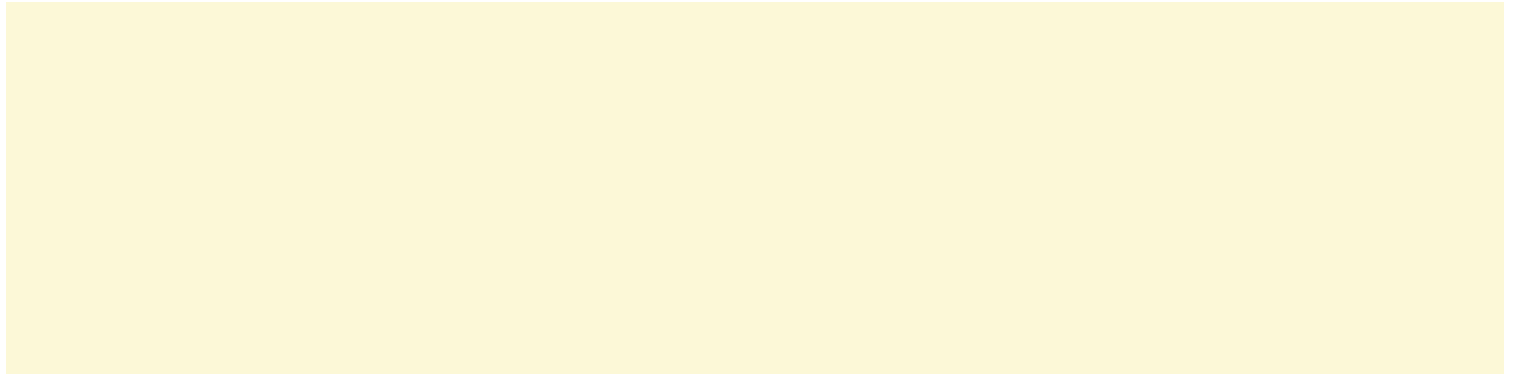
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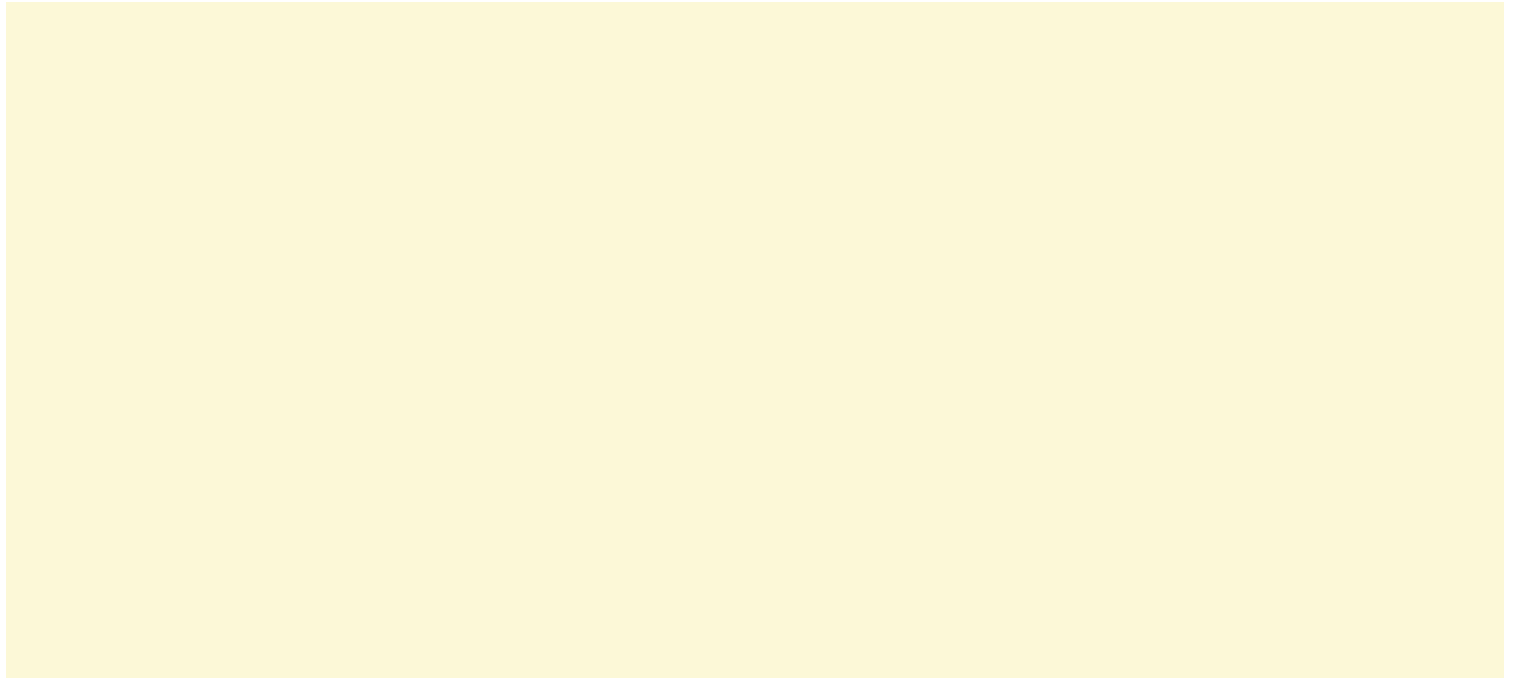
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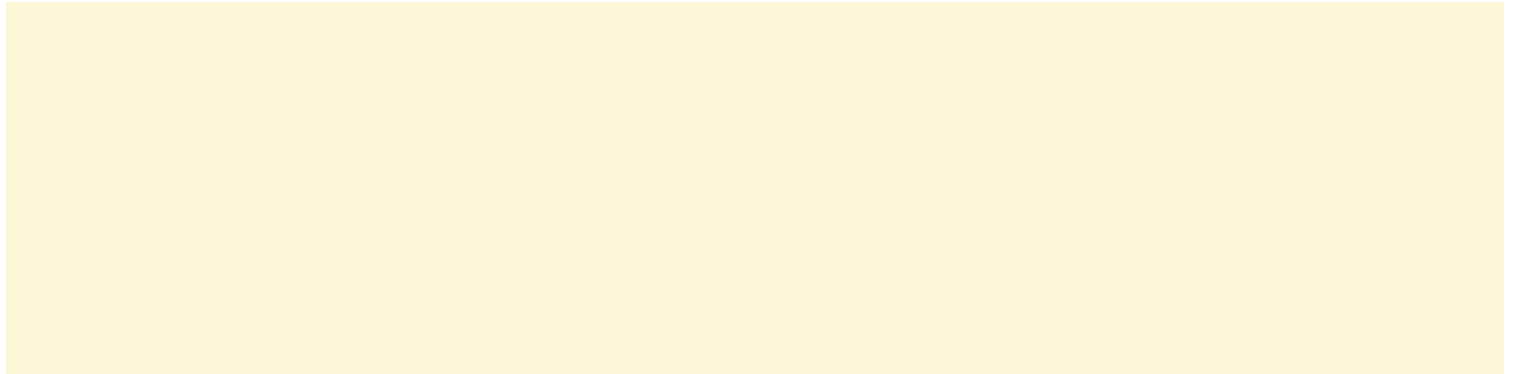
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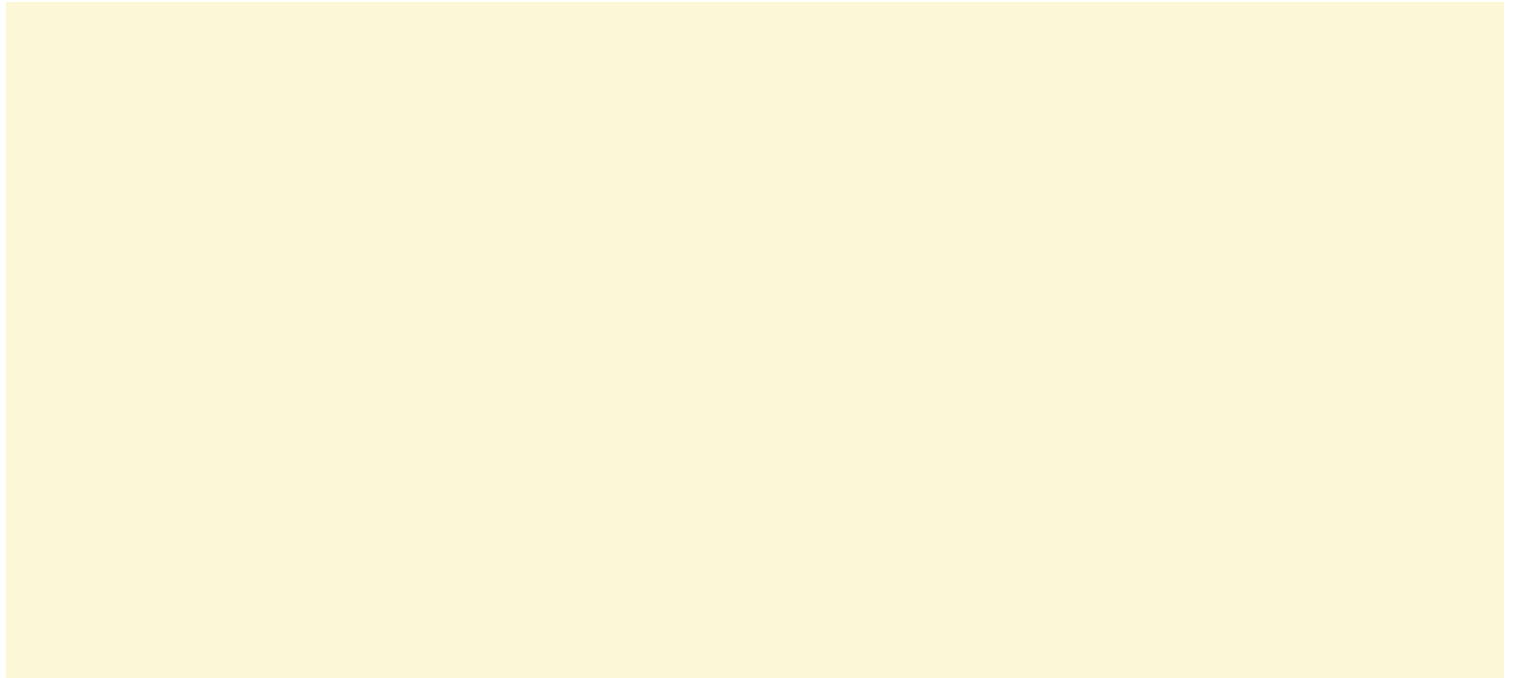
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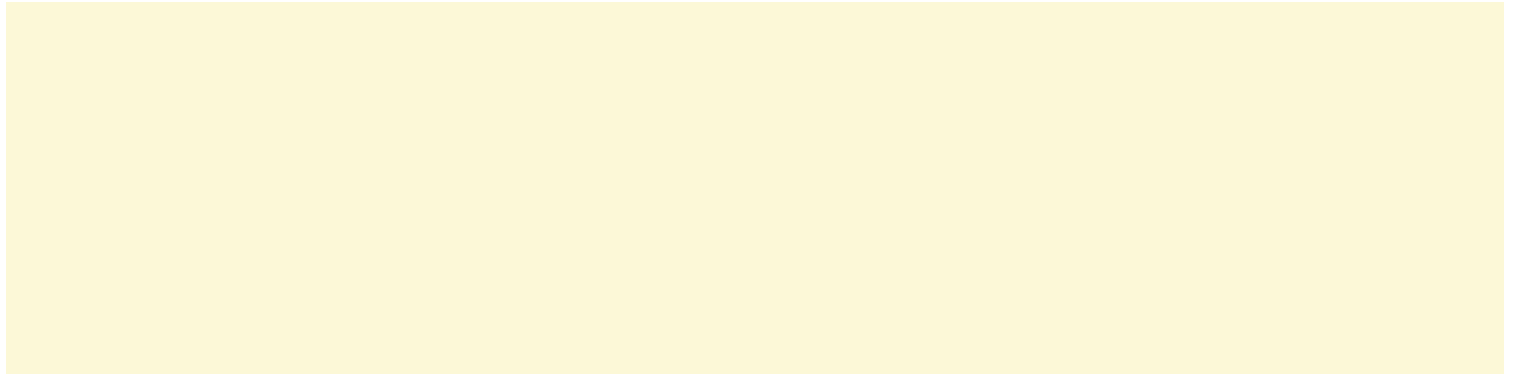
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Other important ideas that didn't make it into the shared vision





**The National Center for Family Philanthropy (NCFP)  
is a network of philanthropic families committed to a  
world that is vibrant, equitable, and resilient.**

We share proven practices, work through common challenges, and learn together to strengthen our ability to effect meaningful change. Our range of programs and services support family philanthropy at its many inflection points and help families embrace new practices and advance momentum. Explore our Family Giving Lifecycle resources by visiting [www.ncfp.org](http://www.ncfp.org).

Tony Macklin, CAP® wrote the second editions of this series, based on materials drafted by Nick Tedesco, president and CEO of NCFP, and Elaine Gast Fawcett, principal of PhilanthroComm. Materials and family philanthropy stories were collected over NCFP's history, and resources were drawn from experts across the country.

The information in this primer should not be taken as qualified legal, tax, or wealth planning advice. Please consult qualified advisors with questions about related legal, tax, or wealth planning implications.