

# Impact Strategy and Tools

Translating Your Philanthropic  
Objectives into Action

2<sup>ND</sup> EDITION



NATIONAL CENTER FOR  
FAMILY PHILANTHROPY

THE  
FAMILY GIVING  
LIFECYCLE

1

Philanthropic  
Purpose

2

Impact Vehicles  
& Structures

3

Governance

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IMPACT  
STRATEGIES  
& TOOLS

5

Assessment  
& Learning

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Operations  
& Management

7

Succession  
& Legacy



# About the Series



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


***Impact Strategies and Tools*** is the fourth primer of the series. The primers include worksheets to help you apply the concepts to your work as well as a playbook that you can create with your family to codify decisions and plan your course of action. The Lifecycle framework applies to families at all stages of their philanthropy, whether they are wealth creators just starting out or multi-generational families improving their practice. It is important for donors and their families to revisit the seven inflection points over time as their philanthropy evolves. Please visit the National Center for Family Philanthropy (NCFP) [website](#) for the complete series of primers and related resources.

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# Overview



**Effective philanthropy is rooted in a commitment to ongoing learning and reflection. It's intentional and iterative and almost always begins with an informal approach that evolves when more purposeful direction is needed.**

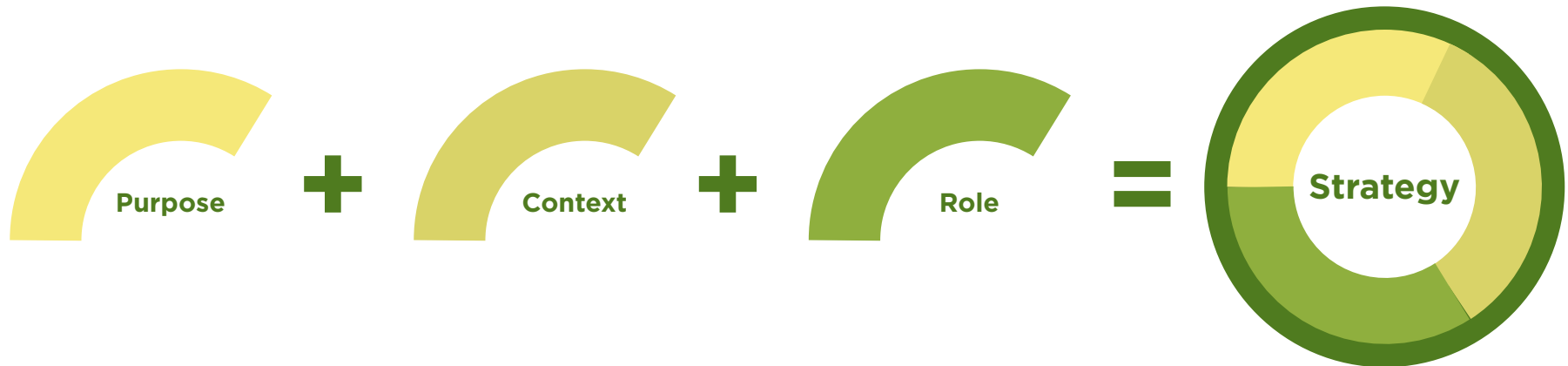
As families pursue their impact objectives, questions often arise, such as: Is our philanthropy meeting a real need? Are we having a measurable impact? How do we ensure that we do no harm?

The questions often drive the desire to create a written strategy. Some donors simply hope to improve their grantmaking practices. Others want a structured process to achieve a defined social impact. Regardless of the motivation, a strategy is an essential element of effective philanthropy.

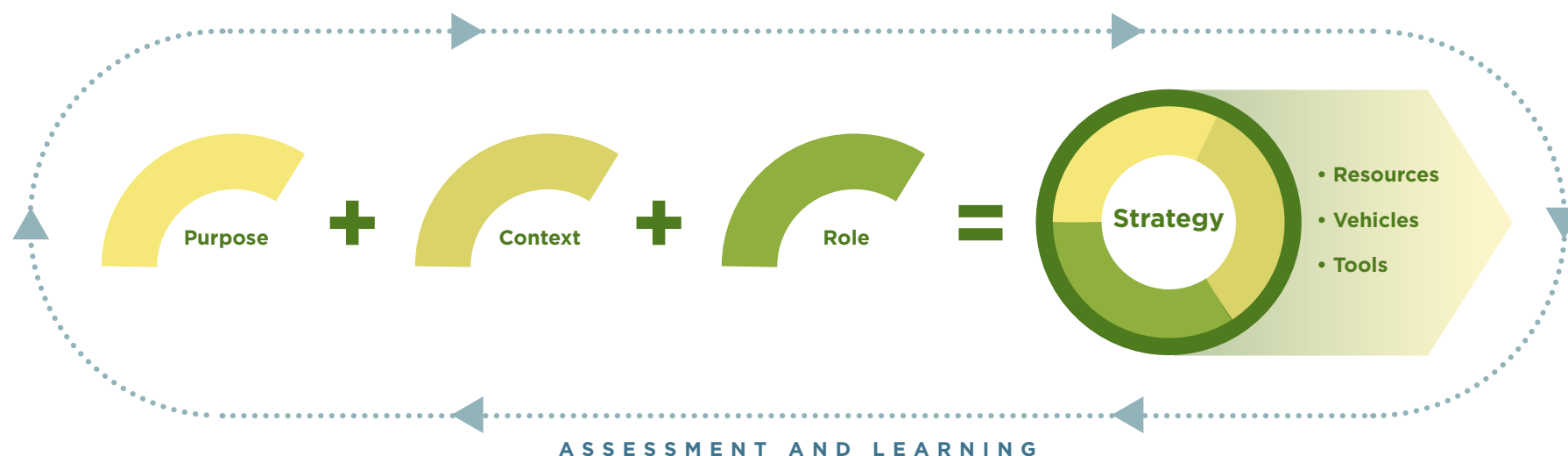


We define social impact as the intentional net benefit to the public. Your strategy is your roadmap for achieving social impact. Your strategy can be as simple or complicated as you desire. What's most important is to take a deliberate approach to your philanthropy, across all stages of your Family Giving Lifecycle. To identify your strategy you must consider:

1. **Your purpose**—your motivations and the impact you aspire to achieve
2. **The context** of the populations, places, problems, or issues that are your priorities
3. **The role** you would like to embrace, including the relationships and resources you will prioritize



Your strategy framework will begin to emerge as you reflect upon your purpose, the context, and your desired role. You can then begin to pinpoint the resources, vehicles, and tools that accelerate progress. Lastly, you must also identify the best ways to learn along the way, enabling you to adjust as needed.



This strategy framework is meant to be flexible and iterative. You can create a simple version based on what you know now. As you have more time and resources you may choose to add more layers. Either way, there is no need for an overly complex strategy, which can reduce the joy of giving and impose unnecessary burdens on the organizations and communities you serve.


# Involve Others in Decision-Making

As you think through your strategy, it's important to keep in mind the principles of effective family philanthropy, particularly the principle of accountability. As a steward of resources, you will want to ensure that your strategy benefits the people and communities to whom you are accountable. One way to do that is to include others in building your strategy, as informants, advisors, and those who may be responsible for putting your strategy into action. They may include:

- **People with local knowledge:** Residents of a geography who can share local context, identify good ideas to support, win over local skeptics, and build sustainable momentum for a social impact strategy. Inviting people from different cultures or economic situations can help bridge divides and reduce unintended biases in your strategy.
- **People with lived experience:** Those who have experience with an issue or challenge, who are excluded from community decision-making processes, or who are served by a nonprofit. Individuals with lived experience bring insights into the value of nonprofit programs and can infuse a sense of personal connection into philanthropy.
- **Issue experts:** Leaders within nonprofits, advocacy organizations, and business associations, as well as researchers in universities, government agencies, or policy organizations. Some may have published needs assessments or evaluations of programs or have firsthand experience that complements the aims and objectives of the philanthropy.
- **Family members:** Multiple generations of relatives and their spouses or partners who may have different perspectives on the topic.
- **Trusted allies:** Donors and funders, professional advisors, faith leaders, or mentors who can inspire you to think in new ways about your priorities.



# Confirm Your Philanthropic Purpose



The first question you must ask yourself is: What is the *why* that drives our efforts? To create a successful strategy you must begin with the end in mind. Donors capture their philanthropic purpose through vision or mission statements. A vision statement might be aspirational while a mission statement can describe what you hope to accomplish to achieve your vision.

Many donors also create goals with two components:

1. **An identified priority**, such as a population, place, issue, ideal, or institution.  
You may have identified priorities using the *Philanthropic Purpose* primer.
2. **The positive change you hope to contribute to** or something you hope to preserve or protect.

A group of people are sailing on a boat, with a yellow overlay. The image shows the deck of the boat, the steering wheel, and several people in sailing gear. The background is a bright, hazy sky and sea.

Statements of philanthropic purpose can be simple, for example:

- “We envision a future where all children will have access to high-quality early educational opportunities that will enable them to thrive.”
- “We work to ensure families in sub-Saharan Africa have pathways to economic stability.”
- “We strive to help create an Eastside neighborhood that is safe and prosperous for all its residents.”

A vision or mission statement captures the aspirations of your philanthropy and provides your family with a unified ambition, allowing them to be part of something bigger than themselves.

# Confirming your Philanthropic Purpose

This worksheet invites you to base your social impact strategy on decisions about purpose, people, and portfolio. It sets the stage for the rest of the worksheets in this primer. You can complete it on your own or involve others.

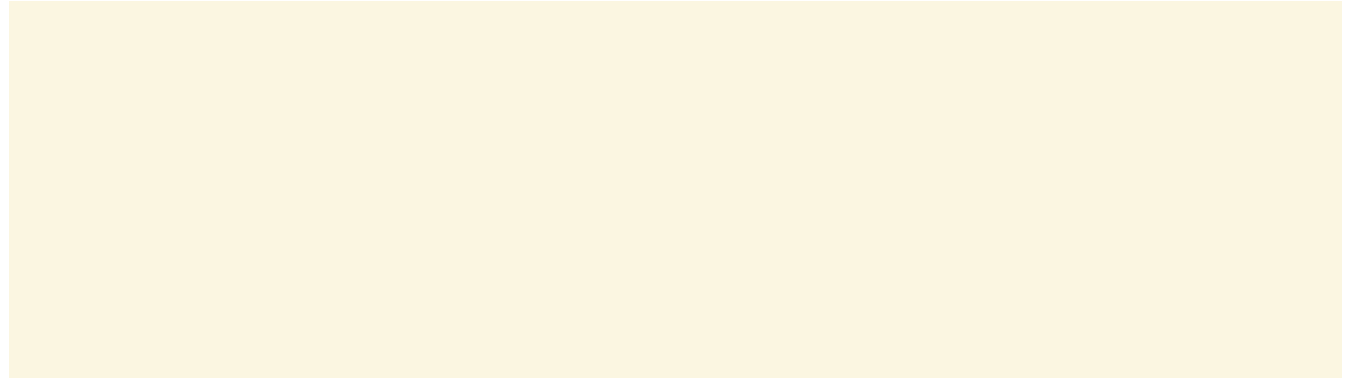
## 1. Big Picture

**Think about your philanthropy and social impact thus far.** What's been working well? What strengths do you want to build on?

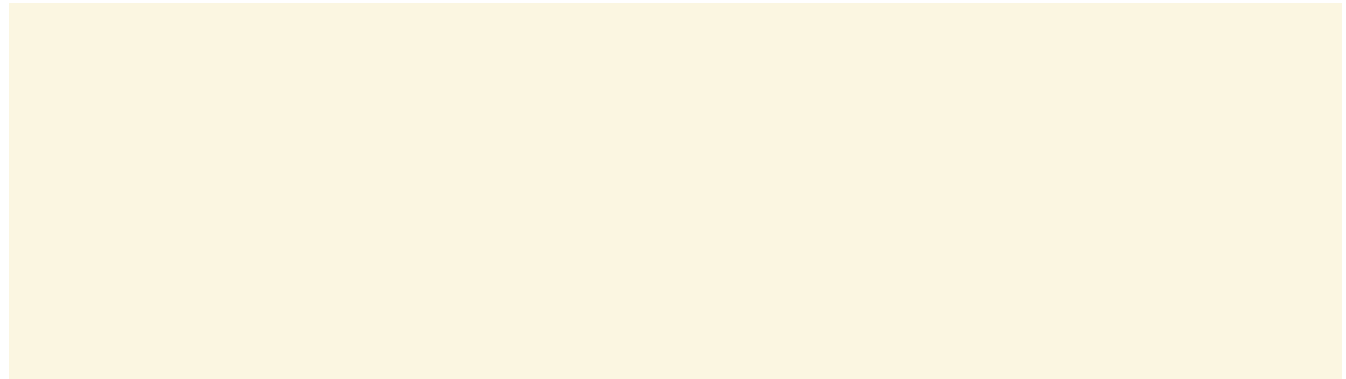


## What benefits do you hope to see from developing or revising your social impact strategy?

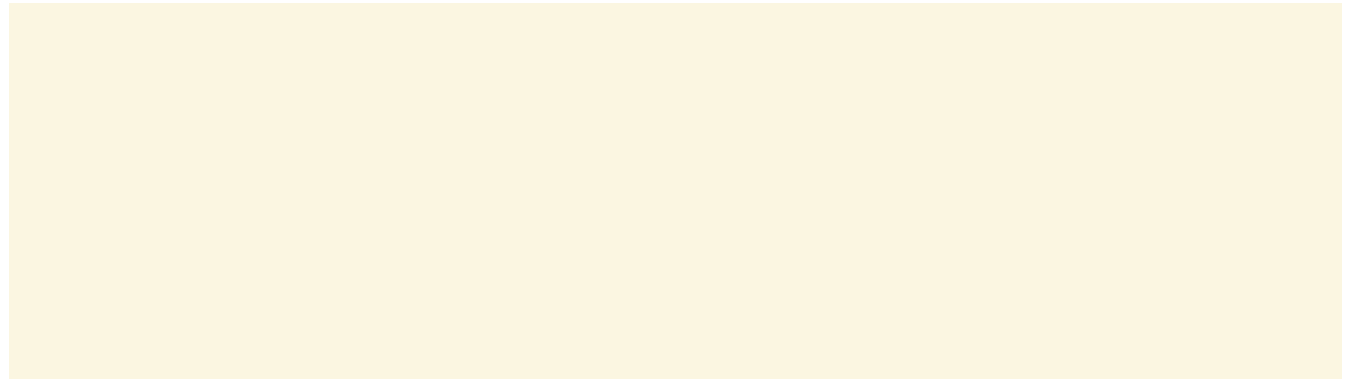
Benefits for yourself



Benefits for your family



Benefits for the causes  
and communities you serve



## 2. People

If you haven't defined decision-making roles or methods, see NCFP's *Fundamentals of Family Philanthropy* and *Governance* primers.

### Who will you involve in shaping your social impact strategy, now and in the future?

You can name specific people or name groups such as grandchildren or residents of a neighborhood.

	IN THE NEXT YEAR	IN 10 YEARS
<b>Deciders</b> (people who will make final choices)		
<b>Advisors</b> (people who will help shape the direction of your decisions)		

**IN THE NEXT YEAR**

**IN 10 YEARS**

**Recommenders**

(people who will help you analyze your options)

**Implementers**

(people who will understand the operational implications of your choices)



**IN THE NEXT YEAR**

**IN 10 YEARS**

**Other roles**

**If you have a group of deciders, how will the group make decisions (e.g., voting, consensus, consent, delegate to a task force)?**

### 3. Purpose

If you haven't defined values, priorities, or a mission, see the *Philanthropic Purpose* primer.

**What three to five values or principles should guide your social impact strategy?**

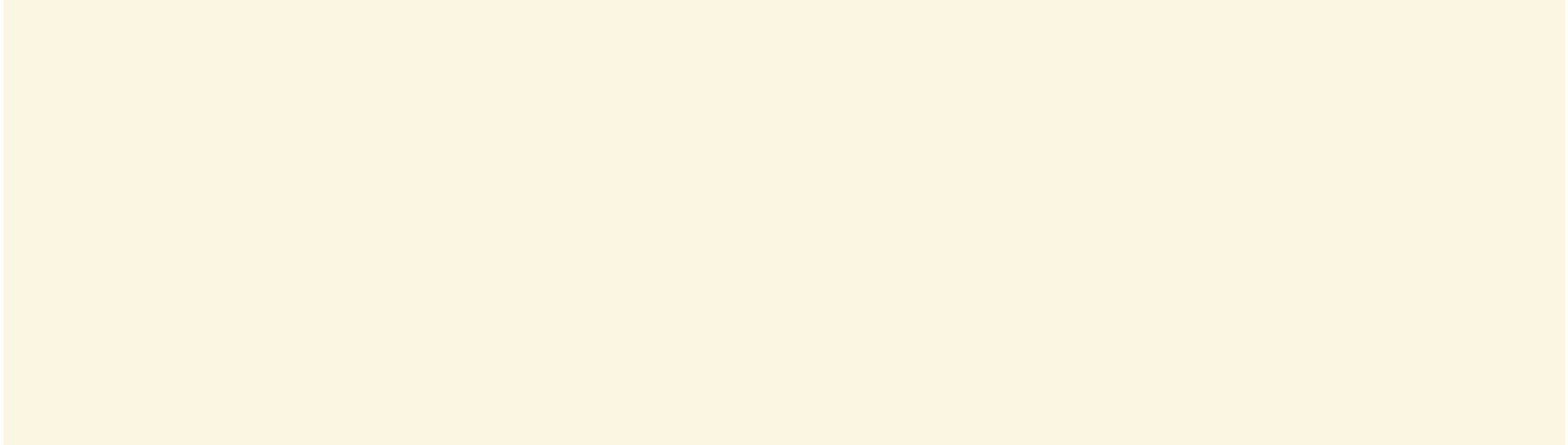
**What aspirational vision guides your philanthropy? What would a better world look like?**

**If you have one, what is the mission statement for your philanthropy? What do you hope to accomplish to achieve your vision?**

**What are the three to five top priorities in your philanthropy?** They can be populations, places, issues, ideals, or institutions you most want to support.



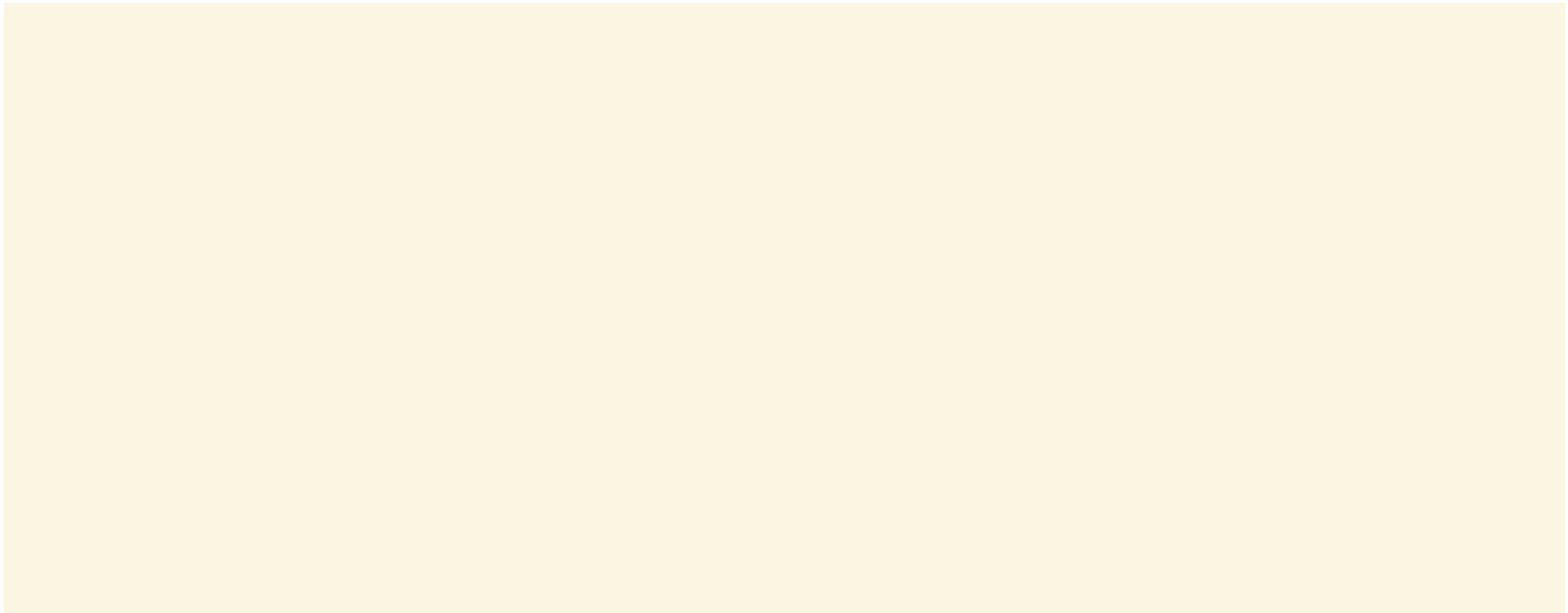
**Why is focusing on those priorities important at this time?**




## 4. Creating a Draft Purpose Statement

If you don't have a vision or mission statement yet, use this exercise to create a philanthropic purpose statement that connects your values, priorities, and aspirations. The language doesn't have to be perfect; it can be a draft that you can hone as your philanthropy evolves. Two example formulas include

- “We support [change in a condition] for [population] in [place] because [a reason or an alignment with values or principles].”  
For instance, “We support improving the quality of early childhood programs for families with low incomes in Dallas because we believe every child deserves a fair chance to succeed.”
- Values + priorities + how you'll act. “We are humble, faithful servants, called to serve families in war-torn areas in Africa. We entrust our nonprofit partners there to listen closely to the families and lift up their needs.”



# Understand the Context in Which You'll Work



Success is rarely achieved in isolation. Your strategy is more powerful when you understand the context in which you'll be working. That context includes the ecosystem of trends, potential partners, resources, and approaches to problem-solving, and other factors—such as challenges, needs, and opportunities—that shape each social impact priority.

Context will constantly evolve, so for each priority you've set, it helps to regularly revisit questions such as:

1. What are the most pressing or unaddressed needs, challenges, or opportunities? What are big goals set by coalitions, research reports, or community plans?
2. Who has a role in improving progress and success? And, which of those people or organizations are important relationships for you to develop and steward? (Think about all types of stakeholders—people closest to the issue, nonprofits, businesses, politicians, investors, and more).
3. Which approaches have proven to be effective or are promising innovations? (Note there likely will be multiple effective approaches and different definitions of effectiveness depending on cultural, ethnic, or economic backgrounds.)
4. What progress and success measures are most important to track? What are the trends in those measures?
5. What are the stories behind those trends?
  - Why is progress speeding up, slowing down, or stalled?
  - What are causes of gaps or injustices in that progress?
6. Given my resources, how can I be most helpful within the ecosystem? (You'll learn more about this question later in this primer.)

The questions above will inform ongoing learning. You can revisit them quarterly or annually to retest your assumptions and continually refine your philanthropic strategy. To create a well-rounded perspective, consider engaging with the groups of people listed on page 7 to help you answer these questions or surface other relevant questions.

# Why is Understanding the Context Important?

Continually developing a clear, well-rounded understanding of your priority issues or places allows you to:

- Establish relationships with the people most proximate to or expert in the issue.
- Find other funders with whom you might collaborate and learn.
- Identify crucial gaps to fill, and effective solutions and partners to strengthen.
- Avoid creating redundancies or retreading ineffective approaches.
- Adapt to changes in economies, demographics, public policies, technologies, and other factors.

# Understanding Context

This worksheet is an example of how you can maintain updated notes about the context of your philanthropic priorities (which you identified on page 16) and goals within those priorities.

**Priority or Goal**

LAST UPDATED \_\_\_\_\_

**Progress/Success  
Measure 1:**

Trend(s) in the measure

Why are those trends  
happening?



**Progress/Success  
Measure 2:**

Trend(s) in the measure

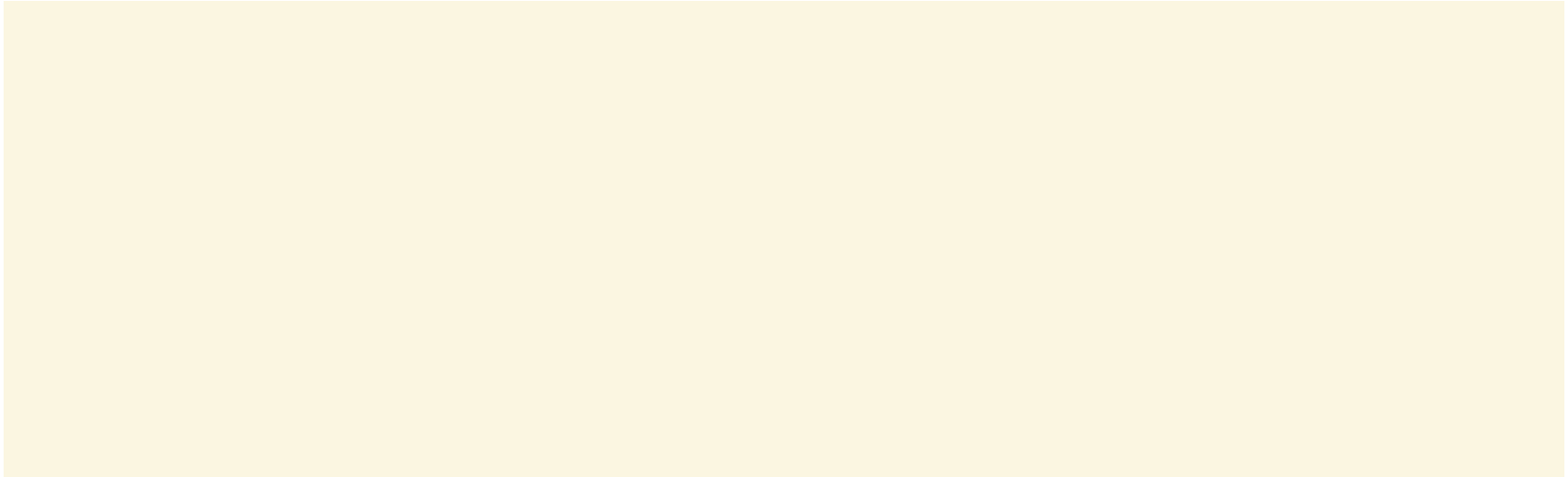
Why are those trends  
happening?

**Progress/Success  
Measure 3:**

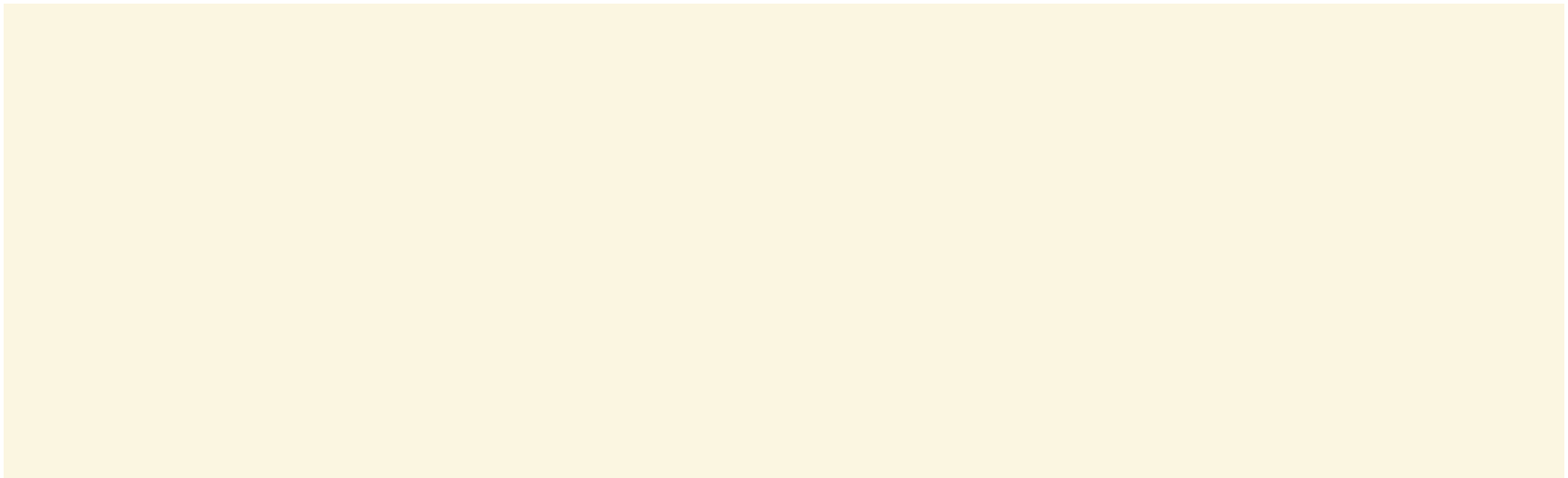
Trend(s) in the measure

Why are those trends  
happening?

**Who needs more support in working toward the goal?**



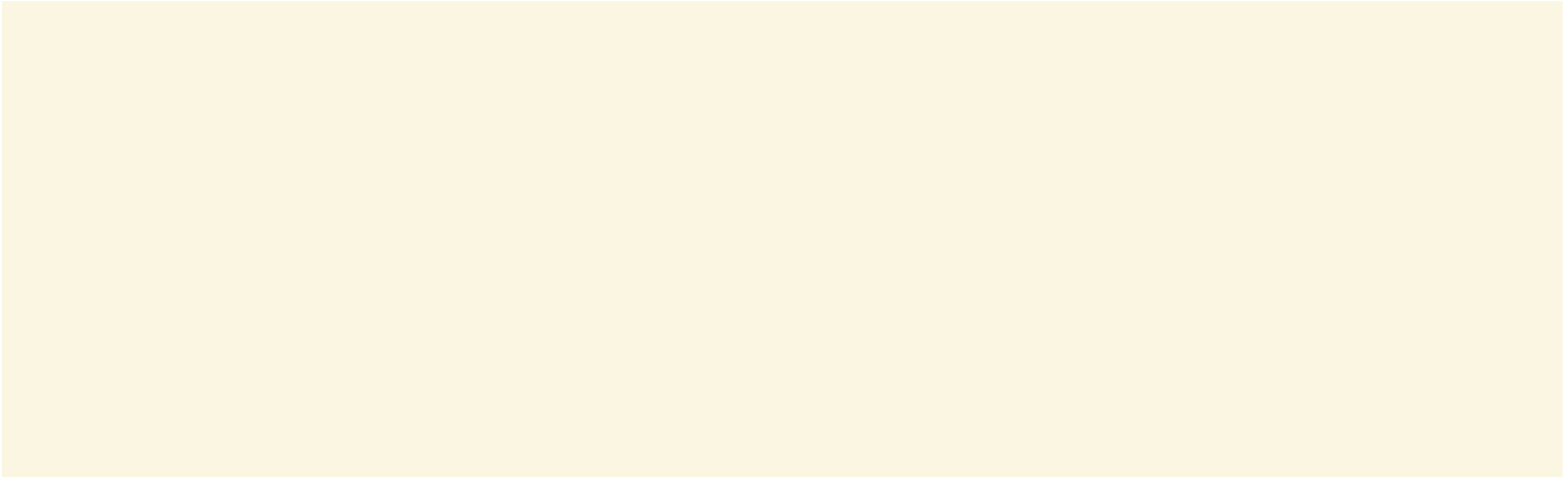
**What approaches are effective or promising?**




**Who has been opposing the goal?**

**What do I need to do differently to support this goal?**

**Who do I want to learn from in the next year?**

A large, empty yellow rectangular box, likely intended for a user to write their response to the question above it.

# Determine the Role You'd Like to Play



Once you understand the context, you can better define your role—how you might be most helpful and effective. You'll consider the resources you offer, how you'll interact with others, and your giving style to create a role that fits your purpose and aligns with your interests. You can also assess the vehicles you are currently using and how well they align with your strategy.

# Your Philanthropic Resources

What resources will you bring to your philanthropy? As introduced in the *Fundamentals of Family Philanthropy* primer, there are five resources a family can contribute toward reaching its philanthropic goals:

- **Treasure:** Money, goods, stocks, business interests, and other assets
- **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

Each funder and donor has a unique set of resources to apply to their philanthropic efforts. Understanding what you can contribute now—and in the future—is important to shaping the scale and breadth of your potential social impact.

# Your Desired Relationships

No one entity can achieve social impact on its own. Your strategy will require you to partner with many people and organizations. Some of those partners will be the people, communities, organizations, businesses, or other groups that seek or benefit from your financial support. Others might be allies such as other donors, elected officials, or coalitions. No matter the partner, it's important to determine your relationship style, which is commonly based on your values and available resources. Ask yourself:

- How will the nature of your relationships be an extension of your family's values?
- How collaborative with or independent from other donors and funders will you be?
- How hands-off or highly engaged with organizations seeking and receiving your support will you be? How transactional and efficient or warm and personal will your interactions be?
- What level of trust do you want to develop in collaborators and organizations you fund?

Remember that formalized giving, granting, and investing programs create an inherent power imbalance that complicates even the friendliest personal relationships. You may need to take active steps to reduce harmful power dynamics and offer ways for people to provide honest viewpoints and feedback.



# Your Giving Style

As defined in the *Philanthropic Purpose* primer, your giving style is your preference for how you make a difference. The graphic below outlines five traditions in philanthropy. They are also not mutually exclusive and can be combined in creative ways. However, each can lead to a different giving style.

Philanthropy as...	Example Guiding Values or Principle(s)	Priority
<b>Relief</b>	Compassion, protection, benevolence	Alleviate human suffering (or animal or environmental suffering)
<b>Improvement</b>	Progress, opportunity, responsibility	Maximize human potential
<b>Social Reform</b>	Justice, freedom, long-term change	Solve social problems; change policy and practice; systems change
<b>Civic Engagement</b>	Participation, empowerment	Build community; give voice and authority to those most affected
<b>Innovation</b>	Creativity, flexibility, challenge norms	Support risk, discovery, experimentation

In addition to philanthropic traditions, you'll also want to consider how you might balance them with four operational choices:

- 1. Timeframe:** Do you prefer to make a more significant impact now, spread your impact over time, or make more of an impact in the future?
- 2. Collaboration:** Do you prefer to act independently, work with a small group (such friends or family), or collaborate with a larger group of donors or community members?
- 3. Publicity:** Do you want to be completely anonymous, known to grantees but quiet about your giving, or very public so you can influence others?
- 4. Administration:** Can you reasonably accomplish your philanthropic goals alone, or might you want to hire an advisor or administrative help?

## Why is defining a role important?

As you've explored your social impact goal, you've likely realized that you can't be everything to everyone. Defining a preferred role helps you focus your time and resources. In addition, documenting your goals for relationships helps you stay accountable to those goals. You'll be able to take ownership of how you treat your partners and how you reduce power imbalances and inequities in those relationships.

### Your Social Impact Vehicle(s)

You likely already use one or more vehicles for your philanthropy, such as a private foundation or donor-advised fund. When considering what vehicle to use, remember: form follows function—the vehicle should support your strategy rather than define or limit it. You might find you need to add or change your vehicles. Or you might find that you use different vehicles for different priorities or strategies. The *Impact Vehicles and Structures* primer provides detailed information about the options available. Most philanthropists use charitable vehicles such as foundations, charitable trusts, and donor-advised funds. An increasing number are also using private-sector vehicles such as LLCs, public-policy vehicles such as 501(c)(4) organizations, and peer vehicles such as crowdfunding campaigns and social movements.

# Philanthropic Role

This worksheet lists common decision points for a donor’s or funder’s philanthropic role. Remember your social impact strategy is a hypothesis. You’re documenting your current assumptions and then can revise your answers as you learn from implementing the strategy.

## 1. Your Giving Style

Think about the context of your social impact goals. Organizations and donors are using many approaches to solving problems and accelerating progress. Which approach do you most want to support to be helpful? First, write your social impact priorities or goals in the dark green boxes below. Then, for each, rank the importance of the approaches. (1 being most important.)

	YOUR SOCIAL IMPACT PRIORITIES OR GOALS		
	1.	2.	3.
APPROACHES			
<b>Relief</b> (alleviate suffering)			
<b>Improvement</b> (maximize potential)			
<b>Social Reform</b> (change policies, practices, systems)			
<b>Civic Engagement</b> (build community, amplify others’ voices)			
<b>Innovation</b> (support risk, discovery, experimentation)			

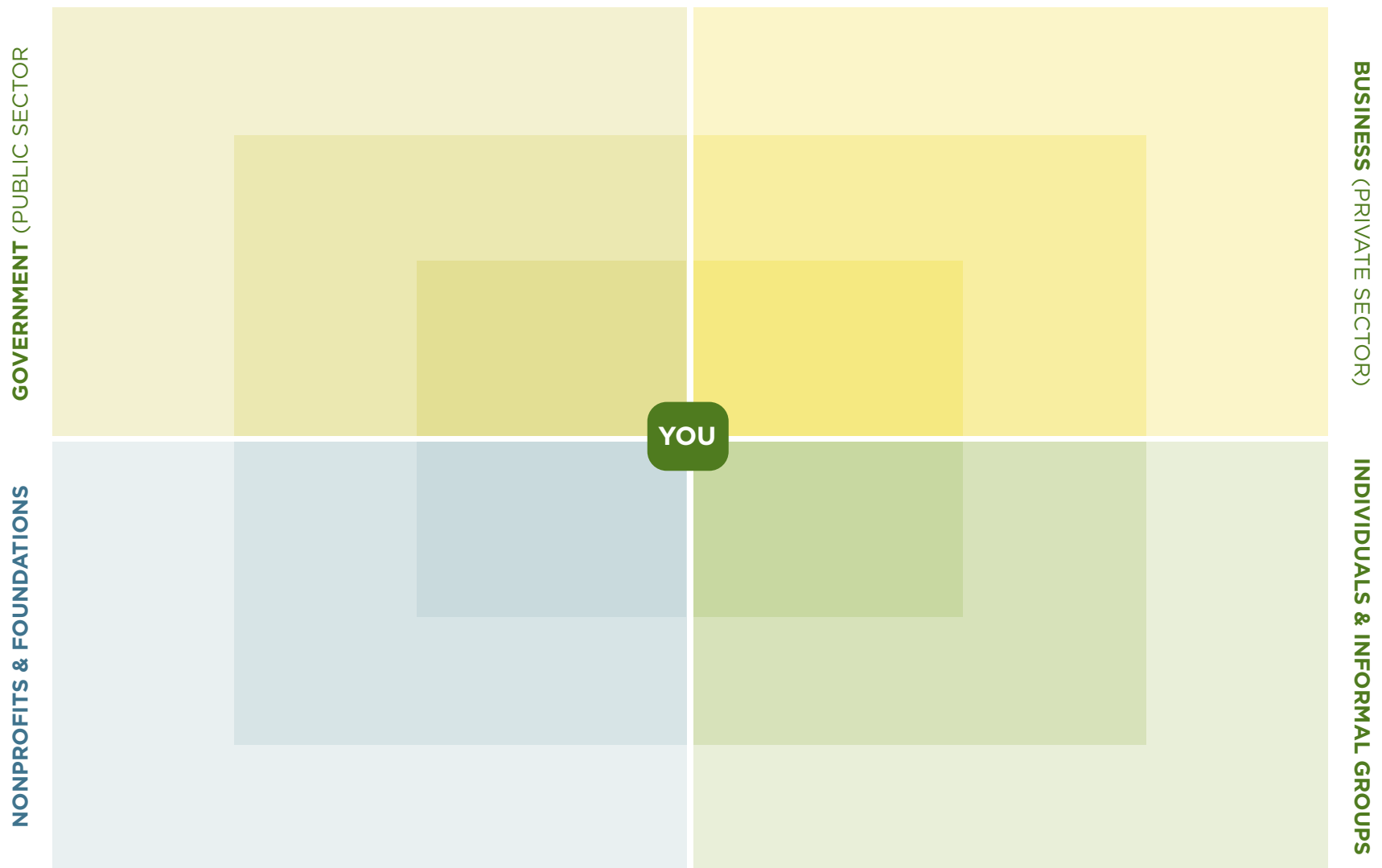
	YOUR SOCIAL IMPACT PRIORITIES OR GOALS		
	1.	2.	3.
APPROACHES			
<b>No Preference</b> (trust communities or nonprofits to decide what is most needed)			
<b>Other</b>			
<b>Other</b>			

## 2. Relationship Map

Who do you need to know to succeed in your social impact strategy? You can use the graphic on the next page to track the relationships important to your strategy. We've divided the graphic into four sectors (government, business, nonprofit, and individuals and informal groups) and four levels of relationships:

1. You: You as an individual, your family, or your social impact vehicle
2. Inner square: You have a personal connection with them and want to maintain a strong relationship; these are the most important relationships to maintain if you don't have much time
3. Middle square: You don't know them well (or at all) but want to develop a relationship
4. Outer square: You want to track what they're doing, but don't desire an active working relationship

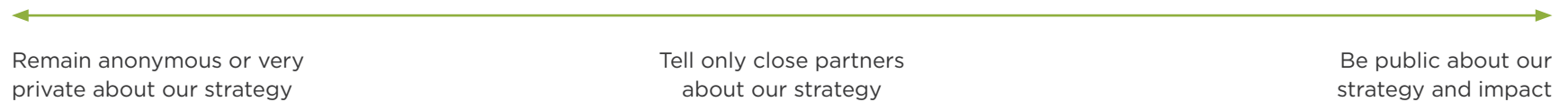
Note this tool is adaptable. For instance, you can use the worksheet to track the top five relationships in each sector. You could create separate maps for each social impact goal, changing the sectors if you desire. Or you could draw something similar on a large flipchart for a group activity.



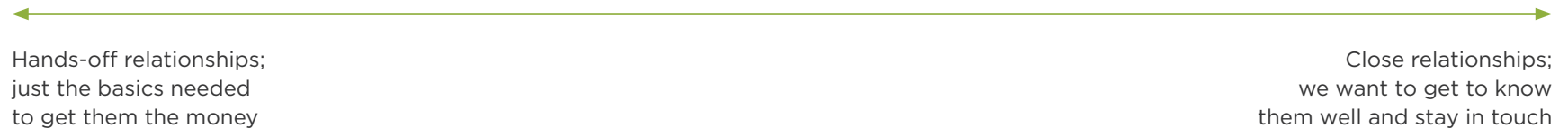
### 3. Vision for Effective Relationships

Along each continuum below, place a dot or asterisk that best represents your view of your ideal relationships.

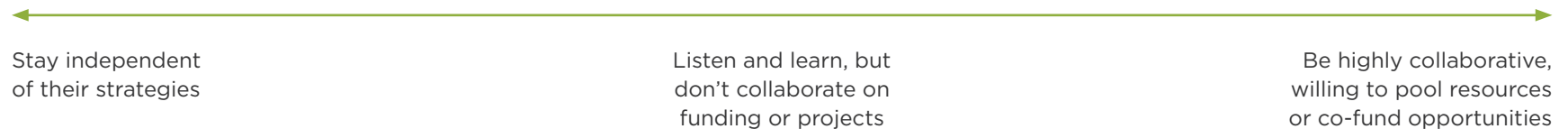
***Our values, legacy, and/or donor intent call us to:***



***With organizations or individuals requesting support, we should have:***

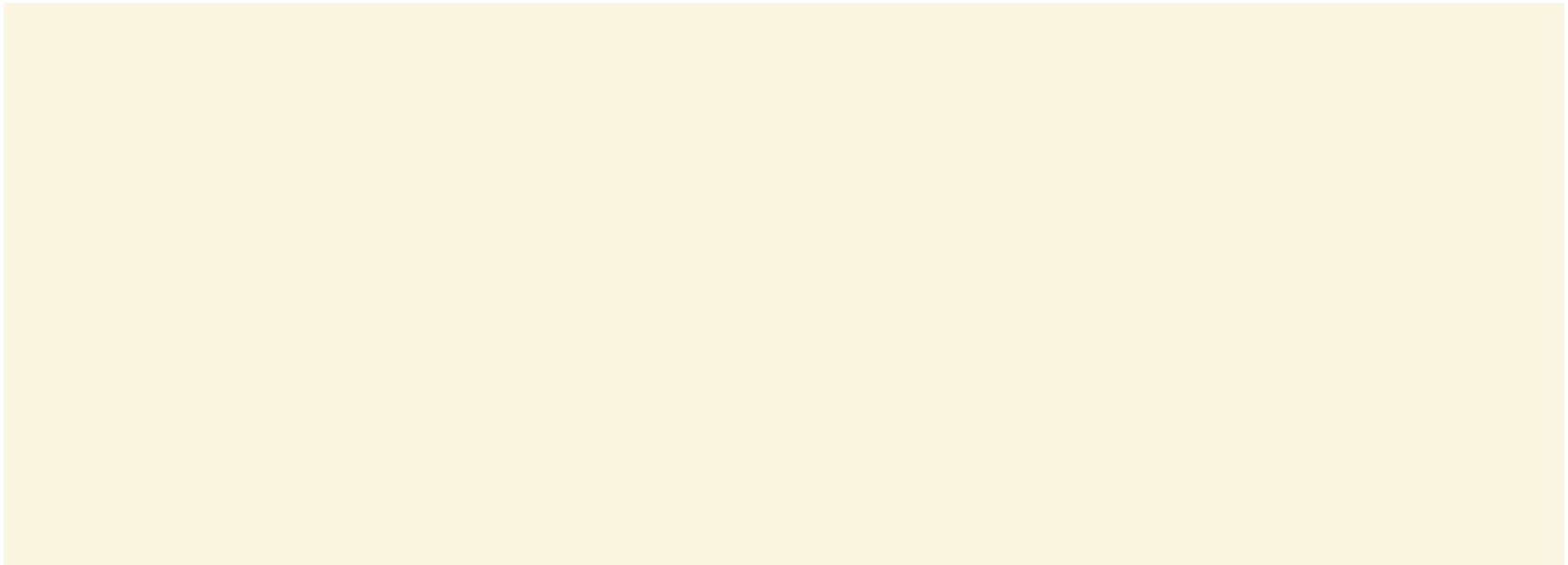


***With other donors, funders, and resource providers, we should:***



Consumers often write and share reviews about purchases from retail stores, restaurants and online shopping sites and their experiences with other professional service providers. What if people and organizations could share similar reviews about you or your philanthropic vehicle? What phrases should they ideally use? What emotions should they ideally feel? How do you want to be known in your efforts?

**What do you hope organizations or people seeking your support might say?**

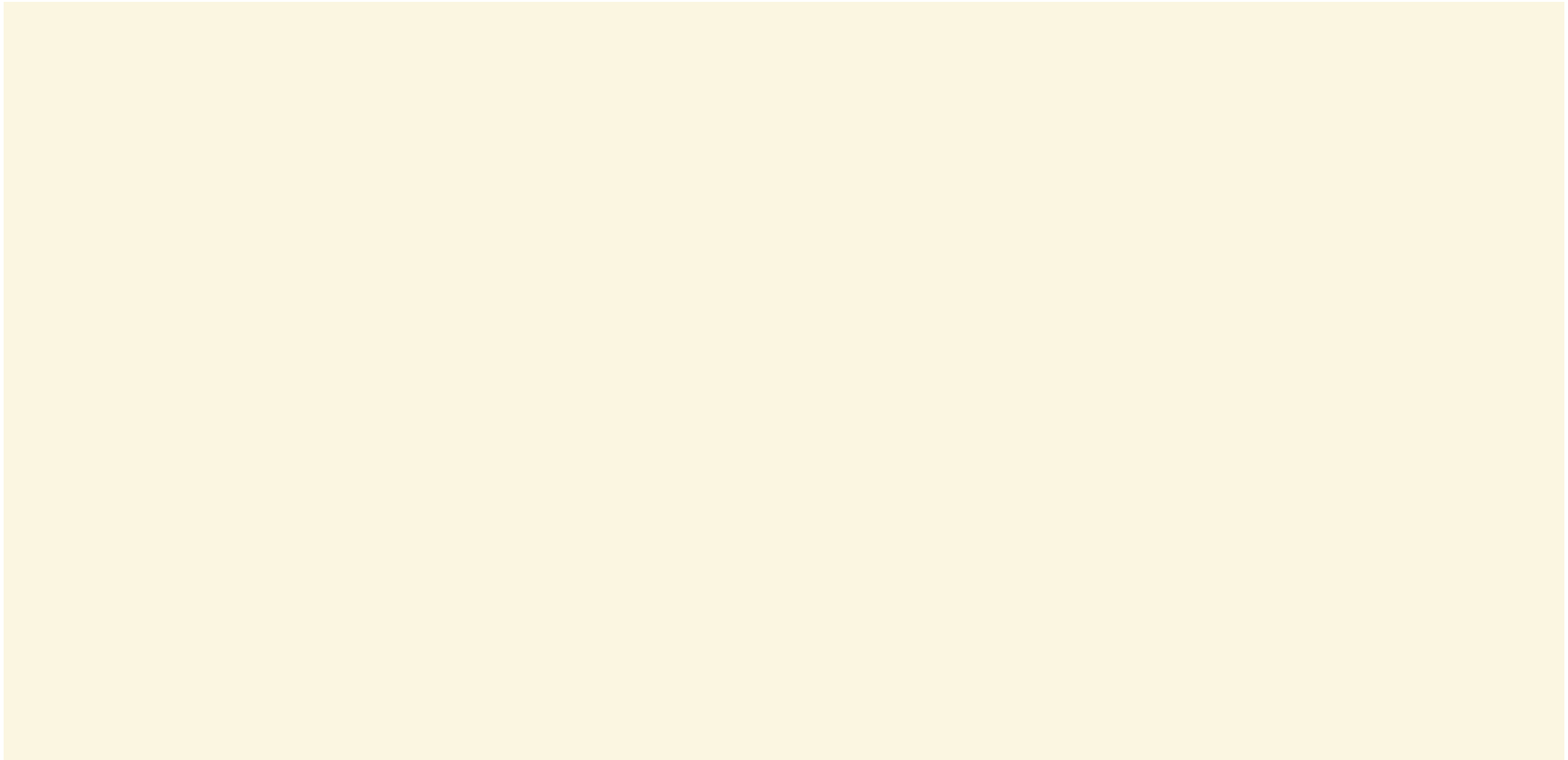


**What do you hope organizations or people receiving your support might say?**

**What do you hope other donors or funders might say about your philanthropic efforts?**



**If applicable, how do you hope they see the nature of your relationship with them as an extension of your family's legacy or company's brand?**

A large, empty yellow rectangular box intended for handwritten or typed responses to the question above.

### **Next Steps:**

Who do I want to talk with, or what more do I want to learn to clarify my philanthropic niche? How might I change my giving and volunteering in the next 12 months to focus more on the preferences I chose in this worksheet?


# Social Impact Toolkit

**Donors often start their social impact strategy by giving money to and volunteering for nonprofits. That might remain their primary work throughout their lives.**

However, many decide that they need to use other tools to increase their impact. Social impact tools use your resources (time, talent, treasure, ties, and testimony) in different ways to achieve different results. We've grouped the tools into four primary uses, based on the I2L2 framework:<sup>1</sup>

- **Impact tools** change the lives of people or animals or improve communities and environmental ecosystems. The changes are often the result of a nonprofit's activities or a social enterprise's products.
- **Influence tools** change the system—the root causes and underlying conditions that perpetuate a problem. The tools help change how people think about problems and solutions, and their willingness to do something different. They can also change practices and policies (nonprofit, business, or government), collaboration among organizations, and relationships across boundaries.

<sup>1</sup> [I2L2: Impact, Influence, Leverage, and Learning \(updated\)](#), ORS Impact, 2023

- 
- **Leverage tools** change the commitments of other individuals' and organizations' resources and align those resources toward common goals and success measures.
  - **Learning tools** change knowledge about how to approach problems and implement solutions more effectively; also develop and share that knowledge collaboratively.

You'll find a summary of the tools below and more details in comparison charts in the appendix. As you review each tool, ask yourself:

1. Given the context I've learned, how might this tool help accelerate progress in my social impact goals?
2. Am I interested in using this tool myself or in my philanthropic vehicles?
  - a. If yes: Who will do the work (e.g., me, volunteers, staff members, or consultants under my supervision)? Do my family members or advisors have skills, knowledge, relationships, or other resources they want to offer?
  - b. If no: To whom could I outsource the work, either through a gift or grant to a nonprofit, or a contract with a consultant or professional services firm?
3. What competencies and operational resources will we need to succeed?

Do the tools really work? You'll hear arguments for and against some of them. The arguments are based on people's biases about how best to support progress, their perspectives on the roles of different economic sectors, and their previous experiences with the tools. In reality, like the tools in your toolbox at home, their effectiveness is based on the user's goals, skills, and experience. Some are easy to master while others take time. And some have a small, focused impact while others have a more diffuse impact.

Note that you'll be able to use information in this chapter and the appendix to inform your choices. However, we can't provide qualified legal, tax, or financial advice. So, we highly recommend that you discuss the tools that interest you with your tax, legal, or philanthropic advisors and encourage you to talk with other donors who are using the tools.

# Tools for Impact

- **Grants** to nonprofit organizations, most often 501(c)(3) public charities.
- **Awards** such as scholarships and fellowships to benefit predefined groups of individuals; prize programs to reward the ideas and accomplishments of individuals, teams, and businesses; and grants to individuals and companies in need through specialized emergency assistance, medical assistance, or disaster relief programs. Note the IRS has higher regulations for these tools, so seek the help of knowledgeable legal or philanthropic counsel before using them.
- **Investment portfolios** aligned with your mission, values, or social impact goals. Also known as responsible, ethical, or sustainable investing, you have three primary options: screening companies and funds that don't align with your values or goals, incorporating ESG (environmental, social, and corporate governance) criteria into the process of analyzing companies, and being an active shareholder through voting on mission-aligned shareholder resolutions or engaging with company management.
- **Direct investments** in businesses, social enterprises, and nonprofits with expectations of both financial returns and social or environmental impact. The financial returns range from market rate (interest, dividends, or equity earned), to zero-percent (all money returned without interest), to only some money being returned. For foundations, direct investments are called program-related investments and mission-related investments.

## Why use them?

The tools often build on your experience in personal giving and investing. And, except for investment portfolio alignment, you can get to know the recipients, follow their progress, and perhaps offer them other support such as connections to other donors or investors.

## Who uses them?

Individual donors and all types of social impact vehicles can use these tools. However, public-policy vehicles infrequently use impact tools.

# Tools for Influence and System Change

- **Convening** to build trust, shared knowledge, and collaboration in a group of people
- **Capacity building** to help people build competencies and organizations become more effective
- **Strategic communications** to change knowledge, attitudes, or beliefs in a targeted audience
- **Nonpartisan advocacy** to influence opinions and actions through activities such as education, grassroots organizing, litigation, coalition building, and nonpartisan voter engagement
- **Lobbying** to influence pieces of legislation, public policies, elected officials, and government officials

## Why use them?

Achieving lasting impact means changing how people think about an issue and their desire and ability to work together toward better results. It might also require a change to the underlying conditions that perpetuate a problem or prevent progress toward a solution. You may hear donors call this approach systems change, getting to the root cause, or going upstream on a problem.

## Who uses them?

All types of social impact vehicles can implement convening, capacity building, strategic communications, and nonpartisan advocacy activities. The IRS highly restricts lobbying activities by charitable vehicles, so consult first with knowledgeable legal or philanthropic counsel. Donors, businesses, and public policy vehicles such as 501(c)(4)s and 501(c)(6)s have much more freedom to lobby. So, for example, a family foundation might award grants to charitable organizations which improve public education while the family members personally lobby school board members and state legislators for the same improvements.

# Tools for Leverage

- **Expanding the base** of support for a nonprofit or a cause through persuading others to give and volunteer; increasing the fundraising competencies of the nonprofit or cause
- **Resource collaboration** to organize and align resources through coalitions, public-private partnerships, or donor collaboratives
- **Responsible purchasing** to align your personal spending or the operating budget of a social impact vehicle with your values and social impact goals
- **Corporate social responsibility (CSR)** programs to involve employees, customers, and suppliers in a mission or social impact goal

## Why use them?

Many philanthropists take to heart the adage, “If you want to go fast, go alone. If you want to go far, go together.” No matter the size of resources they can dedicate to philanthropy, they know that attracting and leveraging other resources will lead to a more enduring impact.

## Who uses them?

Individual donors and all types of social impact vehicles can use tools for leverage, though CSR programs are most common in businesses.

# Tools to Promote Learning

- **Research and data** to build a case for support, track progress, and reveal gaps and inequities
- **Media** outlets, social media, and solutions journalism to deliver content and ensure a well-informed community
- **Learning networks** and communities to increase the use of research and effective practices among a group of peers
- **Evaluation capacity building** to increase partners' abilities to learn from and use data to improve their performance

## Why use them?

The context within any social issue always evolves and changes in staff can lead to losses in shared knowledge. To effectively solve problems, you, your partners, and the people most affected by tough issues need up-to-date information and the skills to use the information to make good decisions.

## Who uses them?

All types of social impact vehicles can use these tools. However, individual donors and peer-led vehicles such as mutual aid groups and giving circles often don't have the necessary time or staffing. Some philanthropists combine these with tools for influence. Many choose to outsource staffing of the tools to nonprofits or collaboratives rather than staff them internally.



# Picking Your Tools

Before starting this worksheet, review the appendix to learn more about the tools that interest you and fit the social impact vehicle(s) you’re using. Most tools will require more research to understand how best to use them and the feasibility of implementation.

In the first chart below, list tools you most want to use as an individual or couple. You can use the second chart to list tools you believe would be helpful to your family’s collaborative philanthropy.

## My Priority Tools

SOCIAL IMPACT PRIORITY OR GOAL	TOOL	HOW THE TOOL COULD HELP ACHIEVE THE GOAL	WHO MIGHT HELP IMPLEMENT IT?

SOCIAL IMPACT PRIORITY OR GOAL	TOOL	HOW THE TOOL COULD HELP ACHIEVE THE GOAL	WHO MIGHT HELP IMPLEMENT IT?

# Priority Tools for the Family’s Philanthropy

SOCIAL IMPACT PRIORITY OR GOAL	TOOL	HOW THE TOOL COULD HELP ACHIEVE THE GOAL	WHO MIGHT HELP IMPLEMENT IT?

SOCIAL IMPACT PRIORITY OR GOAL	TOOL	HOW THE TOOL COULD HELP ACHIEVE THE GOAL	WHO MIGHT HELP IMPLEMENT IT?

### Next Steps:

Who do I want to talk with, or what more do I want to learn to make decisions about using new tools for social impact?

# Develop an Assessment and Learning Plan

Effective philanthropists and philanthropic families regularly make time to step back and reflect on progress in their social impact strategy using an assessment and learning plan, which helps you identify:


- What to assess
- The principles that will guide the plan
- To whom you will be accountable
- Your goals
- Who will be involved in what roles
- How you will accomplish your goals
- How you will learn and adapt

The *Assessment and Learning* primer will help you develop plans for assessing your organization, strategy, partners such as grantees, and the impact you're all working toward.

Effective philanthropy is a process of continual learning. We assess so we can learn. We learn so we can improve. And, in turn, we improve so we can make a bigger difference. So, the assessment process brings the social impact strategy full circle. You'll use what you learn to revisit your vision, discover more context, and then refine your role, which in turn will allow you to adjust your priorities, goals, tools, and vehicles. With a continuous cycle of implementing, learning, and adapting, you'll make the best uses of your philanthropic resources and potentially find new ways to involve family members in an effective and meaningful strategy.



# Create Your Strategy



**You've outlined your purpose and vision for impact, the context in which you will work, the role you wish to take as a funder, and the resources and tools you'll use. Now you'll combine those elements to shape your strategy, or your roadmap to success.**

Your strategy can take many forms—a one-page description, a multi-slide deck, or even a video. It can cover just one of your philanthropic priorities or all of them. It can be high-level or detailed. What's important is that it clearly describes the priorities—or pillars—of your work, the goals you hope to achieve for each, the activities and tools that will help you achieve those goals, and the indicators of how successful you are in doing so.

For example, let's see how the fictional Smith family created their philanthropic strategy. Following the framework on page 6, they first defined their vision and priorities. As they learned the context, they began to define the family's roles and prioritized the resources and tools they wanted to use to address needs and opportunities. They asked themselves how their desired role, resources, and tools related to each other—and how they might effectively support collective progress in ways that others may not be able to. They also identified the outcomes that would help them measure success—the definable results of their investments and partnerships. So far, they've outlined a strategy for their economic development priority. They're still developing strategies for their other priorities.

## The Smith Family Foundation Strategy

- VISION:** We envision a future where our state's rural communities are vibrant, healthy centers that allow their residents to thrive.
- CONTEXT:** Young people are leaving the area for higher education and not returning. There is little local funding for community colleges or investment in small businesses. The economy is suffering, but new state legislators seem more open to pushing for additional rural funding in the state budget.
- PRIORITIES:** We think we can have the greatest impact by expanding rural economic development, post-secondary education access, and rural access to high-quality healthcare.

### Our Roles:

- We can contribute financial resources (treasure) as well as significant networks (ties) that can bring awareness and influence (testimony) to the issues.
- We want to be highly collaborative, and we want our work to be highly visible.
- Our giving styles gravitate toward civic engagement and innovation.



## The Smith Family Strategic Framework

Vehicle	Social Impact Tool(s)	Activities/Approaches	Financial Commitment	Progress and Success Measures	Long-Term Goal or Result
<b>The family</b>	Personal actions	<ul style="list-style-type: none"> <li>• Meet with state legislators to encourage more resources for rural areas</li> <li>• Bring other local business leaders to meetings</li> </ul>	<ul style="list-style-type: none"> <li>• At least \$2,500 annual gift to the local Innovation District and the Rural Development Advocacy organization</li> <li>• Estate gift to the State University Rural Business Innovation Fellowship</li> </ul>	A five-fold increase in government resources dedicated to supporting local businesses and creating affordable housing	<b>Increase resources invested in the poorest rural areas</b>
<b>Smith Family Foundation</b>	Grants	<ul style="list-style-type: none"> <li>• Find grantees that understand the local context</li> <li>• Give multi-year, general operating grants</li> </ul>	<ul style="list-style-type: none"> <li>• \$200,000 in grants annually (about one-third of our budget)</li> </ul> <p>Note: Spend more if we can help leverage the \$1 million grant from the National Bank Foundation</p>	An increase in community college acceptance and graduation rates	

Vehicle	Social Impact Tool(s)	Activities/Approaches	Financial Commitment	Progress and Success Measures	Long-Term Goal or Result
<b>Smith Family Foundation</b>	Data and storytelling	<ul style="list-style-type: none"> <li>• Commission research publications</li> <li>• Jim and Mary help present the research at the annual State of the Region luncheon and amplify it using their networks</li> </ul>	~\$25,000 from the operating budget	More young adults see the region as a desirable place to settle and raise a family	<b>Increase resources invested in the poorest rural areas</b>
<b>The family and the foundation</b>	Impact investments	Establish an investment fund for rural business expansion and rural innovation	\$5MM	Investees achieve benchmarks articulated in their business plans; investments achieve market-rate returns	

Your strategy may look more streamlined or more complicated than the Smith family's. You may want to start with one priority or pillar, tool, or vehicle and learn from the experience before adding to your strategy. What's important is that you have set goals that reflect who you are as a funder, the needs of the communities you serve, and the aspirations that inspire you and your family.

# Different Budgets for Different Purposes

Donors and philanthropic families often realize the need for flexibility with their philanthropy. So, they establish budgets or budget ranges for different purposes. Common purposes include:

- **Strategic:** Funding to achieve one or more priorities. A priority might be related to a targeted population or issue (e.g., preserving wetlands in the Midwest), a style of funding (e.g., research fellowships in US history or innovation grants), and/or strengthening organizations (e.g., grants for strategic planning or evaluation).
- **Responsive:** Responding to requests from the broader community, from friends and advisors, or to support emergency grants or disaster relief.
- **Legacy:** Supporting one or more organizations that hold meaning to the family (e.g., a hospital unit or public park created by and named after the family, or a congregation or community center where the family gathered).
- **Discretionary:** Allowing board members or other family members to direct grants to organizations of their choice, with the entire board approving the grants by consent.
- **Next Generation:** Giving a group of younger family members a budget for grants as a means of learning about grantmaking processes, group decision making, and family history and values.

# Social Impact Strategy

Use this worksheet to outline the essential elements of your social impact strategy—your roadmap for being more intentional with your resources and impact. It might be enough to guide your philanthropy, or you might use it to write or revise a more formal strategy document.

## 1. Resources

Use this chart to estimate how much of your financial resources you want to dedicate to each purpose (not all may apply). Many donors use percentage ranges as they do in an investment policy.

	COMBINED PERSONAL GIVING	VEHICLE 1: _____	VEHICLE 2: _____
Strategic Priority 1: _____			
Strategic Priority 2: _____			
Strategic Priority 3: _____			
<b>Responsive or Flexible</b> (budget to direct to emergent issues or events)			
<b>Next Generation</b> (budget for younger members)			

	COMBINED PERSONAL GIVING	VEHICLE 1: _____	VEHICLE 2: _____
<b>Legacy</b> (budget for organizations historically important to the family)			
<b>Discretionary</b> (budget for members to direct to their own interests)			
<b>Other</b>			

## 2. Strategies

Use these tips as you complete the worksheet:

- **Priority:** The worksheet has space for three philanthropic priorities or pillars (e.g., issues, populations, places, ideals, or institutions) from the worksheet on page 16. You can make copies for additional priorities.
- **High-Level Context:** Write highlights from the Understanding Context worksheet on page 22, prioritizing those that will most influence your priority in the next year.
- **Relationship Goals:** Write four to five names from the inner and middle squares of the diagram on page 35 and the types of relationships you want to maintain or develop in the next year.
- **Resource Allocations:** The vehicle column could include your personal giving and volunteer time alongside a vehicle such as a foundation or business. The social impact tools will come from the Picking Your Tools worksheet on page 47. The financial commitment could be an estimated budget range in dollars or a percentage of a total budget. And the progress and success measures will come from the Understanding Context worksheet.

## Priority

Overall Goal or Desired Result	
High-Level Context	
Relationship Goals	
Role(s)	
Initial Assessment & Learning Goals	
Other Notes	

## Ideal Annual Implementation

Vehicle	Social Impact Tool(s)	Activities or Approaches	Financial Commitments	Progress or Success Measures

## Priority

Overall Goal or Desired Result	
High-Level Context	
Relationship Goals	
Role(s)	
Initial Assessment & Learning Goals	
Other Notes	

## Ideal Annual Implementation

Vehicle	Social Impact Tool(s)	Activities or Approaches	Financial Commitments	Progress or Success Measures

## Priority

Overall Goal or Desired Result	
High-Level Context	
Relationship Goals	
Role(s)	
Initial Assessment & Learning Goals	
Other Notes	

## Ideal Annual Implementation

Vehicle	Social Impact Tool(s)	Activities or Approaches	Financial Commitments	Progress or Success Measures



### 3. Managing the Strategy

**Think about managing the strategy in the next year or two.**

What new information  
might you need to  
feel more confident in  
your choices?

What new expertise  
or operational  
capabilities might  
you need to feel more  
effective in  
your choices?


Who do you want  
to contact to learn  
more?

# Next Steps

Fundamentally, effective family philanthropy is about becoming more intentional. You may have started your journey toward intentionality by using the *Philanthropic Purpose* primer, or similar resources, to define motivations, values, priorities, giving style, and a purpose statement. Those elements of purpose will serve as a baseline of your strategy.

In this primer, you have the opportunity to outline a more detailed strategy for intentional social impact. We may have introduced you to new ideas and tools, but you don't have to be overwhelmed. Keep in mind these tips as you develop a strategy:

- **Rightsize.** The strategy framework is flexible. Start by sketching out a few new details of your strategy and do one or a few new things well. Then, add more layers as you have more time, people, or resources to dedicate to your strategy.
- **Stay curious.** No strategy will be perfect or finished. The context within your social impact goals will change and there will often be many right answers to questions and many useful approaches to problems. Maintaining a culture of continuous learning and improvement will ensure your strategy remains relevant.

- 
- **Focus on areas of family agreement.** It is natural for family members' interests in strategies, results, and preferred tools to differ. Their age, personal experience, professional journeys, and other factors influence how they think about improving the world. Try to focus the family's strategy on the areas with the most shared purpose and interest, and push everything else to members' personal giving or philanthropic vehicles.

Lastly, your strategy decisions might inspire changes to governance, social impact vehicles, and operational needs. You might need to revisit your choices in other Family Giving Lifecycle primers.

# Social Impact Strategy 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 playbook will help you and your family document a social impact strategy for your collective philanthropy. The prompts will help you synthesize the information you individually completed using the primer's worksheets.**

No strategy is ever perfect or finished—strategies are meant to be iterative as your family tries different approaches and learns new context. So, family members should consider the playbook a living draft to test and revisit over time. Some language will be imperfect and some answers might be “to be determined.”

Before you begin, clarify:

- 1. Who will be involved?** In some families, a founding or controlling generation member completes a draft to discuss with the family. Other families develop a draft together or form a small group to do so. Larger families and families with more complex or diverse strategies might involve a philanthropic advisor or consultant in helping them weigh options.
- 2. How you'll make decisions.** For instance, will you work toward consensus or take votes? If you need help with the choices, review the *Fundamentals of Family Philanthropy* primer.
- 3. Background information needed.** Ensure everyone involved can access materials related to your philanthropic purpose (e.g., values, principles, mission, donor intent, legacy letter), the founding of your social impact vehicles (e.g., bylaws or fund agreement), and your social impact strategy.



## Guiding the Conversation

If you have multiple people involved in completing the playbook:

- First compiling everyone's top three to five answers and then discussing that list can be helpful. Verbally acknowledge both similarities and differences, taking care to respect family members' unique personalities and experiences.
- Ask about the assumptions and stories behind people's decisions. Their answers might be based on personal experiences that may not apply to your shared strategies.
- When in doubt, return to your shared why (your values, principles, vision, or mission) which can be more important than the how of the strategy.
- Focus on what feels rightsized—the strategies and social impact tools that are both effective and efficient without sacrificing quality, accountability, or social impact.

# Guiding Principles for Collaborative Work<sup>2</sup>

Consider these tips from other families who have been through similar experiences:

- **Be more inclusive than less.** Welcome children, their spouses, and future decision-makers into dialogue early and often to ensure their support later.
- **Take your time.** It will take multiple conversations to create your plan. A successful process gives everyone time to tell their stories, listen and learn from each other, and adjust based on what they're hearing. It also offers time to bring in new ideas—stories, articles, conversations with other families or experts—that can help family members more comfortably answer the worksheets.
- **Concentrate on the areas of most agreement.** It is natural for family members' interests to differ, based on factors such as their educational and professional backgrounds, trust in nonprofits and communities, and time available. Try to direct conversations to a plan focused on shared goals and then determine if you want to help individual family members pursue other goals through their personal philanthropy or social impact vehicles.
- **Talk with other families.** It can help 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 plans and to meet other families.
- **Be transparent.** Consider sharing the essentials of your assessment and learning plan with partners such as grantees, collaboration participants, and other funders. Doing so supports healthy relationships and greater accountability.

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

# Shared Social Impact Strategy

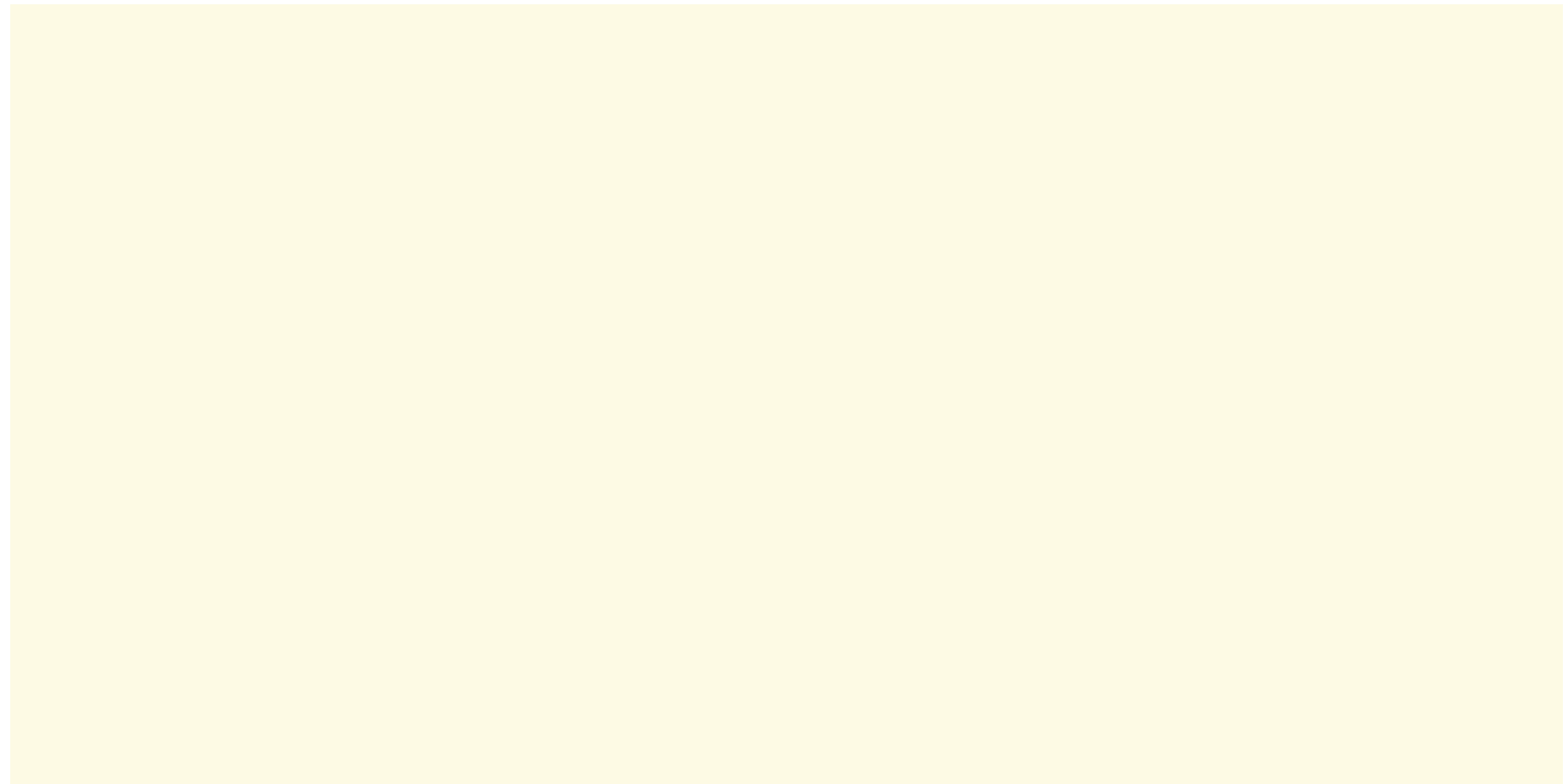
This strategy outlines how we benefit others with our collective philanthropy. It is a living draft to test as our family works together. As such, some language will be imperfect, and some answers might be “to be determined.” We’ll revisit and refine the choices over time.



# 1. Purpose, People, and Roles

These ideas and people will guide our strategy.

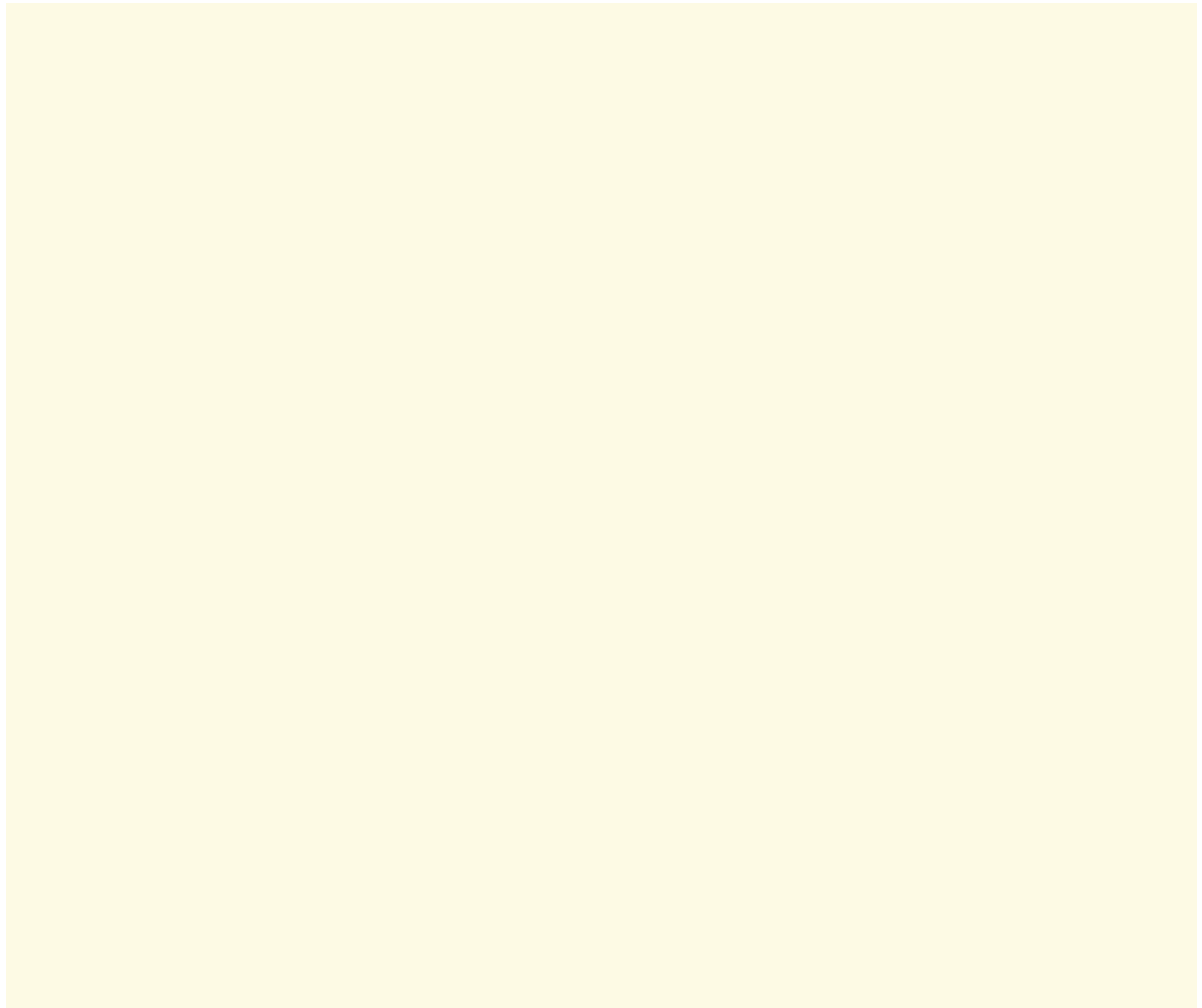
## Guiding values and principles



## SHARED SOCIAL IMPACT STRATEGY PLAN

### Purpose statements

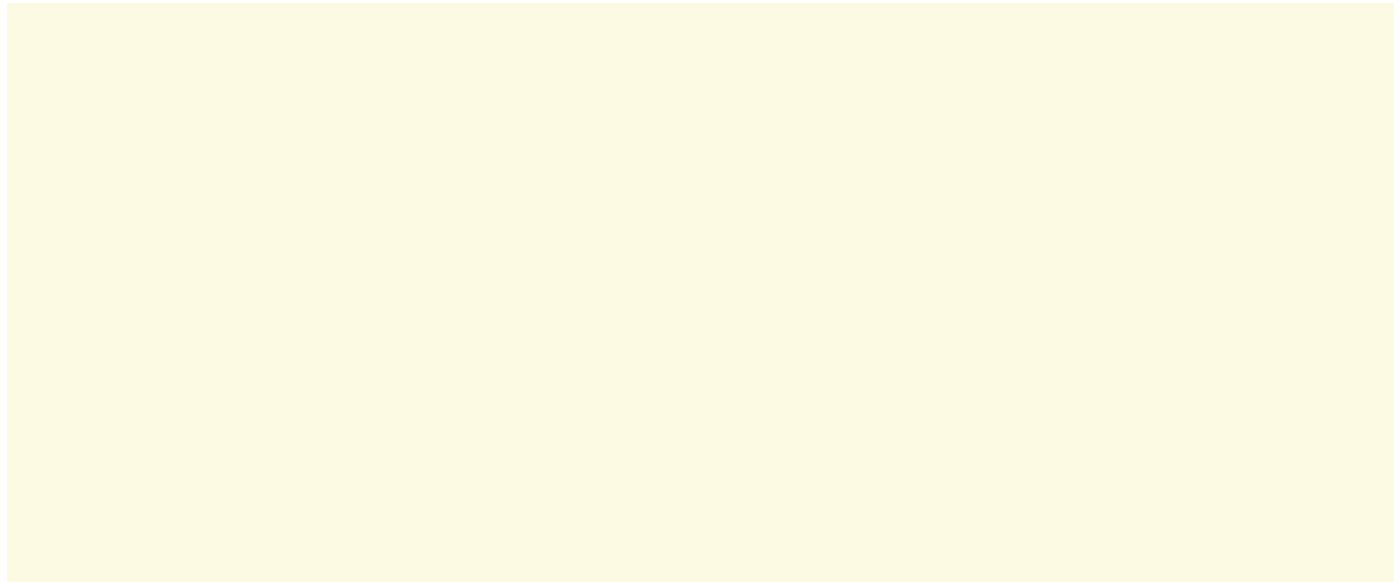
Our vision, mission, donor intent, or other statements guiding our philanthropy



## SHARED SOCIAL IMPACT STRATEGY PLAN

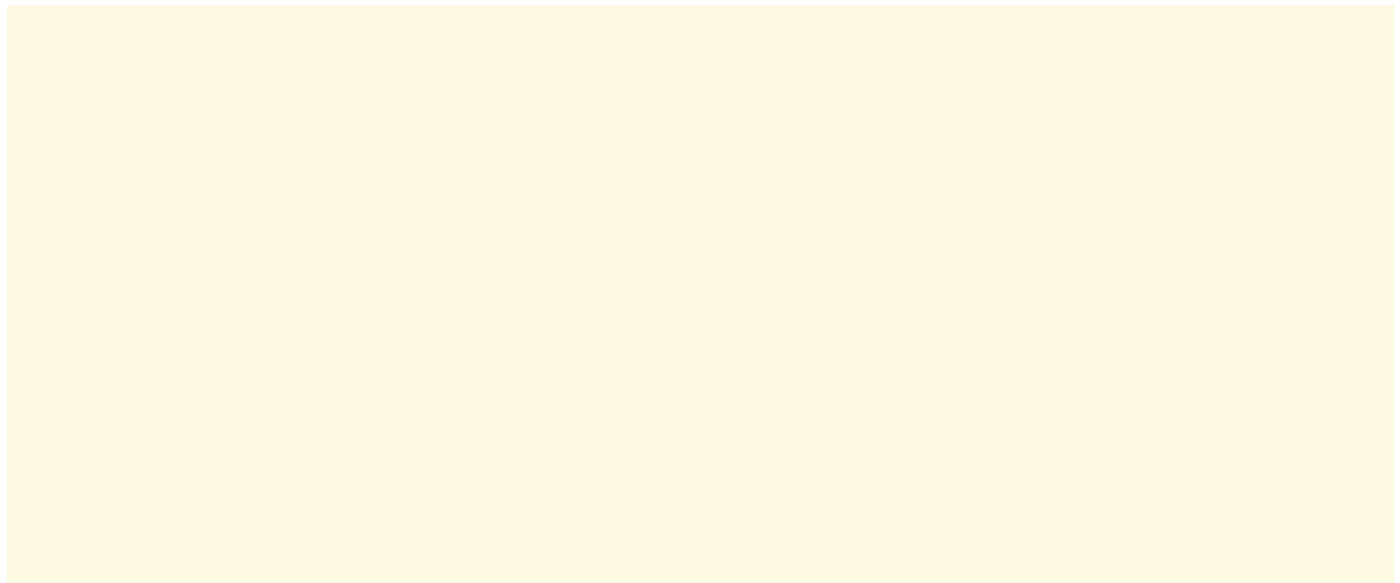
### Deciders

People who will make final choices about strategy

A large, empty yellow rectangular box intended for notes or input related to the Deciders role.

### Advisors

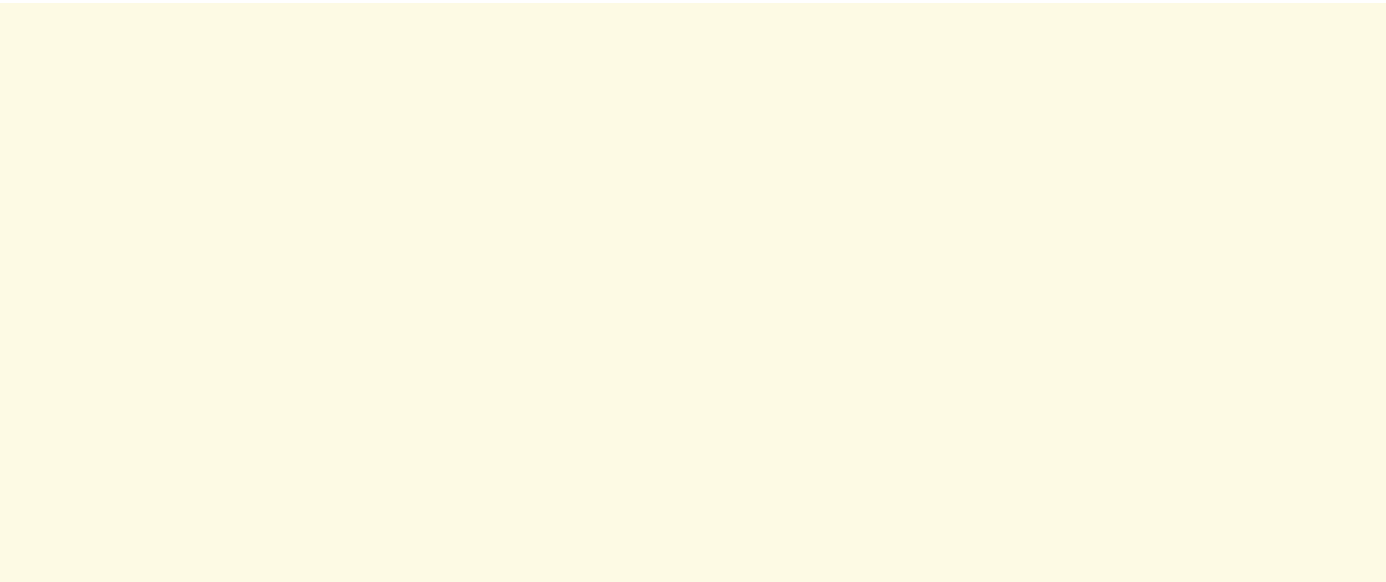
People who will help shape the direction of our strategy decisions

A large, empty yellow rectangular box intended for notes or input related to the Advisors role.

**SHARED SOCIAL IMPACT STRATEGY PLAN**

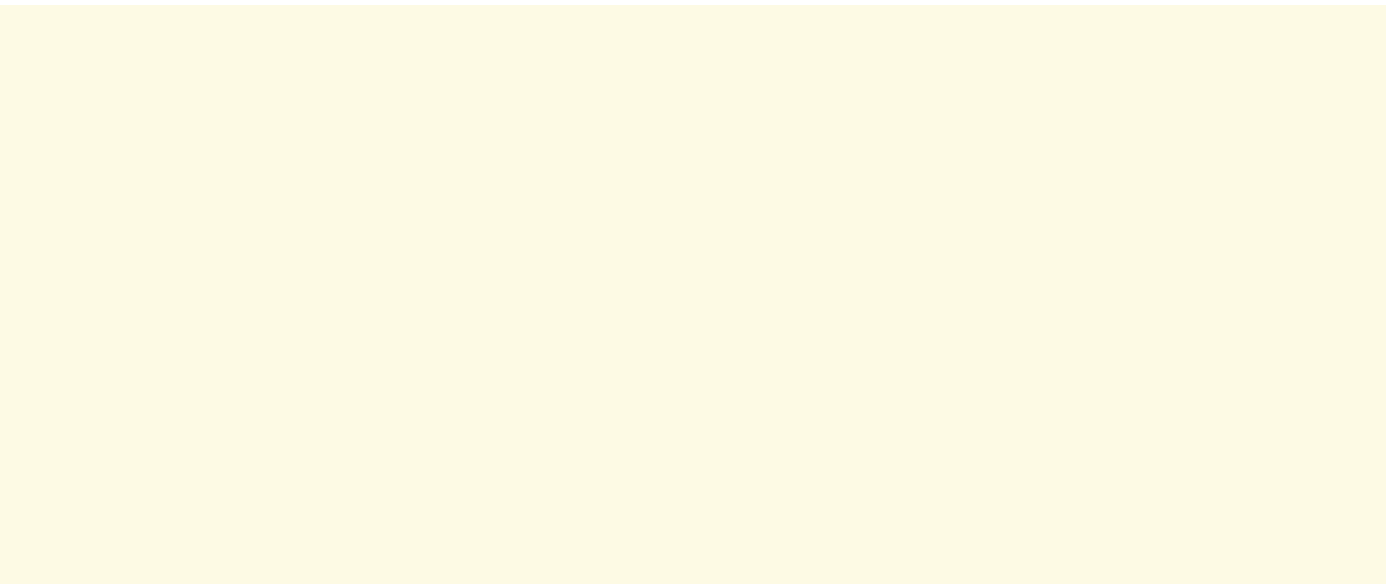
**Recommenders**

People who will help us  
analyze our options

A large, empty yellow rectangular box intended for listing individuals or groups who will help analyze options.

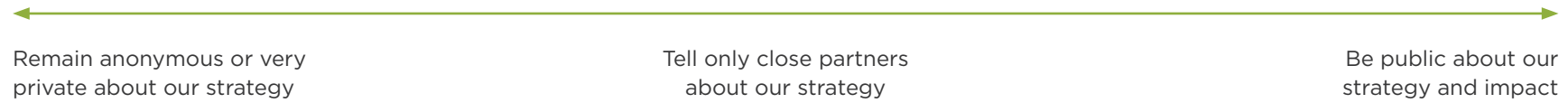
**Implementers**

People who will understand  
the operational implications  
of our choices

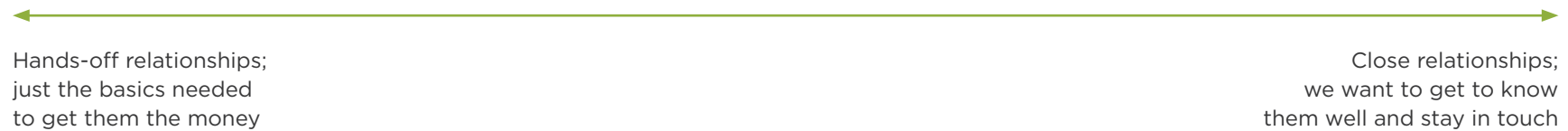
A large, empty yellow rectangular box intended for listing individuals or groups who will understand operational implications.

## SHARED SOCIAL IMPACT STRATEGY PLAN

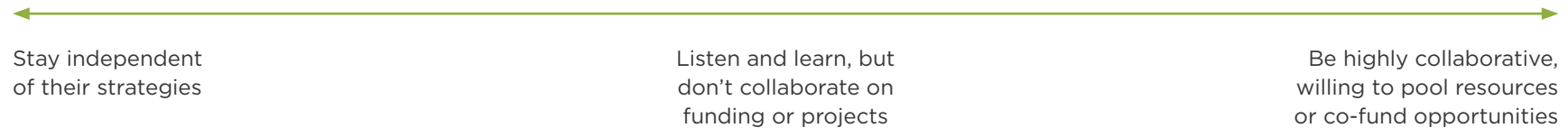
***Our values, legacy, and/or donor intent call us to:***



***With organizations or individuals requesting support, we should have:***



***With other donors, funders, and resource providers, we should:***



## 2. Budgeting Our Resources

This chart outlines how we hope to prioritize our financial resources for our strategic priorities and other purposes (not all lines may apply).

	COMBINED PERSONAL GIVING	VEHICLE 1: _____	VEHICLE 2: _____
Strategic Priority 1: _____			
Strategic Priority 2: _____			
Strategic Priority 3: _____			
<b>Responsive or Flexible</b> (budget to direct to emergent issues or events)			
<b>Next Generation</b> (budget for younger members)			
<b>Legacy</b> (budget for organizations historically important to the family)			
<b>Discretionary</b> (budget for members to direct to their own interests)			
<b>Other</b>			

### 3. Philanthropic Priorities or Goals

<b>Philanthropic Priority or Goal 1</b>	
---	--

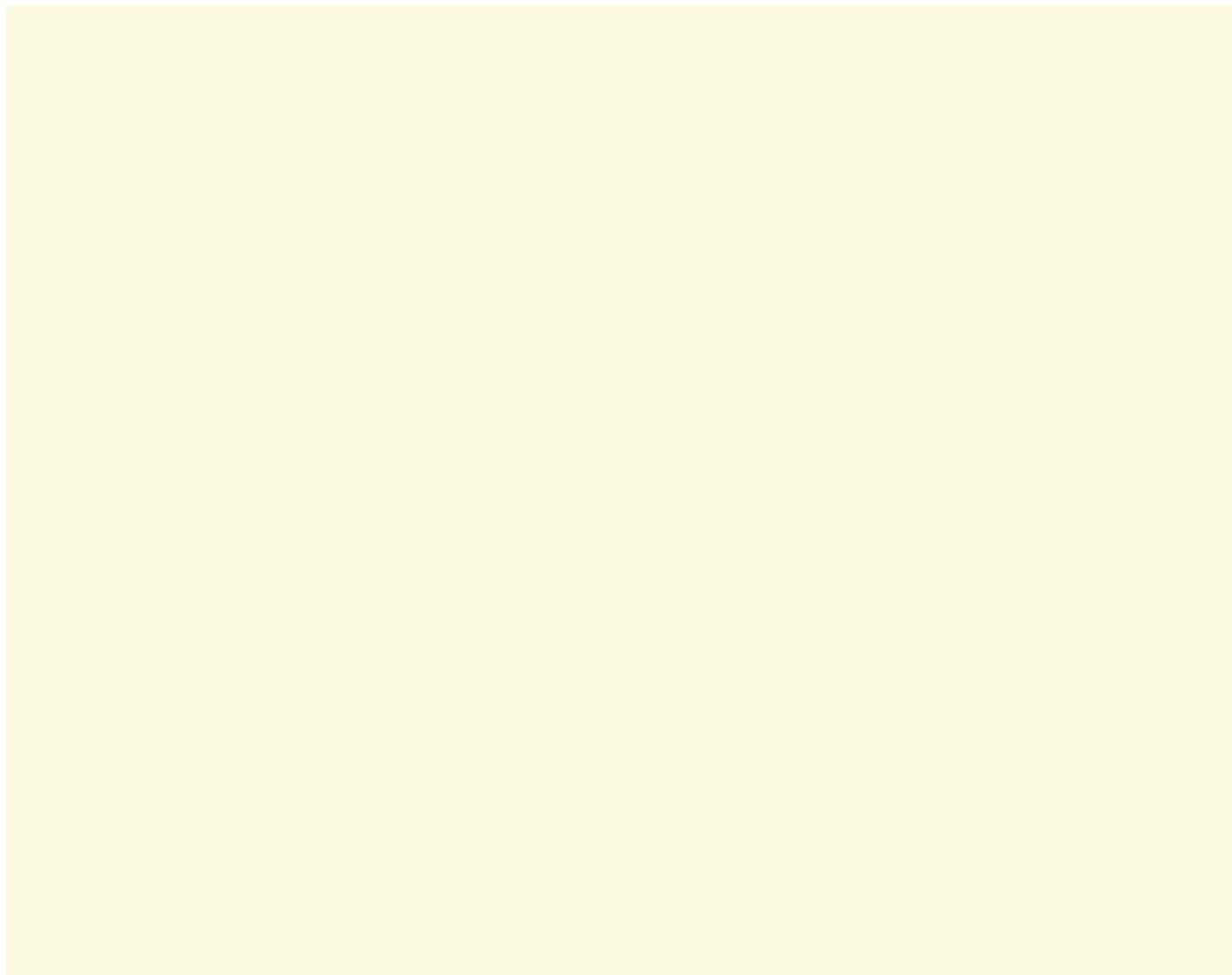
Progress or Success Measures

Measure 1:	Measure 2:	Measure 3:
What are the trends and why are they happening?	What are the trends and why are they happening?	What are the trends and why are they happening?

## SHARED SOCIAL IMPACT STRATEGY PLAN

### Context

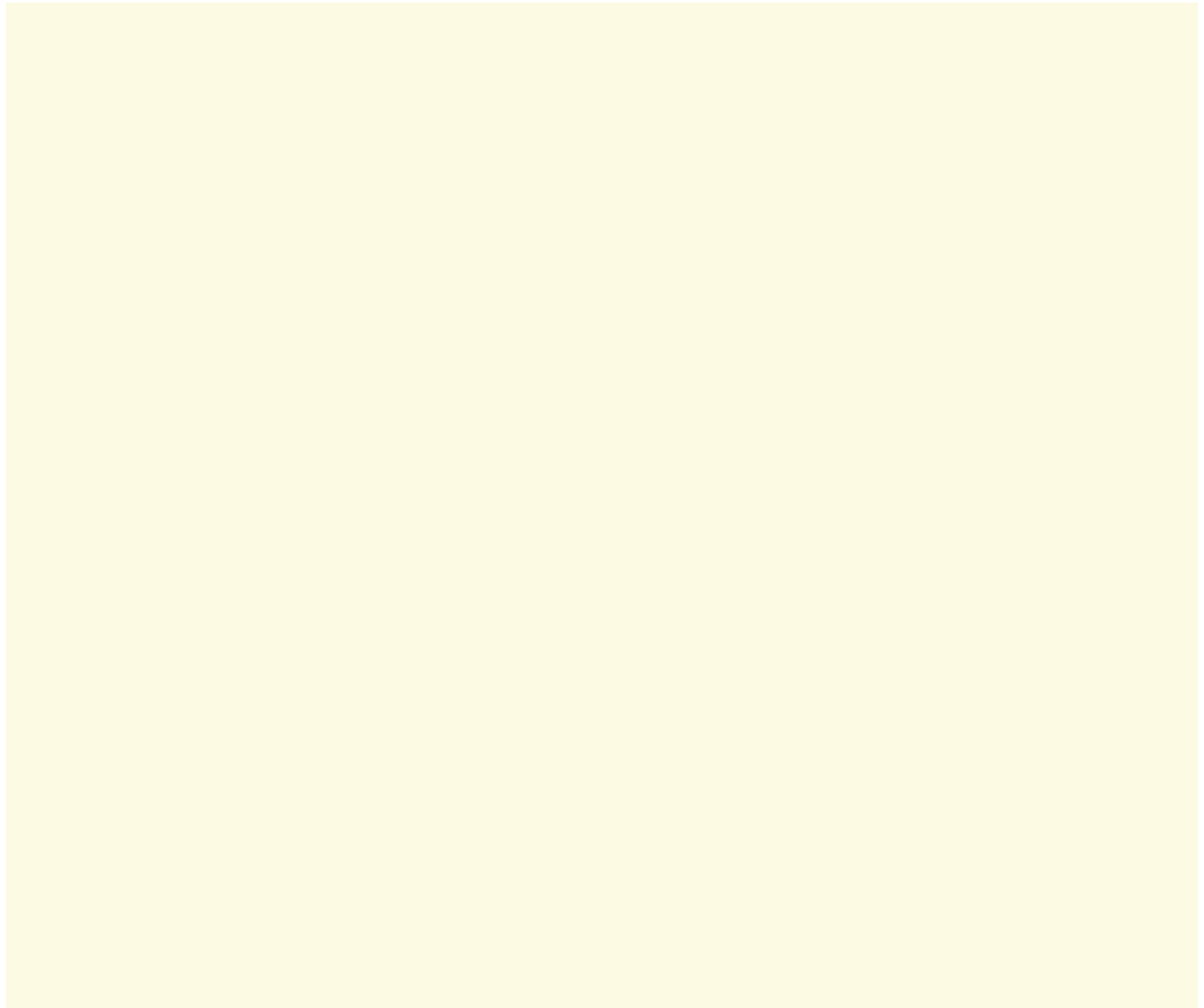
Who needs more support in working toward the goal?

A large, empty yellow rectangular box, likely intended for handwritten notes or additional context related to the question posed above it.



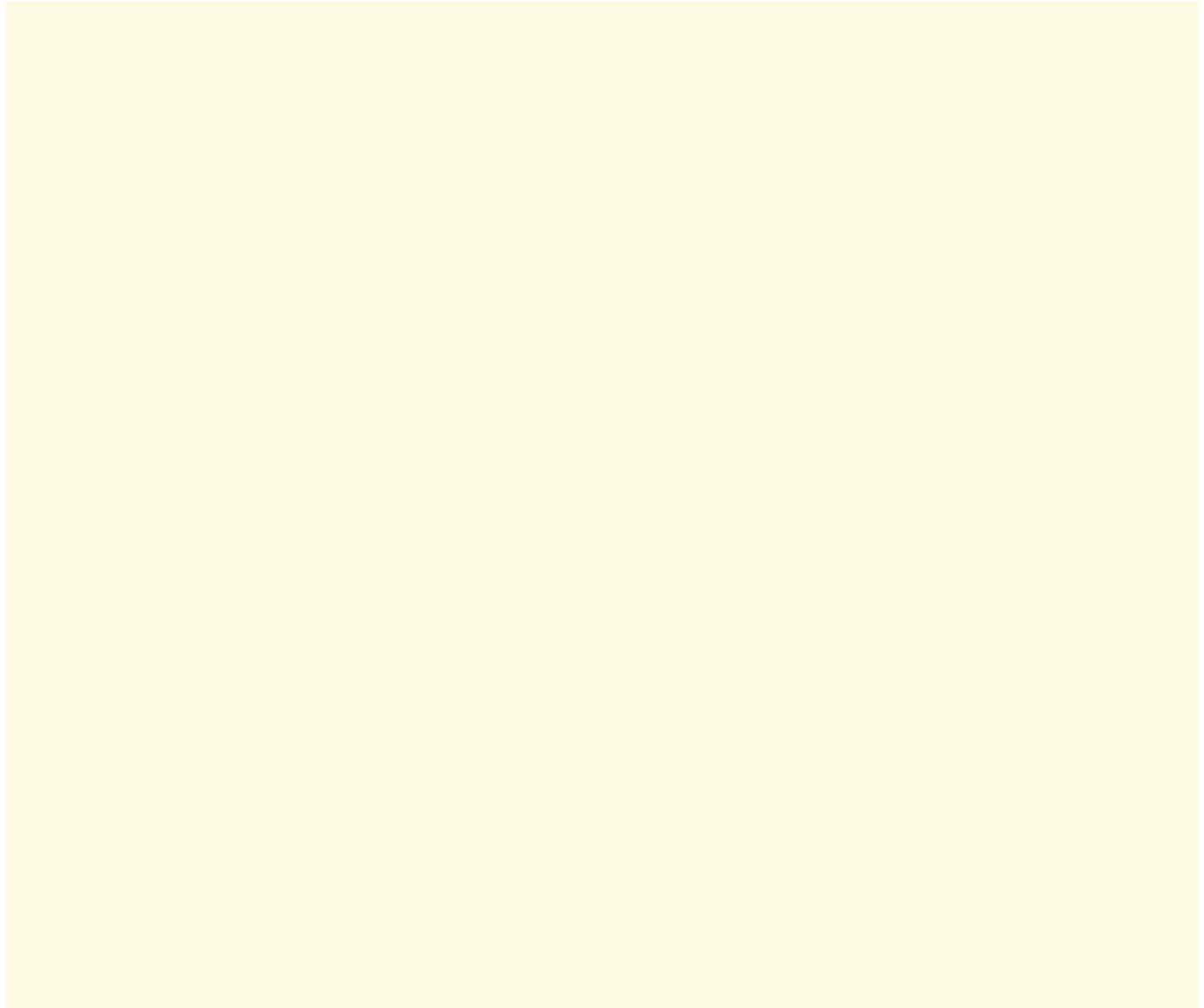
## SHARED SOCIAL IMPACT STRATEGY PLAN

What approaches are effective or promising?



## SHARED SOCIAL IMPACT STRATEGY PLAN

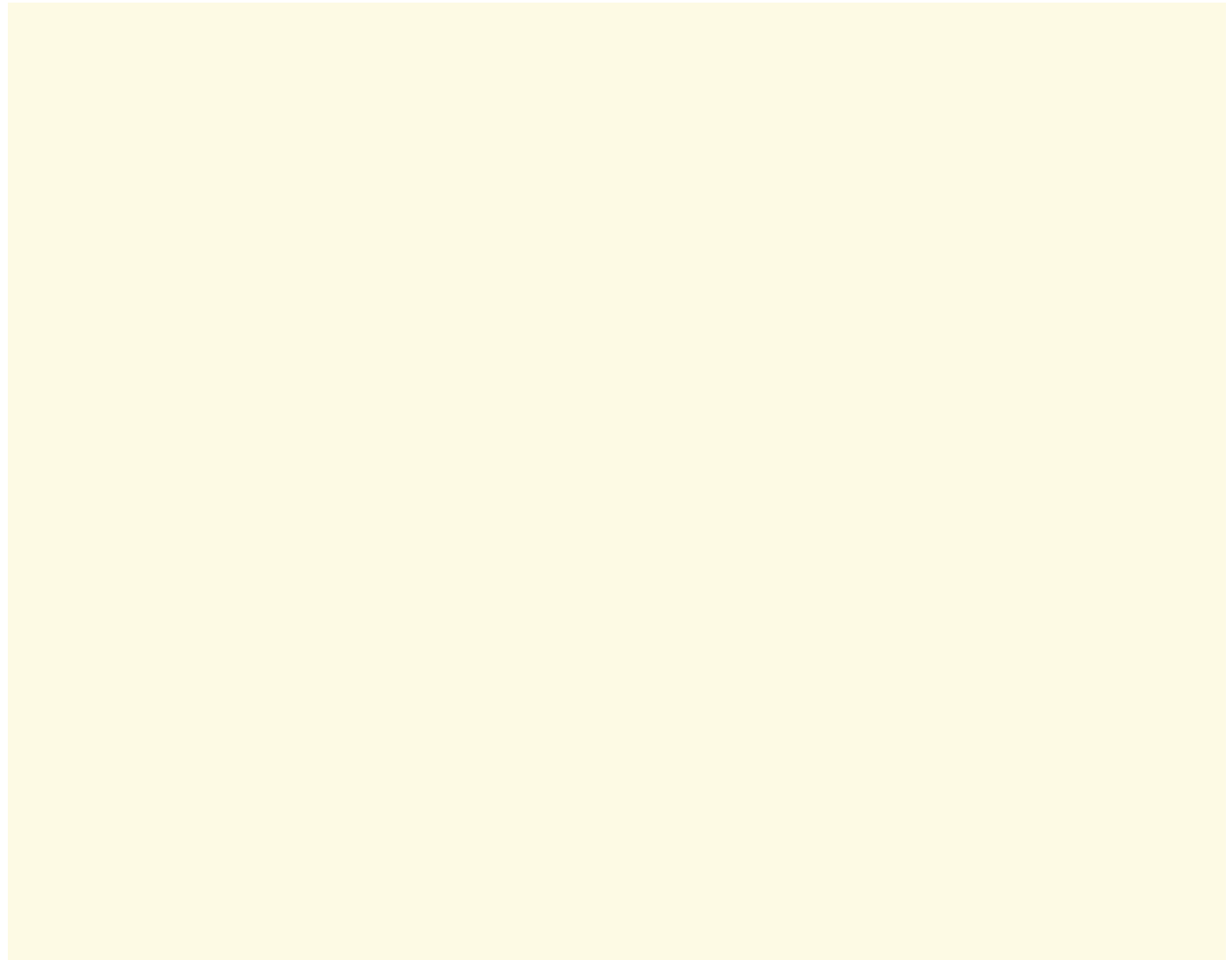
Who has been opposing  
the goal?



## SHARED SOCIAL IMPACT STRATEGY PLAN

### Relationships

What are the important relationships for us to maintain?



## SHARED SOCIAL IMPACT STRATEGY PLAN

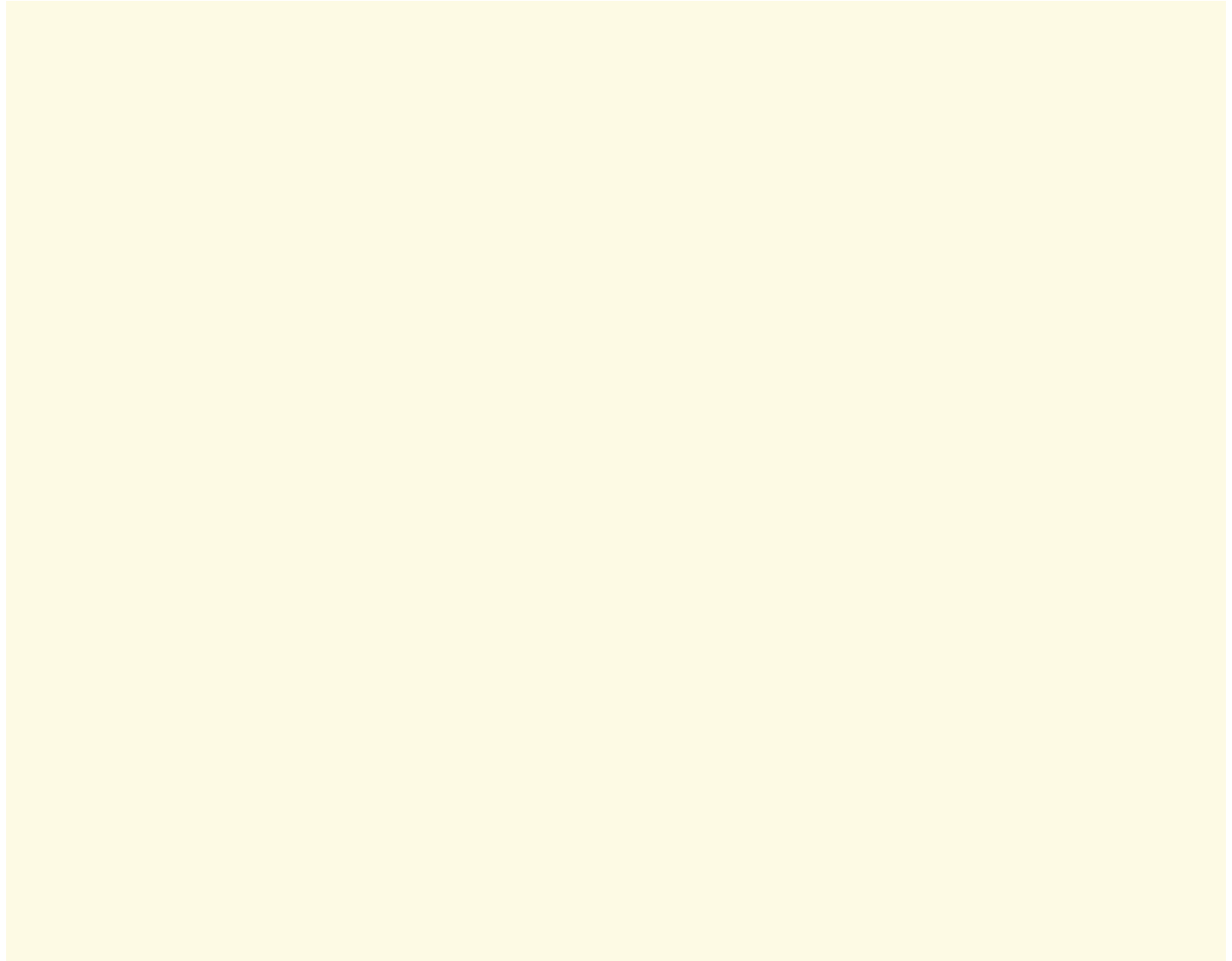
What new relationships do we want to develop?

A large, empty yellow rectangular box, likely intended for users to write their answers to the question 'What new relationships do we want to develop?'. The box is a solid, light yellow color and occupies the right two-thirds of the page.

## SHARED SOCIAL IMPACT STRATEGY PLAN

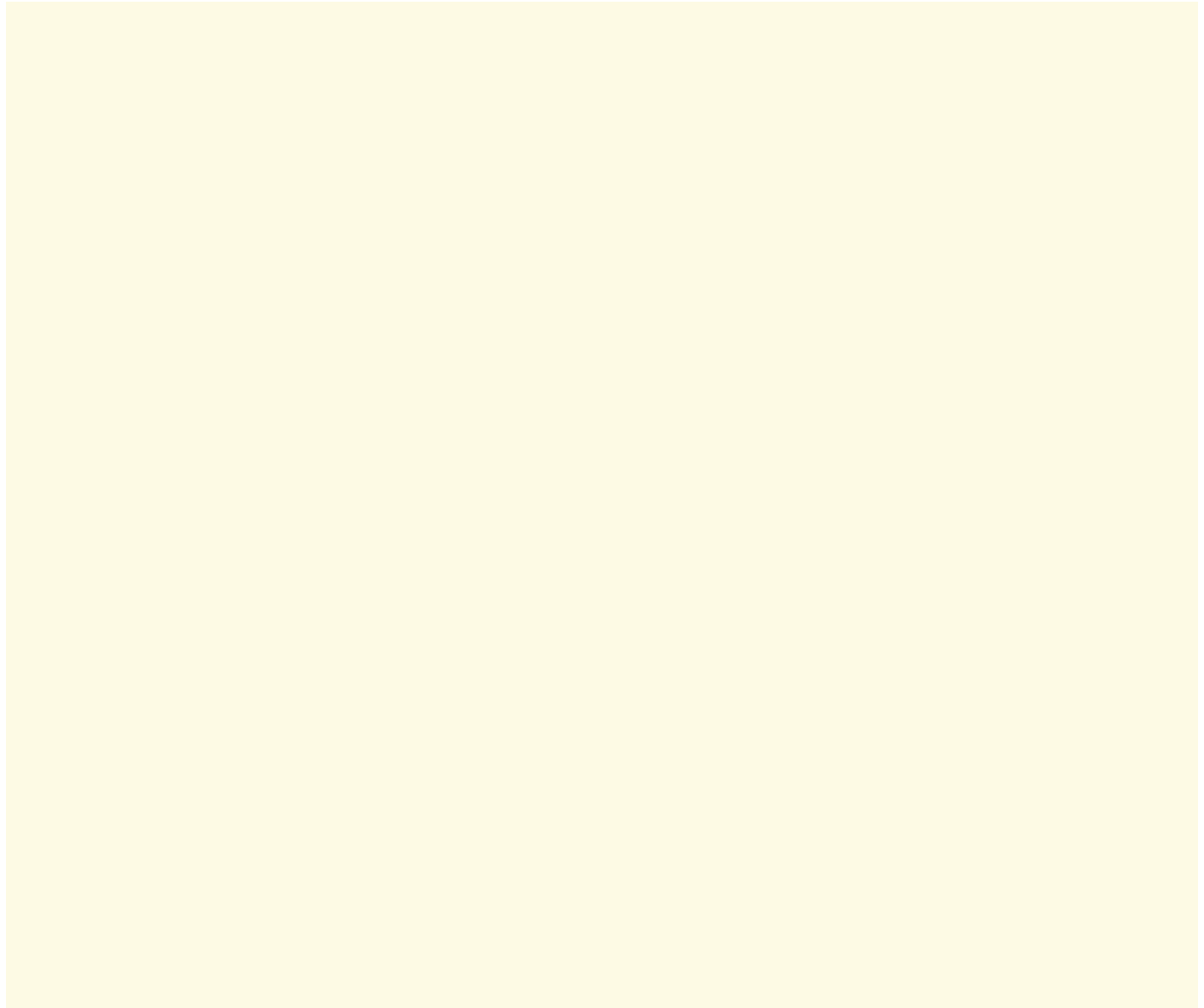
### Social Impact Tools

What social impact tools  
will we use in the next  
year or two?

A large, empty yellow rectangular box, likely intended for users to write their answers to the question about social impact tools.

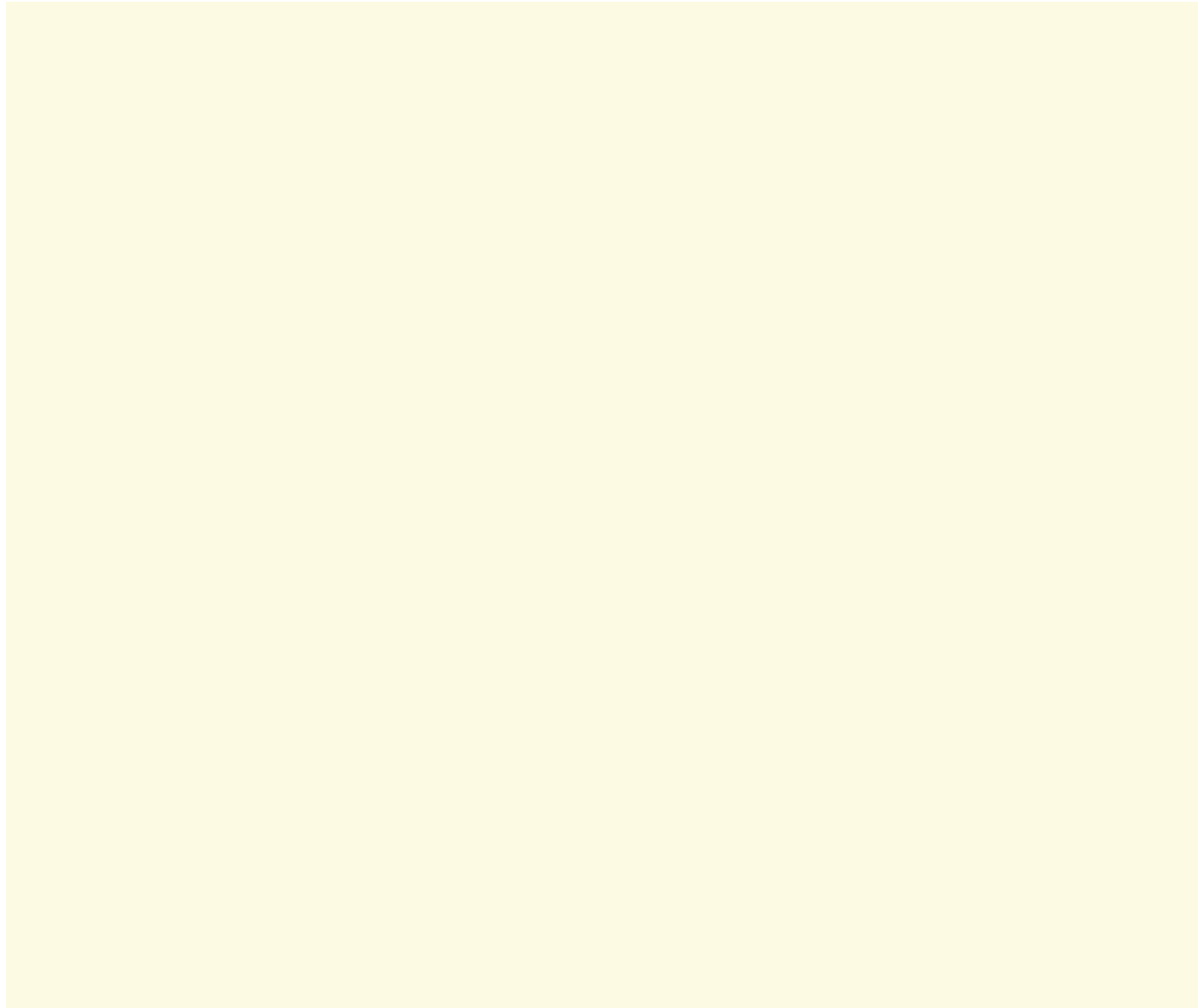
## SHARED SOCIAL IMPACT STRATEGY PLAN

Why are they important to our family and our priorities?

A large, empty yellow rectangular box intended for a shared social impact strategy plan.

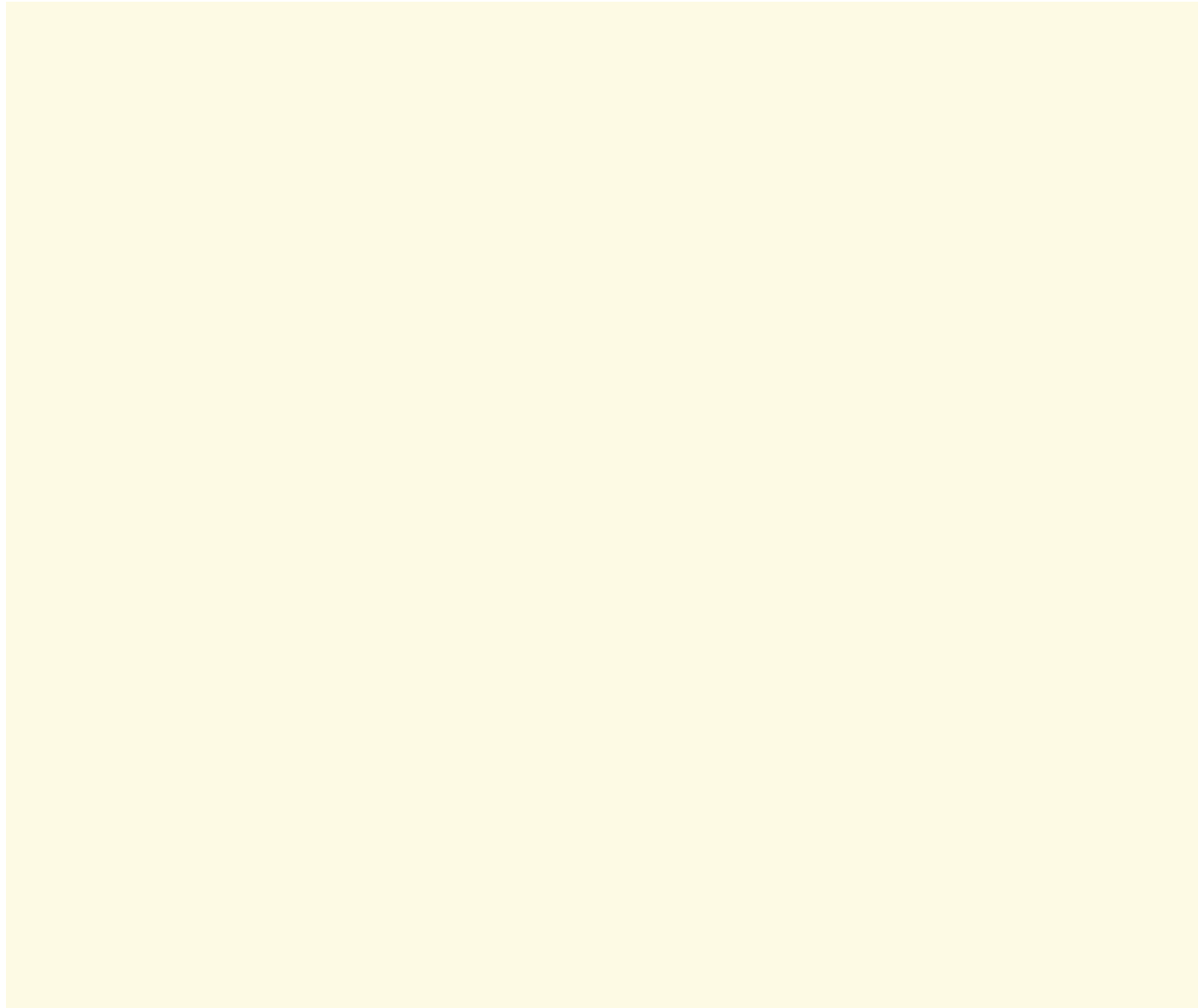
## SHARED SOCIAL IMPACT STRATEGY PLAN

What social impact tools  
do we want to explore for  
potential use later?



## SHARED SOCIAL IMPACT STRATEGY PLAN

Why might they be important to our family and our priorities?





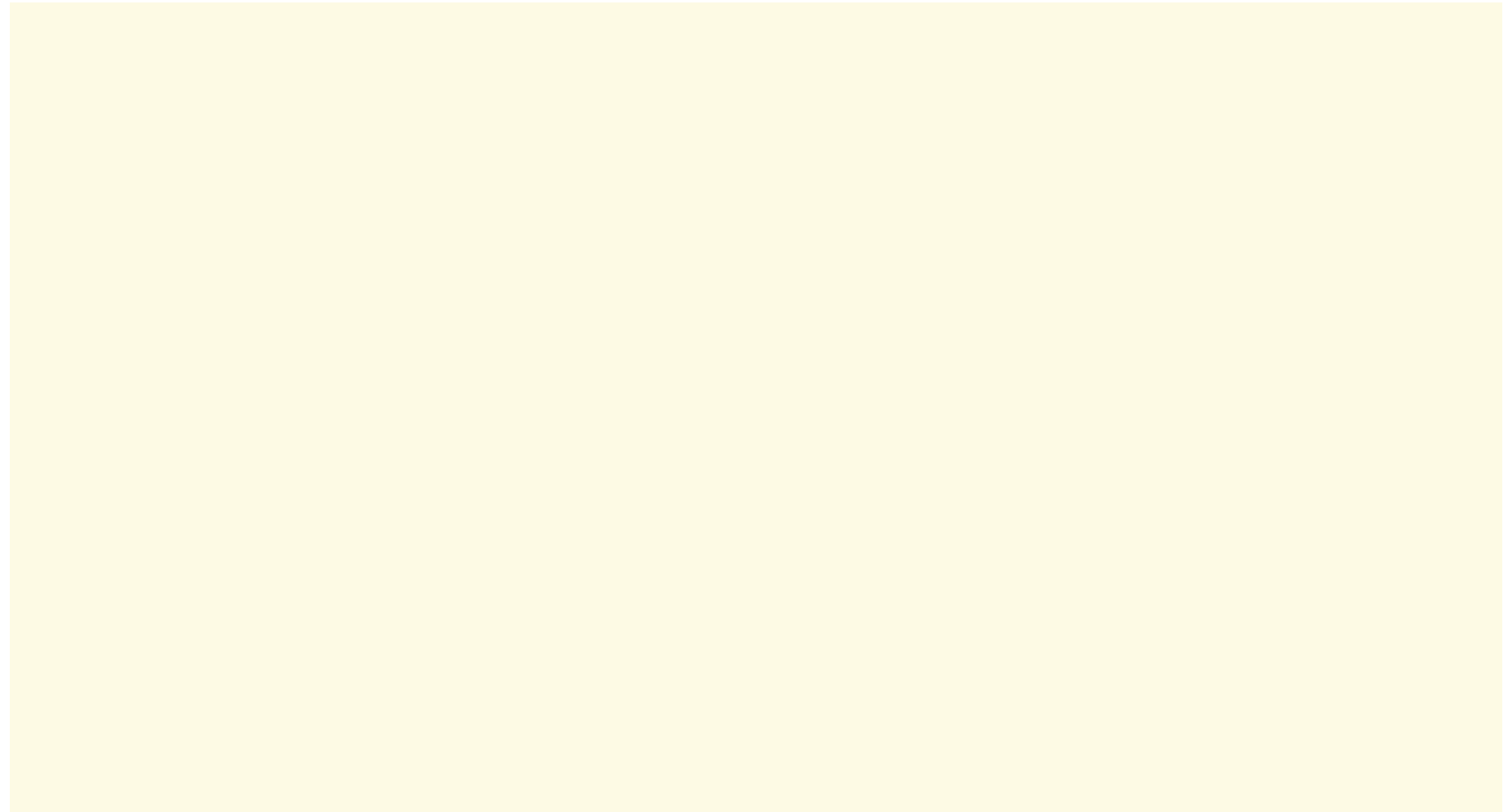
**SHARED SOCIAL IMPACT STRATEGY PLAN**

**Ideal Annual Resource Allocation**

<b>Vehicle</b>	
<b>Social Impact Tool(s)</b>	
<b>Activities or Approaches</b>	
<b>Financial Commitments</b>	
<b>Progress or Success Measures</b>	

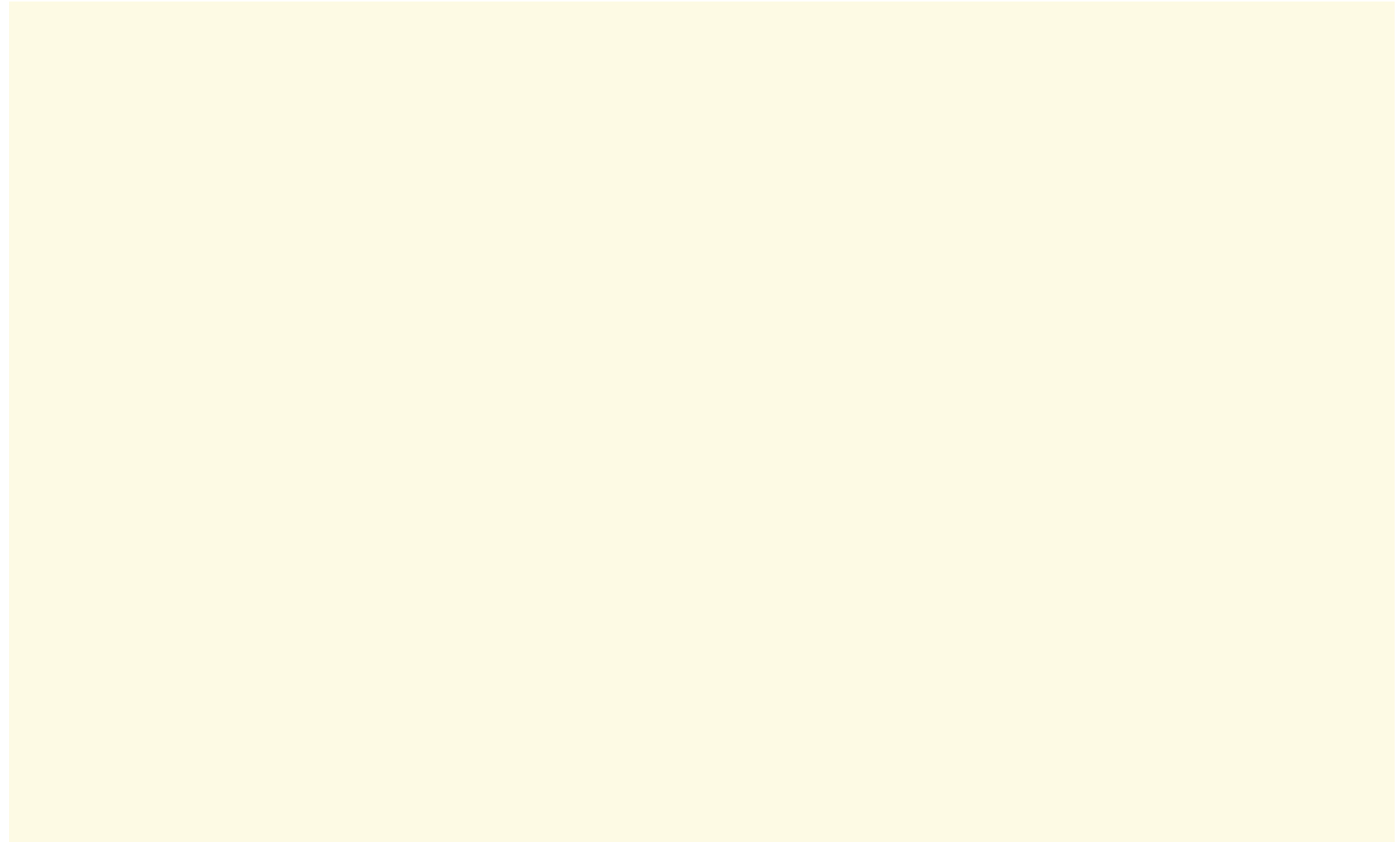
## 4. Learning Agenda and Notes

What do we want to learn next about refining our strategy and social impact toolkit?



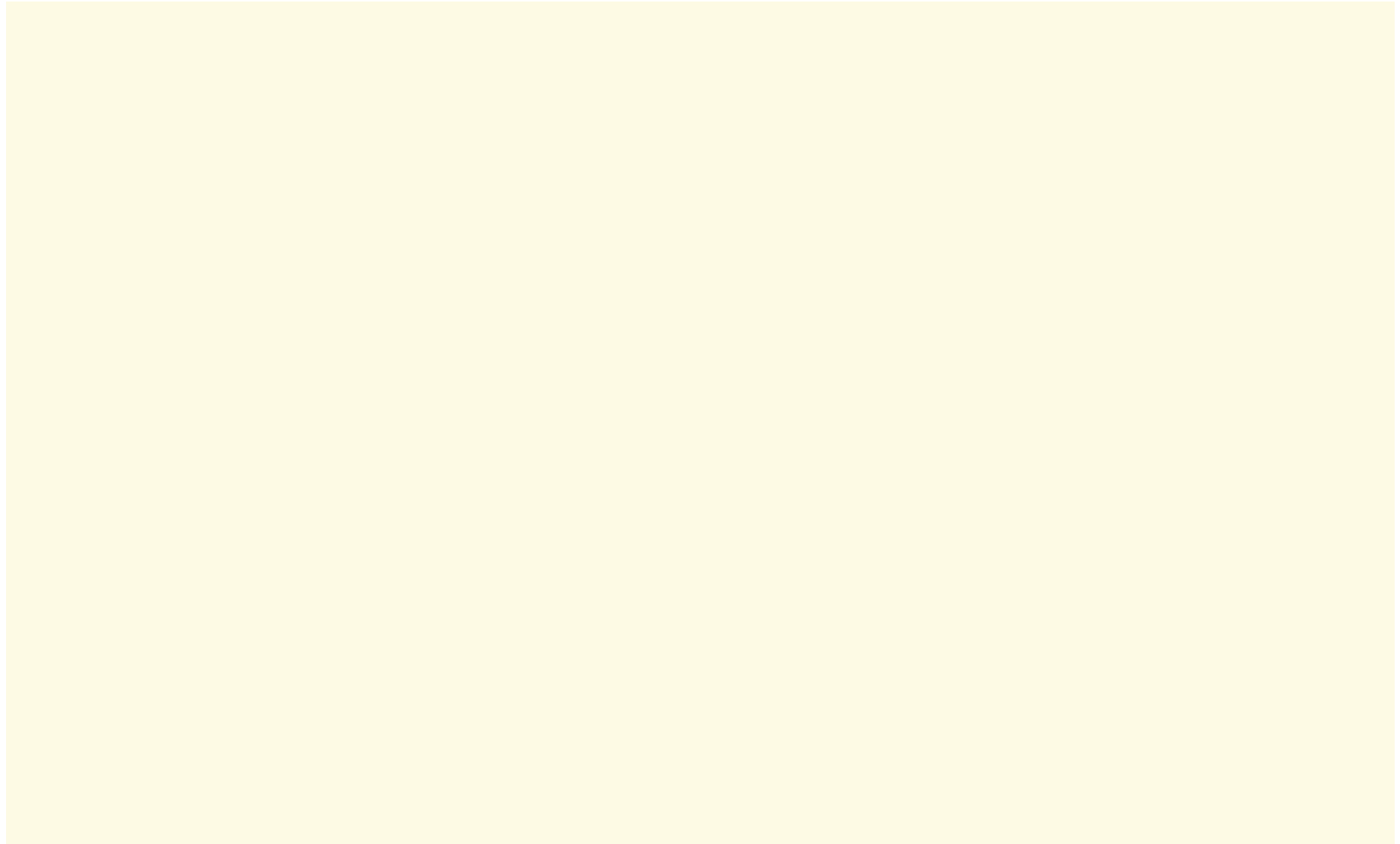
## SHARED SOCIAL IMPACT STRATEGY PLAN

### Resources to explore or people to contact



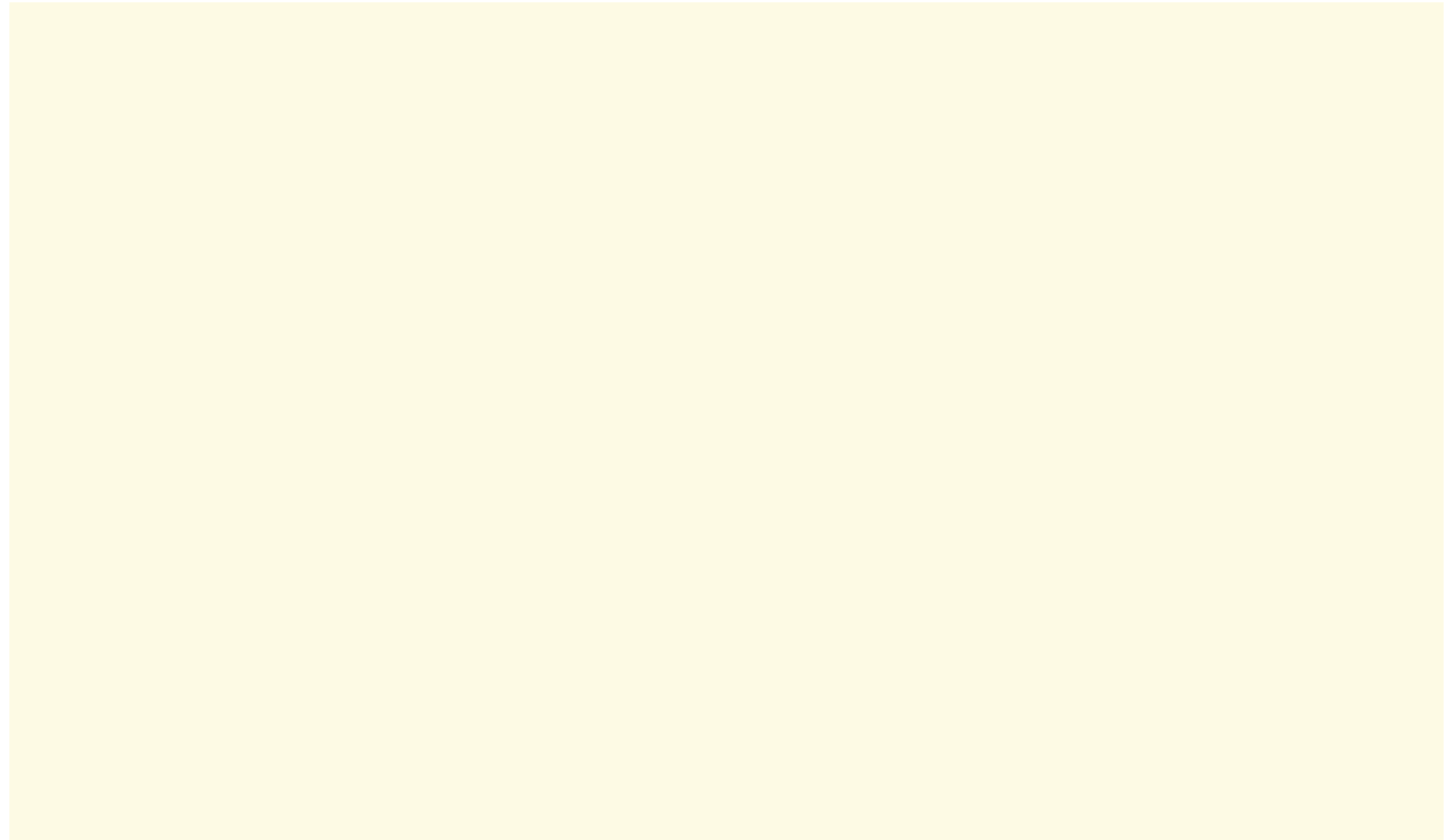
## SHARED SOCIAL IMPACT STRATEGY PLAN

Who will lead our learning?



## SHARED SOCIAL IMPACT STRATEGY PLAN

**What priorities, social impact tools, or other ideas were important to individuals but weren't included in our shared strategy?**





# Appendix: Social Impact Toolkit

# How appropriate is each tool for my philanthropic vehicle?

Your choice of philanthropic vehicle can affect your choice of tools. The four types of vehicles are:

- **Charitable:** Public charities, private foundations, donor-advised funds, supporting organizations, and similar tax-deductible vehicles
- **Private sector:** Mission-driven businesses such as social enterprises and B Corps, impact investing funds, LLCs, and family offices
- **Public policy:** 501(c)(4) nonprofits and 527 political organizations
- **Peer-based:** Crowdfunding platforms, giving circles, mutual aid networks, and social movements

The chart below rates how well suited a vehicle is for each tool.

	Charitable Vehicles	Private Sector Vehicles	Public Policy Vehicles	Peer-Based Vehicles
IMPACT TOOLS				
Grants to nonprofits	High	High	501(c)(4s) high, 527s low	High
Awards to people and businesses	High*	High*	Low*	High
Responsible investing and direct investments	High*	High	Mixed	Mixed

\* There are specialized regulatory requirements involved and you should seek legal advice before deciding to use the tool

\*\* Crowdfunding platforms aren't designed for these activities

	Charitable Vehicles	Private Sector Vehicles	Public Policy Vehicles	Peer-Based Vehicles
<b>INFLUENCE TOOLS</b>				
Convening	High	High	High	High
Capacity building	High	High	Low	Mixed**
Strategic communications	High	High	High	Mixed**
Nonpartisan advocacy	High	High	High	Mixed**
Lobbying	Low*	High	High	Mixed**
<b>LEVERAGE TOOLS</b>				
Expanding the base	High	High	High	High
Resource collaboration	High	High	High	High
Responsible purchasing	High	High	Medium	Medium
Corporate social responsibility	Low	High	Low	Low

\* There are specialized regulatory requirements involved and you should seek legal advice before deciding to use the tool

\*\* Crowdfunding platforms aren't designed for these activities



	Charitable Vehicles	Private Sector Vehicles	Public Policy Vehicles	Peer-Based Vehicles
<b>LEARNING TOOLS</b>				
Data and research	High	High	Medium	Low
Reporting and media	High	High	High	Medium
Learning networks	High	High	Medium	Mixed
Evaluation capacity building	High	Medium	Low	Low

\* There are specialized regulatory requirements involved and you should seek legal advice before deciding to use the tool

\*\* Crowdfunding platforms aren't designed for these activities

**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 points of inflection and help families embrace proven practices and advance momentum. Explore our resources, all rooted in a Family Giving Lifecycle, 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 collected over NCFP's history; and resources 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 the topics' legal, tax, or wealth planning implications.

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