

Exploring Identity, Lifespan, Transitions, and Successor Engagement

THE FAMILY GIVING LIFECYCLE

Purpose

& Structures

Impact Strategies & Tools

& Learning

& Management

SUCCESSION **AND 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.

Succession and Legacy is the seventh 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

The topics of succession and legacy invite you to envision a future in which you won't be actively managing your philanthropic vehicle or social impact strategy. Some donors might choose to transition control to a family member or community partner. Others may choose to wrap up their giving altogether. Regardless of what you choose, the impact of your efforts will live on and requires you to be as thoughtful about how you leave your philanthropy as you were when you began your giving.

Creating a philanthropic continuity plan allows you and your family to plan ahead and reflect on the possibilities. It can also help minimize disruptions caused by changes in your life and help others succeed during and after the changes. In the following pages, we will invite you to create a continuity plan that will:

- 1. Define your legacy. A legacy is a combination of the resources and gifts you've inherited, what you intentionally accomplish during your life, and what you hope to leave behind.
- 2. Choose a lifespan for your philanthropy. Options might include limiting the lifespan of your giving for a set number of years or intending for your philanthropy to last for perpetuity.

- **3.** Create a vision for what aspects of your philanthropy might continue and what might change.
- **4. Prepare yourself and others for success** during and after transitions, including actively involving younger generations.
- **5. Prepare for the potential dissolution** of your philanthropic vehicle and final transfers of resources, even if you hope your vehicle lasts in perpetuity.
- **6. Document your choices** and incorporate them in your estate and wealth planning documents and organizing documents of your philanthropic vehicles.

Why is considering succession and legacy important?



Developing a philanthropic continuity plan, and including your successors and advisors in the process, provides everyone an opportunity to foster thoughtful stewardship. It also creates:

- A shared understanding about the timing of and process for transitions, providing less confusion and more peace of mind to everyone involved.
- More time to build the knowledge and skills of your successors. With time, they can hone their management know-how, and you can coach and support them as they do. Pacing your successors' engagement also enables them to make informed decisions about their future roles, including if and how they may participate.
- Opportunities to introduce family members to philanthropic traditions and invite them to build on those traditions.
- Stability for grantees or other partners due to the ability to communicate your intentions in advance of any changes.
- Potential tax advantages for transferring financial assets through a charitable vehicle or bequest.

Legacy

Legacy is about what you've inherited, what you intentionally accomplish during your lifetime, and what you intentionally leave behind. Your legacy is the sum of your life experiences, values, and actions—and their lasting imprint on people and communities. Legacy is not reserved for large philanthropic institutions or the wealthiest of donors: anyone can create a legacy of impact on the world around them.

Your legacy goes beyond your financial resources. And it isn't something that others define for you. It is a living thing, something you purposefully and proactively cultivate and revisit throughout the duration of your philanthropic efforts. A living legacy encompasses three timeframes:

- 1. Past: You benefit from resources and gifts passed on to you from others. You inherited gifts such as wisdom, sense of self, financial wealth, and privilege from sources such as ancestors, cultures, the talents of others who worked for and with your family, and the outcomes of public policies.
- 2. Present: Throughout your life, you can choose to use your inherited gifts, add to them, and share them to live a life of purpose and meaning. People often remember you most for your actions, for instance, how you treated them

and what you've done to benefit others. So, rededicating yourself to living a purpose-filled life, and leading a purpose-filled organization, can go a long way to defining your legacy.

3. Future: The potential impact of your philanthropic efforts is boundless. You might choose to put plans in place for others to continue your efforts after your death. Or you might empower successors to use the resources and gifts you leave behind, build on them, and, in turn, create their own living legacies.

Some people prefer to keep their legacy private. They only want the satisfaction of knowing their lives mattered beyond their business success or wealth creation. Others want to leave a public legacy of transformative impact. And others think about legacy as a springboard for future generations—a way for successors to continue family traditions of generosity and adapt those traditions to changing opportunities and needs in the family and the world.

Whatever you choose, you can define a legacy for you alone, your family, your business, or philanthropic vehicles you've established or inherited. What's most important is that you:

- Actively define your legacy rather than let others define it for you.
- Find ways to co-create the legacy with people who will benefit from it.
- Revisit your legacy throughout your life as new experiences shape your perspectives.

Acknowledging and Repairing Harm in Your Legacy

"Your family's legacy can in fact honor previous generations, their sacrifices and opportunities; as well as hold a necessary critique of the harm these opportunities may have caused for many others."

-Will Cordery, founder and principal, Freedom Ventures, and trustee, Hill-Snowdon Foundation

A family's philanthropic legacy comprises many types of resources, including its reputation, relationships, and values that are passed down through generations. However, legacy conversations often start with a family's financial assets, whether owned personally or in trusts, private foundations, or family businesses. Throughout our society, there has been an increased awareness of the complexity of wealth. Consequently, families and foundations are more frequently exploring how the sources of their wealth—and how the wealth was managed—may have harmed communities, the environment, family members, and other people.

In many instances, families discover histories that involve harm to others, including dehumanizing labor practices, polluted waterways, political corruption, and stolen lands and natural resources. Government laws and regulations may have actively promoted or tacitly allowed the damage and often prevented repairing it. Even when the harms were inflicted decades ago, there are negative ripple effects today, particularly on those who have been often marginalized, including people of color, people with disabilities, members of LGBTQ+ community, and families living in areas of generational poverty.

Harm may also occur within a family system. At times, wealth may be used to support certain members and withheld to exclude or punish others. Restrictions placed in wills, trusts, or foundations may damage relationships and create rifts across family branches and generations. As a result, many family members may have mixed or negative feelings about benefiting from family wealth.

Ignoring the past may diminish the positive impact of your legacy and philanthropy. Through reflection and dialogue, you and your family can seek to understand and address past harms. Three critical steps will guide you and your family in your efforts:

- 1. Research and honestly discuss any harms in the family's legacy or philanthropy and the privileges and power you may have inherited because of wealth. Creating transparency and shared understanding is an important first step to finding a resolution.
- 2. Acknowledge the impact of past actions on relationships within the family and with the communities you serve. Verbal or written acknowledgment can start any necessary healing process. It can also provide context for family successes but doesn't need to abandon the positive aspects of the family's past. The acknowledgment might stay internal to the family or be part of a public statement.
- **3. Seek opportunities to repair** damage to personal relationships and to populations, communities, and the environment. Repair might include options such as opening your decision-making processes to new voices, shifting grantmaking to support more systems-change work, and spending more during your lifetime.

Conversations about sources of wealth and its impacts are often difficult, so most families seek help from someone outside the family. Harm to relationships may require specialists in family conflict, restorative justice, or family wealth. Other families work with historians or seek experts in facilitating conversations about race and power.

The Legacies You've Inherited and Are Co-Creating

This worksheet invites you to reflect on what you've inherited and how those gifts shape your perspectives on philanthropy. It also asks you to reflect on the gifts you hope to cultivate through your life and share with others.

Even if you're part of a family enterprise such as a foundation or trust, we encourage you to use this opportunity to define your own legacy. Some parts of your personal legacy might intersect with the family enterprise, but much of it will be yours to create, steward, and pass on. You will likely need more than one sitting to complete the worksheet.

What You've Inherited and Want to Share

The legacies we inherit come from a variety of sources—ancestors, mentors, cultures, faith traditions, local communities, systems and policies of states and nations, and more. They leave tangible and intangible gifts for us. Some inheritances are out of our control, such as genetics or wealth created generations ago. Some we can build on, such as family relationships or a family mission statement.

- 1. What important things have you inherited from family members and others who came before you? Which do you want to share with others? List your answers in the chart on page 20 and then return to the questions below.
- 2. Look back 50 years before you were born. Using the boxes on the next page, reflect on these two questions: What was life like for your family members? For other people in the communities in which they lived and worked?

How or when did people and communities successfully create the inheritances you identified in question 1? When were there successes to celebrate?

How or when did people and communities overcome obstacles to pass those inheritances on to you? What might have been the setbacks?

How or when might there have been harm to people, communities, or the environment to create or maintain those inheritances or to pass them on to you?

3. How do you feel about the inheritances you listed in the chart on page 20? (Note: Many people have mixed feelings depending on the sources and impact of the inheritances.)
4. How have those inheritances shaped your views of helping others and of philanthropy?

What You Are Co-Creating and Sharing

You've set in motion a living legacy of social impact through your giving, volunteering, advocacy, investing, and more. You've been sharing your resources—time, talent, treasure, ties (relationships), and testimony (your voice and power).

1. What do you see as your true wealth—the most important gifts you've cultivated or hope to create during your lifetime? What gifts do you want to share with others? Add your answers to the chart on page 20, and then return to the questions below.

2. As you consider the gifts you listed:

and steward those gifts throughout your life? What public or nonprofit resources benefited you in creating and stewarding those gifts? (Examples include: environmental resources, community services, government policies, economic conditions.)	Who has helped you create	
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	community services,	
economic conditions.)	government policies,	
	economic conditions.)	

How do you hope to use the gifts and resources you identified in the chart on page 20 to:			
Support other people in creating their own legacies			
and in creating impact that is			
meaningful to them?			
Repair harms to people,			
communities, or the			
environment you may have identified in the first part of			
this worksheet?			

Support the evolving needs in the organizations, places, and causes that are priorities in your philanthropy? (You may have identified these in NCFP's *Purpose* primer or Strategies primer.)

4. Lastly, take a few minutes to review your answers to the questions and chart in this worksheet. As you review them, how else might you describe or summarize the legacy you want to leave?				
Next Steps: With whom do you need to share the information in this worksheet? Who could help hold you accountable for implementing the legacy you've described in this worksheet?				

Charting Your Legacy

Name:				
	What I've inherited and am co-creating	Share it with whom? (Examples include specific nonprofits or causes, family members, communities, employees or friends, and people with direct experiences with the challenges that are a focus of your giving.)		
Sense of Self (Examples include: cultures, faith traditions, health, emotions, resilience, and personality traits that define you.)				
Know-How (Examples include: knowledge, wisdom, curiosity, creativity; your ability to pursue meaningful work.)				

	What I've inherited and am co-creating	Share it with whom? (Examples include specific nonprofits or causes, family members, communities, employees or friends, and people with direct experiences with the challenges that are a focus of your giving.)
Relationships (Examples include: important relationships in your life; how you are interconnected with others.)		
Financial Capital (Examples include: money, real estate, businesses, foundations, other assets.)		

	What I've inherited and am co-creating	Share it with whom? (Examples include specific nonprofits or causes, family members, communities, employees or friends, and people with direct experiences with the challenges that are a focus of your giving.)
Purpose (Examples include: values or mission; your calling to make a difference in the lives of others.)		
Power and Privilege (Examples include: ability to influence other people, resources, and events. Advantages you have because of what you've inherited.)		

	What I've inherited and am co-creating	Share it with whom? (Examples include specific nonprofits or causes, family members, communities, employees or friends, and people with direct experiences with the challenges that are a focus of your giving.)
Other		
Other		

Lifespan

Will there be a future for your philanthropy beyond your lifetime? One of the most fundamental questions in family philanthropy is whether to operate indefinitely or limit the lifespan of a social impact vehicle.

Lifespan describes the length of time a philanthropic entity operates. Some vehicles, such as charitable trusts, have lifespans set by law. Others have lifespans set by the legal entities hosting them, including donor-advised funds, crowdfunding campaigns, and impact investing funds. Vehicles such as foundations, limited liability companies (LLCs), family offices, and public charities have greater flexibility in their lifespans.

There are three primary options for lifespan:

- 1. Complete your work while you are living. Some donors choose to give everything away during their lifetime. They want to maximize their opportunity to see and enjoy results. One example is Chuck Feeney, who founded and closed the Atlantic Philanthropies during his lifetime. Some donors who take this option choose to endow specific projects or charities in their estate plans.
- 2. Create a limited-lifespan philanthropic vehicle (also known as a spend-down or sunsetting vehicle). These vehicles operate for a limited time after the death of a donor or donors. This option can include closing the vehicle at a specific year, after a defined number of years, or generations after a founder's death. John M. Olin and Bill and Melinda Gates established their foundations intending to limit their lifespans. Others, such as the Brainerd Foundation, S.D. Bechtel, Jr. Foundation, and Quixote Foundation, decided to limit their lifespans after the foundations had been operating for several years.

3. Create a perpetual philanthropic vehicle. Many founding donors and their successors intend for their vehicles to last multiple generations and invest their endowed funds for long-term growth. The William and Flora Hewlett Foundation, Ford Foundation, and Lilly Endowment, are examples. A few, like the General Service Foundation and New York Foundation, intend to operate over the long term but balance higher spending for current needs with the growth of their invested funds.

You will hear both emotional and logical arguments about each of the three options, many of which are summarized on the chart on page 26. However, know that each option has a valid role in effective philanthropy. Many donors who are early in their philanthropic journey opt to revisit lifespan-related decisions later or on a regular basis rather than defaulting to permanence. Ultimately, your choice of lifespan should be strategic, based on your philanthropic purpose, strategies, and goals for involving others in decision-making.

Why is defining lifespan important?

Your decisions in other areas of your philanthropy intertwine with your choice of lifespan. For instance, you may have created a social impact strategy based on a shorter burst of funding and advocacy, rather than steadier investments over decades. Your investment advisor will need to adjust risk and allocation decisions to meet your chosen lifespan. And for those who choose a multigenerational effort, effective governance policies and practices can lay the groundwork for more positive transitions.

FIGURE 1: Comparing Strategic Lifespan Options

	Benefits	Concerns
Complete Work During Lifetime	Strategy: Maximizes speed, flexibility, and adaptability to meet immediate and urgent needs; spending the most now can help prevent or decrease future community or environmental problems. Economy: Creation of new wealth far outpaces philanthropic spending Family: Reduces potential burdens on future generations Donor intent: Easiest way to protect donor intent; Maximizes opportunity to personally see impact	Strategy: Can be more difficult to take a long view on an issue Economy: New donors and resources may not emerge to support your preferred causes or grantees (for instance, in a rural area). Operations: May be harder to retain staff members and volunteers toward the end. Family: No vehicle for involving multiple generations in a shared purpose after the founder/donor dies
Limited Lifespan (Also known as a spend- down or sunsetting vehicle.)	Strategy: Can define a timeline for impact based on community needs rather than the donor's lifespan; accelerated spending can help prevent or decrease future community or environmental problems. Family: Doesn't impose a long-term operating burden or strategy on future generations Donor intent: Somewhat protects donor intent as successors know the founding donor	Strategy: May create deadlines or restrictions that aren't responsive to changing conditions Operations: Spending and budgeting can be complex to manage; may be harder to retain staff members and volunteers toward the end Family: Provides fewer opportunities for involving multiple generations in a shared purpose

	Benefits	Concerns
Perpetuity	Strategy: Enables you to patiently meet the long-term needs of a community or cause Economy: An ever-growing pool of investments can increase resources that can be used to benefit the community and a donor's legacy Family: Provides opportunities to develop and act on a shared family purpose, family learning, family engagement for generations	Strategy: Provides an incentive to keep endowed funds on the sidelines, limiting the vehicle's full potential for current impact Economy: Investment performance and inflation rates may fail to protect the endowment. Operations: May create an institution that calcifies and becomes bureaucratic Family: May create an unwanted burden on future generations Donor intent: Can be difficult to protect donor intent over generations

Choosing Your Social Impact Vehicle's Lifespan

This worksheet helps you clarify the desired lifespan of your philanthropic purpose and social impact vehicle. There are no right or wrong answers in the worksheet, including being undecided. As you consider your answers, note that each generation will last an average of 25 years. We encourage you to share your answers with people you wish to involve in your philanthropy, especially trusted advisors, staff members, and family members.

1. Set Context for Your Decision

Think about how conditions might change in the future. What responses to those conditions will best serve the causes and communities you support, your philanthropic strategy, and you and your family?

Consider the causes or issues you support now. How might they benefit from sustained funding in the future? How might they benefit from an infusion of support over a shorter amount of time?

Consider the *places* you support now. Is there new wealth being generated that can give to or invest in those areas in the future? What might happen if you stop supporting them? How might holding on to your resources diminish the ability of other people to thrive? Maintain or augment unfairness or inequities in society or your family?

What is most important to you as you look at the legacy of your philanthropy? Indicate your preference on the continuum below, and if you'd like, write more about your choice in the space below the continuum.

Ensure significant Ensure future community generations have the impact that future same philanthropic capital to make a generations can difference in their time be proud of

2. Consider Preferences

This checklist can help you develop or revisit your preferences about the strategic lifespan of your philanthropic strategy and philanthropic vehicle.

	Agree	Unsure	Disagree
1. I prefer taking the long view on solving challenges facing society.			
2. Seeing the full impact of my philanthropy during my lifetime isn't a priority.			
3. Giving the most I can during my lifetime won't prevent or diminish future problems in the communities or causes I've prioritized.			
4. There won't be enough funders or resources in the future to support the communities or causes I care about.			
5. It is very important to ensure future generations have the same amount or more philanthropic resources available as I do now.			
6. Involving family, friends, or others in my philanthropy after I die is very important to me.			
If I answered "agree" to question 6:			
7. I'm confident they'll have the desire and time to continue the work.			

	Agree	Unsure	Disagree
8. I'm confident they'll honor donor intent OR I trust them to evolve the intended wishes over time.			
9. I'm not concerned about the potential for conflict damaging the group.			
Add the number of boxes you checked in each column			

Answer Key

You can remedy some challenges identified above with a disciplined focus on effective governance and impact strategies. And, there are always exceptions in individual experiences. However, in general:

- If you have more "agree" answers, consider a perpetual vehicle, or a multi-decade limited lifespan.
- If you have more "disagree" answers, consider giving while living or a shorter-term limited lifespan vehicle.
- If you have more "unsure" answers or a mix of answers, don't choose perpetuity as a default. Instead, consider a vehicle that doesn't commit you to a time horizon. You likely have more research to do to clarify your philanthropic purpose and/or more conversations to have with people you'd like to involve.

Ask yourself, will any of my answers above be in conflict with the perspectives of others involved in the family philanthropy? How so?

3. Choose a Lifespan

It is time to document your decision, or at least your current preference. Advisors can help you translate your wishes into estate or financial planning documents.

How long do you want your philanthropic work and resources to last?

Lifetime: I want to maximize the difference we make while I live and not ask others to continue the philanthropy after I die
Period of Time: I want other people to spend all the philanthropic resources in this timeframe: (E.g., 20 years after the of the founding couple dies or "by 2050.")
Generation(s): I want my heirs or others to continue the philanthropy through this generation (E.g., my grandchildren's.)
Perpetuity, Flexible Spending: I want the resources to last a long time. However, I empower future generations to spend as much as necessary in any year to meet evolving opportunities and needs. Responsiveness and impact are as or more important than the preservation of financial capital.
Perpetuity, Minimal Spending: I want the resources to be endowed and last for many generations. Maintaining and growing the value of the endowment over time is very important.
Undecided: I haven't decided yet or I want to wait to see how things go for a while before deciding. I want to revisit the lifespan (when) with (name others who you want to involve in the decision).

What benefits or goals do you see in your choice and/or what negative consequences are you hoping to avoid?				
Next Steps: Based on the answers above, what changes might you need to make to your personal estate plans or wealth management goals, or to the investment policy and social impact strategies of your philanthropic vehicle?				

Envision the Future

Philanthropic legacy planning asks you to consider what happens after you are no longer involved in your social impact strategies or philanthropic vehicles. As you look ahead to potential transitions in strategies, vehicles, roles, and more, it is important to balance two forces:

- Succession (change): When and how some things (decision-makers or strategies for example) might change.
- Continuity (stability): Aspects of the present situation that should be preserved in the new era. Continuity is an ongoing process and requires consistent attention from all involved.

It is natural to be apprehensive about change. Family members often put off conversations to lessen their unease or maintain power. However, thoughtful transitions in family philanthropy offer several benefits. Families can use transition planning to reinvigorate a mission or find new solutions to meet changing community needs. They also step back to refine internal policies and practices to better align with their values and changing family circumstances.

Good transition planning helps you maintain momentum in your philanthropy, whether you hope that momentum continues during your life or well beyond. To start planning the future of your legacy:

- 1. Create a vision of success. Positive transitions in any sector depend on a shared understanding of and a shared development of a vision of success. Creating this vision includes:
 - Revisiting your shared philanthropic purpose. Which values and principles will guide the transition process? What motivations are driving your thoughts about succession and continuity?
 - Defining a healthy working culture. How do you promote a positive culture for the people involved before, during, and after the transitions? What governance policies, operating policies, or skills will you need to achieve that culture?
 - Discussing stewardship. How will you and others steward the legacy you've started? How will you take care of relationships with your partners, such as staff members, vendors, collaborators, and recipients of your funds, such as nonprofits or scholarship awardees?

- 2. Document your preferences. The Greek philosopher Heraclitus gave us the truism, "There is nothing permanent except change." You know you can't predict or control the future. But you can advise how successors will adapt to the inevitable changes in your family and in the communities your philanthropy serves, the issues it aims to influence, and the public policies that affect the fields you work in. As you think about issues of donor intent, continuity, and change, remember these tips:
 - Successors are more likely to thrive in their roles if you include them in the planning. They will feel more committed to the work if they help shape it.
 - Philanthropic vehicles and strategies are more likely to succeed over generations when a shared purpose and priorities are clear but the application is flexible. Being very restrictive, overly general, or leaving no direction can limit or prevent your successors' ability to continue your philanthropic work.



Planning for Continuity and Change

If your social impact vehicle has a lifespan after your death, this worksheet will help you determine what should remain constant and what could change as you step back or are no longer involved. It helps you document potential transitions or continuity in purpose, vehicles, resources, strategies, and operations. You can store this worksheet alongside legal documents such as bylaws, but it is not a legally binding document. Work with your financial advisor or attorney if you wish to include any decisions below in personal estate planning or organizational legal or financial documents.

1. Vision for Success

What values or principles should guide future transitions in your philanthropy?

What culture of working together should guide people involved in your philanthropy in the future? What guidance should be in place to ensure partners, such as grantees or scholarship awardees, are treated fairly and respectfully during future transitions?

How do you wish the community to feel about your philanthropy and social impact when you are no longer involved? How do you wish them to feel about any transitions that take place?

2. Preferences

For each topic in the chart on the next page, enter the number for one of these four decisions or write "N/A" for not applicable:

- 1. Highly Flexible: I trust the successors I've chosen. They are free to continue or substantially change the policy or practice to best meet future needs and conditions.
- 2. Somewhat Flexible: My successors can adapt the current policy or practice to ensure the philanthropy remains relevant and effective. However, I do not wish for them to change the current policy or practice substantially.
- 3. Restricted: My successors should continue the current policy or practice unless circumstances have so changed that it becomes unnecessary, impractical, or impossible to do so. (This choice is similar to the variance power held by sponsors of donor-advised funds).
- **4. Other:** A decision that doesn't fit one of the first three.

You can also provide restrictions or other notes about your hopes and add your own practices, policies, or priorities.

Current Practice/Policy	Preference (1, 2, 3, or 4)	Notes
PHILANTHROPIC PURPO	SE	
Values statement or list		
Vision statement		
Mission statement		

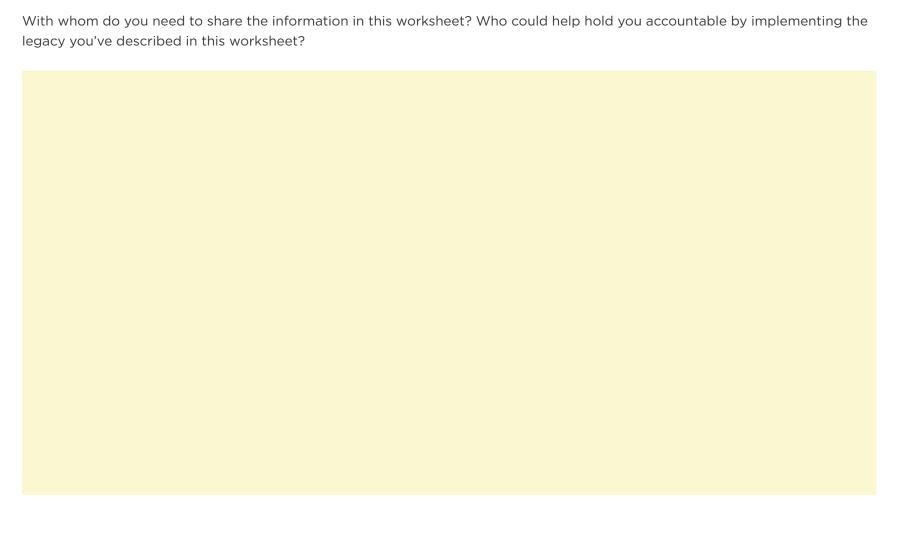
Current Practice/Policy	Preference (1, 2, 3, or 4)	Notes
Level of anonymity		
SOCIAL IMPACT VEH	ICLE(S) (e.g., fo	oundations, trusts, social enterprises, LLCs, 501(c)(4)s)
Lifespan of current vehicle(s)		
Creation of new vehicles		
PHILANTHROPIC STR	RATEGY	
Priority issues or		
populations		

Current Practice/Policy	Preference (1, 2, 3, or 4)	Notes
Priority geographies		
Grant guidelines (the types of nonprofits we support)		
Use of other impact tools (e.g., scholarships, impact investments)		
Use of tools to influence others (e.g., convening, nonpartisan advocacy, strategic communications)		

Preference (1, 2, 3, or 4)	Notes

Current Practice/Policy	Preference (1, 2, 3, or 4)	Notes

Next Steps



Transitions in People and Roles

The thought of other people leading and managing your philanthropy might make you uncomfortable. After all, it can involve stepping out of the busyness of today's work, redefining self-worth, setting aside ego to let something go, and confronting mortality. However, transitions are inevitable, and it is critical to plan ahead.

As many leaders do, you might turn to someone who doesn't benefit from the transition process—such as a long-time friend, trusted advisor, coach, or facilitator—to help you think through it, offer ideas for different options you may take, and provide honest feedback.

As you look ahead, it is helpful to understand that people play different roles for different purposes and timeframes. Some people may serve as collaborators while you are living. Others will be successors as they replace you or other current leaders in governance, advisory, or staff roles. It is ideal to involve those successors in some way before they take their new roles.

To plan for smoother transitions, embrace three steps:

- 1. Prepare yourself for the transition.
- 2. Determine what roles and responsibilities transition to whom and when.
- 3. Prepare everyone for success.

1. Preparing for your transition and making room for other leaders

Transitions require planning. Ask yourself: at what point do you envision changing your role, and is that change caused by an event, your age, or a specific year? Common ways family members transition their roles include:

- Taking a more active leadership role because of the sale of a business or retirement. Professional transitions often make room for family members to use their skills, relationships, and advocacy roles in their philanthropic strategy.
- Stepping out of primary leadership into a collaborator role. Moving from the lead decision-maker to a shared role with other family, staff members, or board members shifts authority and promotes agency.
- Stepping down from a decision-making role into an advisory or mentoring role. Often, primary decision-makers cede authority in advance of transitions so that others can become more practiced at making group decisions regarding purpose. strategy, and uses of resources.
- Postponing changes in roles until their death. Some leaders decide to postpone any changes until their death, which carries the highest risk to continuity, regardless of the type of philanthropic vehicle or family enterprise.

During your lifetime, look for opportunities to make room for your successors. Opportunities include:

- Offering preliminary leadership roles, such as chair-elect or board intern, that require successors to shadow you or other experienced decision-makers for a period.
- Establishing term limits and rotating seats to evaluate how well a person fits in a position and to ensure a healthy governing body.
- Establishing an emeritus or senior counsel title for anyone who turns a specified age and wants to stay involved. Holders of the title often serve as mentors, act as ambassadors for the mission, and may even have their own grantmaking budget.

2. Determining what roles transitions to whom

Philanthropic continuity planning involves outlining when roles and responsibilities must transition and to whom. Consider:

- Governance and decision-making (e.g., members of the board of directors, family council, investment or grantmaking committee)
- Operational and staffing (e.g., staff members, contractors, or outsourcing firms performing executive, administrative, compliance, social impact, or assessment functions)
- Advisory (e.g., informal advisors, members of formal advisory groups, or those who hold formal advisory roles)

Specific people or pools of candidates can take on new roles, including:

- Family members: Blood relatives, spouses or partners, adopted children or stepchildren, or others who can build on family traditions and legacy.
- 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 a philanthropic strategy.
- Lived experience: People who have experience with an issue or challenge, who may have been historically excluded from community decision-making processes, or who are served by a nonprofit. Individuals with lived experience bring insights into the value of nonprofits' programs and can infuse a sense of personal connection into philanthropy.
- Trusted allies: Professional advisors, faith leaders, and mentors who can be honest brokers in conversations and often smooth tensions between family members.
- Issue experts: Researchers, nonprofit leaders, product designers, artists, and others who can bring insights about an issue or strategy or provide operational skills.

• Professional service providers: Firms that manage grantmaking or other social impact activities, firms that provide independent trusteeship or foundation management, and nonprofit organizations that host donor-advised funds or other funding vehicles.

Remember that philanthropy holds an inherent power imbalance between those who make decisions about using resources and those who rely on the directed resources to do good in the world. Similarly, families often experience tensions when power imbalances between generations and family branches occur. A growing number of donors and family foundations are decreasing power divides within their families and between themselves and the communities and grantees they serve. They're often doing so by bringing new voices into decisions about strategy, investments, grants, and more. Bringing those new voices in early informs and strengthens legacy.

3. Preparing collaborators and successors

To effectively prepare people for future roles in your philanthropic legacy, you must first forecast the necessary competencies. Competencies are the combination of knowledge, skills, attitudes, and abilities someone needs to succeed in a role.

Next, you'll want to work with collaborators and successors, when possible, to develop ongoing opportunities to build those competencies. On page 53, we've listed the most used tactics for preparing future leaders and advisors of your philanthropy. Some are useful in preparing nonfamily members such as community advisors on a grants committee or staff members who may take on new roles. Others are meant to develop younger generations of your family.

Experts in business, family, and organizational transitions offer seven fundamental principles for a successful preparation process:

- Ensure continuity is an ongoing process. Think of the transition as a mindset and culture to create and steward. Within that ongoing process, each succession is a specific event with a defined beginning and end.
- Think co-creation. Your successors will be more likely to take ownership of their role when they've had input into shared purpose and priorities, the nature of their roles, and their path to those roles.

- Implement shared governance. The practice of preparing others for leadership has shifted away from "passing the baton" to creating and maintaining an intergenerational or cross-disciplinary team. Giving everyone a seat at a decision-making table allows them to offer all their resources (time, talent, treasure, ties, and testimony).
- Cultivate a culture of active stewardship. Don't settle for passive management of the role and resources. Responsible stewardship means creating a culture of active decision-making about how your resources can generate value for the community. That culture is grounded in a sense of shared purpose, good communications, and high levels of trust.
- Prioritize organization over individual. Base decisions on the organization's needs, rather than on the individual personalities involved. Family-led philanthropic vehicles and businesses thrive longer when they prioritize shared strategies and the vehicle's needs over individual family members' needs.
- Be transparent about plans and resources. Make your intentions and expectations widely known to family, advisors, and staff members. And, start talking early—in age-appropriate ways—about the financial and other resources that will be available, and the values and purpose attached to those resources.
- Share clear invitations. Provide information about the competencies desired, expectations of the role (e.g., grant committee member), expectations of how people will work together, an estimated monthly or annual time commitment to a role, length of service, and how a person can decline the role or step down later if circumstances change. The invitation should also include information about your philanthropic purpose, strategy, and vehicles.

Preparing younger generations

Preparing younger family members—often called the next generation or rising generation—for formal roles in a family's philanthropy is a lifelong process and not a linear one. There will be periods when they don't have time to be actively involved because of school, work, starting their own families, or moving to new cities.

It helps to think like a lifelong generosity coach. Plan to make time to help children and youth learn how to treat others and use their resources to make a difference. Like a coach in sports or academics, you can cultivate philanthropic and social change habits with these consistent actions:

- Start early. Begin by nurturing a sense of empathy and generosity in young children. As they grow, add activities that use their time, talent, and treasure.
- Be a role model. As you volunteer or give money, discuss your philanthropic motivations and values. Children won't fully understand the behavior unless you explain the why behind it.
- Do things together. Create opportunities for intergenerational volunteering and giving to reinforce a culture of philanthropy. People typically remember ideas from experiential learning longer than from taking a class or reading materials.
- Nurture their philanthropic identities. Especially in their teens and college years, a young person is creating their sense of self. Encourage them to explore and develop priorities for social impact that may differ from yours—and support their priorities with your own giving.
- Reinforce with mentors and peers. Ask grandparents, aunts and uncles, and other friends of the family to act as generosity mentors. They can provide positive feedback on young people's actions and offer opportunities for learning and practice. As importantly, find opportunities for young people to act with their peers outside of the family.

Why is it important to address succession now?

Successful succession requires you to re-imagine the nature of leadership and the need for control. It involves sharing and shifting power. It may not be the easiest work, but the effort you put in is vital to increasing continuity and harmony and decreasing disjointed changes that cause negative feelings. You don't want to place an unnecessary burden on loved ones if you become ill or when you pass away. And you don't want to cause them to spend countless hours trying to understand your philanthropic activities and intent and resolve arguments about future directions.

Preparing People for Success

Our research has identified common ways families prepare adults for leadership roles in their philanthropy, and younger generations for lives of personal and collective generosity. As you review the list, remember these tips:

- Take the opportunity to start many of the activities years before a transition takes place.
- Successors will be more likely to view the activities positively when you present them as opportunities and options, not obligations.
- Beware of making assumptions about interest and capability based on birth order, gender, age, or racial or economic background.

Family Members in Elementary School:

- Connect action to emotion and meaning. Volunteer together and talk about why you give of your time and other resources.
- Model practical generosity by taking meals to seniors or sick neighbors.
- Encourage savings for giving (e.g., save, share, invest, spend jars).
- Together, give outgrown toys and clothes to others.
- Offer opportunities to direct gifts from your checkbook or donor-advised fund.

Family Members in Middle School:

- Encourage them to research, volunteer, and give to causes that spark their interest.
- Teach financial values and financial capability.
- Set aside a budget for them to make their own grants. Consider bringing together two or more family members as a group. Give them guidance on group decision-making, allow them to develop their own criteria and strategies, and then ask them to present their recommendations.

- Go on a family service-learning trip.
- Share a glossary of philanthropic terms. (See Learning to Give.)
- Involve them in youth philanthropy programs offered by community foundations, Jewish Federations, 4-H clubs, schools, and other organizations. You can find a directory at Youth Giving and curricula at Learning to Give.

Family Members in High School:

- Create a matching grant program, asking participants to explain the alignment of the grant recipient to their own values and goals and/or the shared goals of the family. Some matching grant programs also match money with time volunteered.
- Invite them to attend board and committee meetings, grant review meetings, and other strategy sessions before they officially have a decision-making role. Allow extra time for them to ask questions and invite the perspectives they bring with fresh eyes on the topics.
- Invite them to interview older generations and create videos to share with other family members.
- Provide them opportunities to practice working with investment and legal advisors.
- Invite them to learn about and gain expertise in issue areas.
- Encourage them to intern or work at mission-driven organizations so they gain a wider set of perspectives before joining the family philanthropy.
- Introduce them to peers through NCFP and local, national, or international networks of donors, and philanthropy-related associations.

Family Members who are Young Adults:

- Invite advisors to teach the basics of fiduciary duty, budget and investment oversight, and regulatory compliance.
- Set aside money for higher-risk grantmaking that may appeal to younger generations; give them a safe space for innovation.
- Formalize participation in governance and other decision-making roles.

- Help them cultivate a network of peers and attend philanthropy conferences or events.
- Encourage joining a giving circle to learn about a community or issue and practice effective giving with like-minded individuals. You can find a directory of giving circles at Philanthropy Together.

Adults (family or nonfamily members):

- Offer mentors or hire executive coaches to help people (yourself included) learn and grow as individuals and assess their assumptions about situations.
- Create, share, and discuss legal documents, written policies, and central strategy documents. Consider including a timeline of important decisions and reflections on lessons you have learned.
- Create an advisory council of people who are prospects for future leadership positions. The council should have a two-way learning agenda. You'll listen to and incorporate some of their perspectives in your philanthropy, and they'll learn about the history, culture, and goals of your philanthropy.
- Help older or long-serving members pursue a sense of purpose outside of the current philanthropic vehicle.

All Ages:

- Use the *Purpose* primer or similar tools to discuss individual and shared motivations, values, and priorities. Share personal stories and experiences that shape each of you as generous and civically engaged people.
- Attend webinars, workshops, and conferences on philanthropy, impact investing, or other topics. (Ensure costs or logistics such as childcare aren't a barrier). Then discuss what ideas interested each of you and how they might fit into your philanthropic strategy.
- Invite founders and people close to them to share stories, legacy videos, and other historical perspectives.
- Create intergenerational site visits and volunteer opportunities. Afterward, discuss what each member experienced.

Some families create a next-generation committee or board with its own grantmaking budget, learning agenda, and impact investing or social action goals. While a next-generation committee can be valuable, it shouldn't be an excuse to put off fully including younger members in official board or decision-making duties. You must provide a clear pathway to, and expectations for, equal participation in the governance of your strategy and vehicle.



Preparation, Transition, and Succession

This worksheet will help you outline a plan for transitioning roles and preparing your successors. To complete the worksheet, it will be helpful to have on hand previous decisions you've made about philanthropic purpose, governance, and operations.

Note that, in addition to family members, other groups who serve as valued successors include:

- People with lived experience: People who bring direct experiences with the issues important in your philanthropy
- People with local knowledge: People who live in the places important in your philanthropy
- People with issue expertise: People who bring research, data, historical, or other insights
- Trusted allies: Advisors, mentors, faith leaders, or others
- Third parties: New funds, foundations, or organizations led by any of the groups listed above, a professional services firm, or organization such as a community foundation

1. Vision for Success

What do I hope for my successors as people? How do I hope they thrive and flourish during and after the transitions?

What should they and I experience and feel during the transitions? How should the broader community feel about the transfer of roles and resources to successors or to new organizations? What should they be saying about the process?

Along each of the dials below, indicate your preference of how you see your philanthropy many years in the future.

GOVERNANCE Has a hierarchical Has a democratic organization or culture; organization or culture; strong on respect for strong on empowering authority and/or senior everyone involved family members Decision-making is Decision-making is led by family led by community or expert voices members **FAMILY DYNAMICS** Family members are Family members are disengaged; people enmeshed; there is involved are self-reliant strong sense of belonging and independent and mutual support Family dynamics are Family dynamics are vertical; philanthropy horizontal; philanthropy is based on family is based on generational

branches and loyalty

across generations

identity and loyalty

across branches

2. Your Transition(s)

Roles and responsibilities		
'll leave behind		
Date or event which triggers		
he transition in my roles		
ne transition in my roles		

New roles and	
responsibilities I'll take on	
(if any)	
(II dily)	
How I'll propare for the	
riow i ii prepare for the	
How I'll prepare for the	
transition and make room	
transition and make room	
transition and make room	

Who might help you stay	
accountable for your	
transition goals? Who will	
offer guidance before,	
during, and after the	
transition?	
Notes	

3. Naming and Preparing Successors

How and when do we
plan to engage the next
generation in the family
philanthropy?

The charts below help you outline:

- Each role that will transition (e.g., board membership, grant committee composition, or an operational function).
- When you see the transition occurring (e.g., a specific circumstance such as retirement, specific age, or end of a term of service).
- Who you hope may be to fill the role (specific names or groups of people).
- The desired competencies (knowledge, skills, attitudes, and attributes) of your successors.
- Discussions or activities you hope to implement to ensure you prepare everyone involved for the transition. (See page 53 for ideas.)
- Other notes about the process.

Role 1:
When the role should transition

Who could be eligible			
Ideal competencies needed to succeed in the role			
Activities to prepare people for the role			

Support to offer during onboarding to the new role			
Ongoing training or support to ensure success			
Notes			

Role 2:	
When the role should transition	
Who could be eligible	
Ideal competencies needed to succeed in the role	

Activities to prepare people for the role			
Support to offer during onboarding to the new role			
Ongoing training or support to ensure success			

Notes			
Role 3:			
When the role should transition			
Who could be eligible			

Ideal competencies needed to succeed in the role			
Activities to prepare people for the role			
Support to offer during onboarding to the new role			

Ongoing training or support to ensure success			
Notes			
Role 4:			
When the role should transition			

Who could be eligible			
Ideal competencies needed to succeed in the role			
Activities to prepare people for the role			

Support to offer during onboarding to the new role			
Ongoing training or support to ensure success			
Notes			

Next Steps: With whom do you need to share the information in this worksheet? Who could help hold you accountable for implementing the plans you've described in this worksheet?		

Prepare for the End

The final part of your philanthropic continuity invites you to consider your philanthropic vehicle's planned dissolution or sunsetting. If you have chosen a perpetual vehicle, you might use this section to create a contingency plan. Example contingencies include what should happen if no family members want to serve or your philanthropic priorities are no longer relevant (e.g., a disease has been cured).

How might the end of a philanthropic vehicle complement its legacy? At a minimum, answer five questions:

- 1. Who will set the terms of dissolution?
- 2. How will you be respectful of long-time partners? For instance, will you warn grantees two or three years ahead of time or give them final capstone grants or endowment gifts?
- 3. How should you use the remaining assets? Will you give grants to a pre-defined list of organizations? Continue part of the philanthropic strategy in a different philanthropic vehicle or create a new fund for a younger generation's giving?
- 4. Who can decide to start the dissolution process and who oversees it? Who will manage the internal and external messaging? Will you compensate them for that work, and how?

5. Will you share the knowledge and insights you've developed,

perhaps through final reports, a book, or archive? Who will manage that work at what cost?

Note that each type of vehicle must follow dissolution and liquidation laws set by federal regulators (most frequently the IRS) and state regulators (typically the attorney general and secretary of state). For instance, a charitable vehicle such as a foundation or donor-advised fund must transfer its assets to other public charities.

Why is planning for the end important?

Winding down and ending a social impact vehicle can be emotionally difficult for you to plan and for successors to implement. It may also be emotionally difficult for the causes and communities you serve. Creating even a basic dissolution plan lowers the possibility of confusion and discord when your family encounters a planned or unplanned transition point in your philanthropic vehicle. Consider it an important part of your insurance plan for your legacy.

Dissolution Plan

Your decisions in the Lifespan Worksheet and Planning for Continuity and Change Worksheet will inform how you use this worksheet. Donors who end their social impact vehicles during their life or when they die will likely use it as part of their financial and estate planning process. Limited-lifespan vehicles will use it to plan the final years of their work. Perpetual vehicles might use it to create a back-up plan if successors can no longer agree on a shared purpose or the vehicle's assets decrease below a level that seems cost-effective to sustain.

Consult with your legal counsel and managers of your social impact vehicle to understand any regulatory restrictions on your dissolution plan and to revise legal, financial, and governance documents as needed.

1. Why and How We'll Sunset

Under what circumstances should we close the philanthropic vehicle?

(Examples include: the planned lifespan, within a year of no family members wanting to take governance roles, or when the assets are below a certain threshold for sustainable operations)

Who can decide to start	
the dissolution process,	
using what decision-	
making methods?	
(For example, the board	
of directors must have a	
unanimous vote.)	
Who should oversee the	
dissolution process and	
manage the internal and	
external messaging? Will	
we compensate them for	
that work and how?	
that work and now:	
How soon will we let our	
partners (e.g., grantees or	
social enterprises) know	
about these plans? What	
process and values will be	
most respectful to them?	
most respectful to them:	

2. What We'll Leave Behind

If there are financial assets left, how should we use them? (Examples include: grant to a specific public charity, endow a scholarship or fellowship at a school, establish a grantmaking fund at an intermediary for a broad purpose such as youth services, or create a new donor-advised fund for grandchildren to use.)

	% or \$ amount	Details
At the discretion of successors		
To which organization for what purpose		
To which organization for what purpose		

	% or \$ amount	Details
To which organization for what purpose		
To which organization for what purpose		

Who should oversee distributing those resources, including finding alternate choices if the organizations or purposes I describe no longer exist or are no longer eligible as charitable recipients?

Should we document the history and impact of the philanthropy for the family's use? If so, how so? What resources should we dedicate to it? (Examples include: a family history book, legacy video, or online archive) Should we document and share the knowledge we've developed and cumulative impact of our and our partners' work with the public? If so, how so? What resources should we dedicate to it? (Examples include: publishing a final report or book about an issues or strategy, or donating archives to a history center)

Document and Share Your Decisions

Throughout this primer, you've documented how you hope to cocreate a living legacy during and after your lifetime. You want to be sure those hopes are clear for those who follow in your footsteps. Donors and families use one or more of these methods to share the details of their legacies:

- 1. This primer. You can share the worksheets from this primer, which reflect your personal hopes, and the attached Succession and Legacy Playbook, which captures your family's shared hopes.
- 2. Legacy statement. Also known as a donor intent statement or letter of wishes, a written legacy statement can be formal or informal and might include information such as:
 - Personal history and primary influences
 - Guiding principles and values that inspire your philanthropy
 - Passions and causes
 - Time horizon for your philanthropy
 - How you want successors to engage in philanthropy
 - Level of flexibility in future interpretation that you desire

- 3. Legacy recording. Audio and video recordings can help tell the full story of your family's past, the communities and people that supported them, and your philanthropic journey. Consider having a younger family member, or members, interview you for your legacy recording. This can be a meaningful experience for the entire family. They might ask you questions like:
 - How did you begin your philanthropic journey?
 - What experiences shaped your giving?
 - How would you characterize your philanthropy?
 - What gifts have brought you the most joy?
 - What lessons have you learned?
 - About which organizations or causes have you been most enthusiastic?
 - How would you like people to remember your philanthropy?
 - What wisdom can you share about your philanthropy?
 - What are your hopes for the future?
 - How do you hope people will interpret those hopes in the future?

These materials are not legally binding but provide valuable insight regarding your philanthropic vision and how future generations should interpret your wishes. Review them every few years to ensure they align with your vision and mission and adapt to the changing needs of the communities, issues, and populations your philanthropy serves.

Lastly, remember that the materials are meant to be shared—don't tuck them away and hope someone finds them after you are gone. Share them with your family members and advisors while you are living, so that they too can feel the joy and the meaning of your philanthropy.

Next Steps

Creating a philanthropic continuity plan helps you understand the legacies you inherited, define the legacy you want to leave, declare a lifespan for your philanthropic work, prepare successors to build on your legacy, and plan for issues such as dissolution and contingencies.

Keep in mind these tips for long-term success as you develop and implement your philanthropic continuity plan:

- Include other voices: By consulting others—family members, friends, experts, and people closest to problems and solutions—you can create a more fulfilling legacy. Including others in the conversation also prepares them to help you create your legacy during your lifetime and, if you wish, after you're gone.
- Create accountability: Hold yourself accountable to your "why" by regularly comparing the legacy you want to create with how you use your resources (time, talent, treasure, ties, and testimony). Doing so helps you fully align your resources to the legacy you want to share.
- Purposefully reassess: Most families find that defining their legacy and philanthropic continuity plan is an iterative process. Revisit your answers to the worksheets and statements every few years.

• Adapt: Your philanthropic continuity plan and legacy documents might need to evolve in response to changes in your family (e.g., the sale of a business, a marriage that brings in new perspectives, or the death of a parent) or changes in the populations, places, and issues you support.

Lastly, remember that how you've defined your living legacy may inspire you to revisit choices in the other Family Giving Lifecycle primers, which cover topics such as using philanthropic vehicles and implementing and assessing your social impact strategies.



Family Succession and Legacy 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 create a philanthropic continuity plan. The plan outlines shared preferences for your legacy, lifespan of one or more philanthropic vehicles, vision for change, preparation for successors and transitions, dissolution, and legacy documents.

The prompts will help you synthesize the information you individually completed using the primer's worksheets. Family members should consider the playbook a living draft to test as they practice planning for legacy and transitions 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 playbook section. Some families have a founding or controlling generation member complete a draft based on their vision for the family's philanthropy, to then discuss with the group. Other families develop a draft together or form a small group to do so.

Then choose 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. Then, ensure everyone involved can access documents related to your philanthropic purpose (e.g., values, 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

Many families develop their shared continuity plan on their own or with light facilitation from an advisor or staff member. They most often involve specialists when working on Sections Three and Four. As you develop your plan, consider the following guidance:

Section 1: In your discussions, identify the gifts and resources people feel most relate to your legacy of generosity and social impact. The impact might be informal, such as being good neighbors and speaking up at community forums, or formal, such as serving on a nonprofit board or making grants through a charitable fund.

Section 2: Questions about lifespan aren't always easy, and an increasing number of donors aren't committing to one option. Instead, they are taking years to better understand their philanthropic priorities, refine their strategies, and involve potential successors in decisions. The results of a handson intergenerational experience can help determine if a longer-term vehicle makes sense.

Section 3: Family members often disagree about how much donor intent to preserve. Some people believe keeping things the same after their deaths will create a focused vision and legacy of impact. However, restrictive donor intent can reduce the interest of future generations in participating since they can't adapt the philanthropic resources to changing community conditions. On the other hand, too little guidance for future generations can water down the family's impact or provide grounds for unnecessary disagreements. Families often find a balance between restriction and flexibility works best for both positive family involvement and a legacy of impact.

Section 4: Choosing successors can often feel hard, especially for parents and grandparents. They might believe fairness means treating everyone equally. However, the children's or grandchildren's perceptions of fairness can be complicated by inequality in financial means, marital status, roles in a family business, or previous time available to spend in the family's philanthropy. Families that successfully navigate these decisions start a growth mindset—the belief that everyone has valuable innate abilities and deserves a chance to improve and rise successfully to new roles. They also base qualifications for roles on written competencies, characteristics, and experiences more than bloodline or birth order.

Sections 5 and 6: Family members often defer these decisions to the founding generation or the group currently in charge of decision-making. They may have the most interest in how financial resources left after a dissolution and shared storytelling exercises strengthen their personal philanthropy.

Guiding Principles for Collaborative Work¹

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 in your philanthropy.

Shared Philanthropic Continuity Plan

This plan outlines our hopes for a purposeful legacy, lifespan of one or more philanthropic vehicles, vision for continuity and change, preparation for successors and transitions, dissolution, and legacy documents.

The plan 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. Our Philanthropic Legacy

Our family's true wealth is more than financial resources. It's our shared identity and purpose, the quality of our relationships, and much more. We inherited resources from our ancestors, culture, faith traditions, communities, and other sources. We're creating new resources during our lifetimes. And, as part of our living legacy, we purposefully want to share the resources in the future. We've listed some of the most valuable resources in the table below.

	The resources we've inherited and are co-creating	With whom we'll share the resources Examples include specific nonprofits or causes, family members, communities, employees, friends, and people with direct experiences with the challenges that are a focus of your giving.
Sense of Self or Shared Identity (Examples include: cultures, faith traditions, health, emotions, resilience, and personality traits.)		

	The resources we've inherited and are co-creating	With whom we'll share the resources Examples include specific nonprofits or causes, family members, communities, employees, friends, and people with direct experiences with the challenges that are a focus of your giving.
Know-How (Examples include: knowledge, wisdom, curiosity, creativity; ability to pursue meaningful work.)		

	The resources we've inherited and are co-creating	With whom we'll share the resources Examples include specific nonprofits or causes, family members, communities, employees, friends, and people with direct experiences with the challenges that are a focus of your giving.
Relationships (Examples include:important relationships; how we are interconnected with others.)		

	The resources we've inherited and are co-creating	With whom we'll share the resources Examples include specific nonprofits or causes, family members, communities, employees, friends, and people with direct experiences with the challenges that are a focus of your giving.
Financial Capital (Examples include: money, real estate, businesses, foundations, other assets.)		

	The resources we've inherited and are co-creating	With whom we'll share the resources Examples include specific nonprofits or causes, family members, communities, employees, friends, and people with direct experiences with the challenges that are a focus of your giving.
Purpose (Examples include: values or mission; our calling to make a difference in the lives of others.)		

	The resources we've inherited and are co-creating	With whom we'll share the resources Examples include specific nonprofits or causes, family members, communities, employees, friends, and people with direct experiences with the challenges that are a focus of your giving.
Power and Privilege (Examples include: ability to influence other people, resources, and events; advantages we have because of what we've inherited.)		

	The resources we've inherited and are co-creating	With whom we'll share the resources Examples include specific nonprofits or causes, family members, communities, employees, friends, and people with direct experiences with the challenges that are a focus of your giving.
Other		

Reflecting on the chart, we might summarize the legacy we want to leave in this way:
Notes What should people who weren't involved in this conversation know about our choices?

earning agenda and next steps What do we want to learn next about defining our legacy?			

2. Our Vehicle's Lifespan

We discussed options for the lifespan of our philanthropic vehicle(s), including: 1) closing the vehicle during our lifetime, 2) closing by a certain date or after a number of generations, 3) perpetuity with flexible spending, 4) perpetuity with minimal spending, and 5) undecided for now.

Lifespan Choices

VEHICLE 1	LIFESPAN
VEHICLE 2	LIFESPAN
VEHICLE 3	LIFESPAN
VEHICLE 4	LIFESPAN

Legacy of Impact

How do we see our choices supporting the greatest impact in the causes and communities we serve?

Family and Decision-Maker Legacy

How do we see our choices supporting the flourishing of our family and others we include in our decisionmaking?

N	0	t	e	S

What should people who	
weren't in this conversation	
know about our choices?	
Know about our choices.	

Learning Agenda and Next Steps

What do we want to learn or do next to ensure our choices are reflected in legal documents, financial or investment plans, or policies and procedures?

3. Vision for Continuity and Change

While we cannot predict or control the future, we can plan for some level of continuity in our philanthropy and social impact. We've listed our preferences using the numerical choices below (or N/A for not applicable) and provided notes about our choices:

- 1. Highly flexible: Our successors can continue or substantially change the policy or practice to best meet future needs and conditions.
- 2. Somewhat flexible: Our successors should only make small changes in adapting the current policy or practice to ensure our philanthropy remains relevant and effective.
- 3. Restricted: Our successors should continue the current policy or practice unless circumstances have so changed that it becomes unnecessary, impractical, or impossible to do so.
- **4. Other:** A decision that doesn't fit one of the first three.

Current Practice/Policy	Preference (1, 2, 3, or 4)	Notes
PHILANTHROPIC PURPO	SE	
Values statement or list		

Current Practice/Policy	Preference (1, 2, 3, or 4)	Notes
Vision statement		
Mission statement		
Level of anonymity		

Current Practice/Policy	Preference (1, 2, 3, or 4)	Notes
SOCIAL IMPACT VEH	ICLE(S) (e.g., fo	oundations, trusts, social enterprises, LLCs, 501(c)(4)s)
Lifespan of current vehicle(s)		
Creation of new vehicles		
PHILANTHROPIC STR	RATEGY	
Priority issues or populations		

Current Practice/Policy	Preference (1, 2, 3, or 4)	Notes
Priority geographies		
Grant guidelines (the types of nonprofits we support)		
Use of other impact tools (e.g., scholarships, impact investments)		

Current Practice/Policy	Preference (1, 2, 3, or 4)	Notes
Use of tools to influence others (e.g., convening, nonpartisan advocacy, strategic communications)		
Measures of progress and success		
OPERATIONS		
Staffing model		
Investment policies and practices		

Current Practice/Policy	Preference (1, 2, 3, or 4)	Notes
OTHER		

Guidance

What values, principles, or	
other guidance should shape	
successors' decisions?	
successors decisions:	

Learning Agenda and Next Steps

What do we want to learn or do next to ensure our preferences are reflected in legal documents, financial or investment plans, or policies and procedures?

4. Plan for Successful Preparation and Transition

We are planning for a succession process that helps people flourish as they start or end roles in our philanthropy (e.g., board membership, staff leadership, advisory council membership). Groups that might take on the roles include family members, people with first-hand experience in the communities or causes we support, other experts and allies, professional service providers, and other nonprofits or funds.

Vision for Transition and Succession

How we hope the following groups flourish during the transitions—what should they be feeling, thinking, or saying

Current decision-makers as they step down

People stepping up into new roles
The communities and nonprofits we support

Copy this chart and complete it for each relevant role.

Role 1:	
When the role should transition	
Who could be eligible	
Ideal competencies needed to succeed in the role	

Activities to prepare people for the role			
Support to offer during onboarding to the new role			
Ongoing training or support to ensure success			

Notes			

What should people who		
weren't in this conversation		
know about our choices?		
Know about our choices.		

Accountability

•	
Who will help us stay accountable to our transition	
and preparation goals?	

Learning Agenda and Next Steps

What do we want to learn or do next to implement our succession and preparation plans?

5. Plan for Dissolution

We want the dissolution of our philanthropic vehicles to be as smooth as possible and/or have contingency plans for perpetual vehicles. We hope how the vehicles end operations complements the legacy we've started, including how we treat partners and grantees.

Vehicle 1:			
A. PROCESS			
Reason or circumstances that should cause the vehicle to end			
Who can start the dissolution process using what decision- making methods			

Who should administrate the process and how they should be compensated
How we should let partners know and how they should be treated
How we should document our legacy of impact for our family
How we should document our legacy of impact for use by other audiences

B. FINANCIAL ASSETS LEFT BEHIND % or \$ amount **Details** At the discretion of successors To which organization for what purpose To which organization for what purpose To which organization for what purpose To which organization for what purpose

N	0	t	e	S

What should people who	
weren't in this conversation	
know about our choices?	
Know about our choices.	

Learning Agenda and Next Steps

What do we want to learn or do next to implement our dissolution plans, or ensure they are reflected in legal documents, financial or investment plans, or policies and procedures?

Legacy Documentation

Formally documenting our family's shared legacy can help successors, and perhaps others, more effectively continue and build on that legacy. We've checked some tools that we believe could be useful and listed who should lead the caretaking or development of the tools.

Document	Who	Maintain as-is	Revise soon	Create new	Not applicable
Legacy statement or letter of wishes for the founders					
Purposeful trust or ethical will					
Audio or video recordings of the founders					
Audio or video recordings of a broader set of family members					
Scrapbooks, journals, or similar collections of materials					
Family tree or genealogy resource					
History book of the family					
History book of the philanthropy					

Document	Who	Maintain as-is	Revise soon	Create new	Not applicable
Website or online resources for the public					
Online archive for the family only					
Archive at a university or history center					

THE FAMILY GIVING LIFECYCLE

Philanthropic
Purpose

Impact Vehicles
& Structures

Governance

4

Impact Strategies & Tools

> S Assessment & Learning

Operations & Management

SUCCESSION AND LEGACY

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.

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.

