



ENGAGING THE FAMILY IN YOUR PHILANTHROPY

Creative Strategies and Practical Approaches
to Involving the Next Generation

ATLANTIC TRUST

PRIVATE WEALTH MANAGEMENT

Foundation // Source

Introduction

If you're reading this, you've probably begun thinking about establishing (or continuing) a philanthropic legacy that will extend into the next generation and beyond. In the following pages, we share what we have learned from our clients about raising a philanthropic family and provide practical strategies for getting children of all ages involved in charitable giving.

First, we discuss the reasons family foundations are established and how these may lay the groundwork for a foundation's mission. Beyond the tax advantages, families create foundations for one or both of two reasons: to create positive change in the world or to achieve some outcome within the family.

Besides adopting an external mission (what the foundation does, why, how and for whom) many foundations also draft an internal mission specifying how the foundation will function to build family, encourage education and confer family values to younger members. Internal missions might focus on increasing family participation and cohesiveness, perpetuating family traditions, building core abilities, preserving family history and/or training future generations.

We also offer examples of how Foundation Source clients are engaging their families in support of their internal missions. As the nation's leading provider of outsourced support and advisory services for private foundations, we've been privileged to observe how these families use their foundations to make a difference within the family as well as in the external world. We are pleased to share what they have taught us.

Page Snow

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A family foundation provides ample opportunities for family-building activities that might otherwise be difficult to accomplish. Our clients use their foundations to create change and foster growth in these familial relationships.

While every family crafts its own strategies for family engagement, seeing what has worked for others can help jump-start the process. Here are five touchstones that our clients have found to be especially important to creating a foundation that inspires younger generations:

1. INSTILL VALUES AND TRADITIONS

Involving children in your philanthropy is an essential part of ensuring that your family's charitable legacy endures. The process of working together as a family can instill philanthropic values that last a lifetime. The family foundation can produce generation upon generation of individuals who are committed to making a difference. A dedicated philanthropist who comes from several generations of inherited wealth explained the roots of his passion for giving this way:

“It’s simple really...that’s how my brother and I were brought up. We were taught that caring for the welfare of others was part and parcel of being a good citizen. Over time, giving back just became a habit...as natural as brushing our teeth.”

2. MAINTAIN FAMILY TIES

In our increasingly geographically dispersed society, the family foundation can be the glue that maintains connections as family members scatter across the country, or even the globe. Annual and quarterly meetings provide a “non-Thanksgiving” reason for the family to meet, talk and share how they might make a difference. As one client in her 70s told us:

“If Dad hadn’t left us the family foundation, I would never see my brother at all! Now we have an excuse to meet and work on things that are meaningful for us both. The foundation has enabled us to connect with members of our family who we barely even knew existed.”

3. DEEPEN SOCIAL CONSCIOUSNESS

The rapid pace of modern life offers few opportunities for families to work together on significant issues that are meaningful to them. Competing priorities—work, kids' activities, social obligations, exercise, entertainment and travel—make it difficult for families to find time to talk about things that matter, let alone take action on those issues. For many families, the private foundation becomes the “hearth” around which multiple generations gather to discuss problems they would like to see resolved. In the process, family members get to know each other on a whole new level—moving conversations beyond “what did you do today?” to discussing issues truly important to the family. This is precisely what happened when one grandfather took his grandchildren on a site visit:

“My grandkids didn’t have a clue what child abuse was...they thought it was when their mom and dad yelled at them for being late to school. I took them on a site visit to a children’s crisis center. When the executive director told them about cigarette burns, being locked in a closet over the weekend, they couldn’t stand it...they insisted that we do something to help these kids with our foundation.”

4. INCREASE PERSONAL FULFILLMENT

The accepted logic has always been that a more highly functioning family is more likely to engage in significant and effective philanthropy. One study demonstrated that the inverse is often true as well: good philanthropy spawns healthy families.¹ The very act of giving can actually make us happier. In a classic exercise, psychologist and researcher Martin Seligman asked his students to engage in one pleasurable activity and one philanthropic activity and then write about both. According to the students' accounts, the perceived aftereffects of the fun activity (watching a film, eating ice cream) paled in comparison to the altruistic venture (volunteering in a soup kitchen).

Why was this? The research indicated that the process of giving took the students outside themselves. The total engagement and

¹Gersick, Kelin E., et al. *Generations of Giving: Leadership and Continuity in Family Foundations. A Study Commissioned by the National Center for Family Philanthropy.* (Lexington MA: Lexington Books, 2004), 239.

loss of self-consciousness they experienced when helping others had a stronger and more lasting impact than the short-lived stimulation of a “fun” activity. This principle is further illustrated by a story, told to us by a client whose family had an annual tradition of adopting a needy family and giving them a Christmas tree and gifts:

“We started this tradition when my daughter was nine. At age 12, she turned to me and said, ‘Mom, instead of giving me presents for Christmas this year, can you use that money to adopt a second family?’ I was pleased but surprised, so I asked her why. She said, ‘It felt so good last year hearing that little boy tell his parents that it was the best Christmas they’d ever had. I just want to feel that way again!’”

5. DEVELOP SKILLS, KNOWLEDGE AND AWARENESS

Involving the younger generation in the foundation can build practical competencies such as leadership, teamwork, investment management, facilitation skills and social awareness.

While the family foundation can provide significant opportunities for career development to young adults, even school-age children can benefit from the opportunity to apply their developing skills. One client was thrilled to see her 11-year-old daughter take the popular idea of donating birthday gifts to the next level. Here we see her enthusiastic foray into philanthropy simultaneously touching on the areas of leadership, fundraising, collaboration, financial planning and even results measurement—impressive for a fifth grader!

“After the rewarding experience of donating one of her gifts from her 10th birthday, my daughter wanted to give all of her gifts to charity on her 11th birthday, but by leading her own fundraising efforts this time.

She gave a speech at her school to raise funds for additional gifts. Then she wrote to her grandmother asking her to match the over \$400 she had raised at school. With almost \$900 in hand, she went shopping with us for toys for the pediatric cancer ward of a nearby hospital. I took her to a toy store that was going out of business to make the most of the funds raised.

Together, we brought a gigantic load of toys to the hospital. Later, she was thrilled to receive a letter from the hospital with pictures of children enjoying the gifts, as well as the news that some of the toys were now riding in ambulances to pacify children involved in emergencies.”

GETTING STARTED

So what is the right age to start exposing your children to philanthropy? Some clients feel it's a good idea to start as early as possible, opining that life's lessons are taught early across the dinner table. That way, by the time children are old enough to join the foundation, philanthropy has already been an integral part of their lives.

Other clients feel it's better to wait because a heavy-handed approach can backfire and lead to resentment or rebellion. They believe that delaying until a child is ready to take on the responsibility of foundation involvement fosters a genuine desire that comes from a place of maturity. In our view, there is no right choice—each family must make its own decision. Whichever path you choose, engaging the next generation should be an ongoing process that is constantly reinforced, not a one-time event.

Whether you start early or wait until children are grown, we know that families who seamlessly incorporate the next generation into the foundation are often the most successful in engaging them over the long term. As one third-generation member of a highly active family foundation recalled:

“We didn't exactly have a formal introduction into our foundation. We were in diapers for our first foray into the foundation, crawling around underneath the board room table! Our parents, aunts, uncles and grandparents were reviewing proposals and having heated discussions about important social issues of the day while jiggling us on their knees. By osmosis, my siblings and cousins became social activists. I guess you could say we grew up in the board room.”

Of course, there can be challenges to getting the next generation involved and excited. Busy schedules and geographic distances aside, there are also generational differences expressed in disparate styles of communication, life perspectives and interests.

Integrating multiple generations of family members entails a delicate balance between preserving the foundation's philanthropic legacy versus bringing in new ideas to build upon that legacy. According to Sharna Goldseker, who runs 21/64, a network for philanthropic 18- to 28-year-olds (see page 11), the most successful families show a willingness to accommodate the next generation's perspectives. Younger people truly have a lot to offer, so bringing them onboard can't simply be a matter of incorporating these new members into old ways of doing things. Ultimately, the goal of next generation involvement must be to renew and reinvigorate the foundation.

To that end, we offer these ideas as stepping stones in the path you choose for your family.

START YOUNG

Children as young as 3 or 4 can learn about the value of good works. Young people this age are just beginning to realize that the world extends beyond "me" and even beyond "Mom and Dad." This is the age when children develop a sense of empathy and awareness of other people's feelings, so it's important to take advantage of this window of opportunity. The exciting discovery of their expanding world can be a magical time—a perfect opportunity to begin teaching youngsters the joys of helping others.

Model Philanthropic Behavior: Young children look to their parents for clues about how to interact with the world, taking careful note of how society responds to the elderly, homeless, disabled, or the seriously ill. Watching Mom and Dad engage in charitable activities reinforces the tenet that acts of generosity are valued by the family. The more the notion "this is what our family does" is reinforced, the better. Bring your children along when you provide books to a homeless shelter, shovel an elderly neighbor's driveway or donate used toys and clothing to the poor.

Read Books About Giving: A philanthropic mindset can be developed at story time by reading books about giving. Kids need role models and examples that inspire them. Stories with a theme of "giving back" such as B.G. Hennessy's book, *Because of You* (Candlewick Press, 2005), underscore the importance of helping others:

“When you were born, there was a new person for your family to love and care for...and because of you there is one more person who can love and care for others.”
- *Because of You*

You can also use books to answer young children’s questions about social issues, using the opportunity to clear up any misconceptions about what they’ve seen or heard, such as: “Why did that man ask you for money? Why is that lady sleeping on the park bench?” At Foundation Source, we are happy to share our extensive reading list of age-appropriate books with themes of giving to help raise a child’s social awareness.

Draw Pictures: You can encourage young children’s charitable instincts by asking them to create pictures of what they would do to make the world a better place. Begin by asking them questions: “What things are you thankful for? What makes you happy? What makes you sad? What can you do for people who aren’t as lucky as you?”

Share Family Stories: Children love to hear about the family’s history of giving. Share family stories from your own childhood or even further back in your family’s history. Any experience where a family member learned something about giving—how Grandpa helped neighbors down on their luck or Aunt Lila planted a community garden in the inner city—can be shared in the form of a story that will help children feel a sense of belonging to something bigger.

GROWING UP

For school-age children (7 – 12 years old), family is central. This is the age when they truly want to do things with their parents and siblings, so take advantage of this opportunity to bond with them. Find areas of giving that genuinely excite them where the whole family can participate together.

Start with Their Interests: The motivation to give is often sparked by a child’s own experience. Encourage children to talk about what makes them happy or what is important to them personally, and think about ways to share these things with others. For example, one child might choose to donate a favorite shirt or blouse that she has outgrown to disaster relief. Another child might give toys to a hospital where he had his tonsils out. The more children

personally identify with their donations, the more you'll cultivate their charitable impulses.

Family Projects and Volunteering: Family volunteering can foster a larger sense of community participation and commitment. Choose an activity that matches your family's interests—whether you like to participate in athletic activities like bike-a-thons, swim-a-thons or charity races—or prefer to work on community projects such as cleaning up a playground, beach, or park. Participation in a community project allows kids to do good while meeting and working alongside those who benefit from their efforts.

Create Family Rituals: Whether it's cooking a meal for the homeless on Sundays or sharing a moment from the week where someone made a difference, regular rituals that are shared by the entire family help create a tradition of giving. Carol Weisman, the author of *Raising Charitable Children* (F.E. Robbins and Sons, 2006), recommends using birthdays, anniversaries and other special occasions as opportunities to teach children the joys of giving. You can have your child phone an uncle on his birthday and ask what charitable act he'd like her to do in his honor. Or you could set aside a day to celebrate a relative's special accomplishment or commemorate tragedy that has touched the family. The idea is to create activities that become part of the family legacy.

Include Children in Your Grantmaking Decisions: Since children learn best by imitation, set aside a special time to discuss whom you plan to give to and why. To make this activity more meaningful, you can point out organizations that hold special significance to the family—the hospital where Grandma stayed, or the wildlife refuge where the family hikes in the summer. Let children in on topics you are personally concerned about such as the plight of an endangered species or the demolition of a local historical landmark.

Encourage Their Own Charitable Donations: To reinforce the idea of saving some of their own funds to help others, some families create a "Spend, Save and Give" box with three compartments that allow children to allocate their allowance accordingly. Some families match their charitable savings so that they can do even more. Foundation Source clients use our online "Grant Certificates" to enable their children to make grants up to a specified limit to organizations they choose.

TEENS

Teens mostly want to interact with their peers, but charitable pursuits don't have to go on hiatus at this age. As a teen's personality blossoms, he or she begins to assert independence from the family. As young people develop a more expanded world view, they may discover differences between their own views and those of their parents and family. This can lead to curiosity about the family's roots and interest in learning about the family legacy. Even though family involvement may now seem less important, there are still many ways a teen can play an active philanthropic role.

Community Service and Social Activism: You can take advantage of teens' growing desires to be with peers by encouraging them to join social venture organizations with friends or to make new friends by getting involved in causes they would like to explore. Many high schools require students to fulfill a civic service requirement in order to graduate (and college entrance authorities look positively on such activities).

Help teens find volunteer opportunities that satisfy these requirements while enabling them to discover their own interests, like building a skate park or lobbying local officials to clean up a hazardous waste site. The idea is to find activities that build their confidence so that they can make a difference.

Star-Power Philanthropy: Celebrities like Bono, Brad Pitt and Angelina Jolie are helping to make social action seem not only important, but exciting. Sports figures are also great philanthropic role models for teens who may be looking to heroes for inspiration. For a generation brought up in a media-saturated, brand-conscious world, don't discount cause-related marketing efforts such as the TOMS' One for One movement campaign or Product Red™, which set aside a portion of their profits for social good. Granted, each has a commercial component, but by raising teens' social awareness, these efforts can be a springboard for their participation on the foundation.

Establish a Junior Foundation Board: Rather than putting teens officially on the foundation board, let them first function on a junior board that has its own projects, site visits and meetings. Some junior boards are given their own funds and allowed to develop and define their own mission. Others are asked to present their grant recommendations to the foundation board for final

approval. Either way, this is a wonderful way to introduce the next generation to the foundation's processes for making its funding decisions.

Site Visits: As teens explore new levels of independence, send them on fact-finding missions. Encourage them to visit local charities that pique their interest. Before they go, talk to them about your foundation's guidelines and instruct them how to gather information the board (or other family members) would need to consider an organization for funding. For funded projects, ask them to act as "evaluators," reporting back on project results and whether the foundation's grant made a difference.

e-Philanthropy: Technology has become the primary method modern donors use to network and obtain information. Use of Facebook, Twitter and resources like Kiva have become the frontier of charitable giving—and no one understands social networking, mobile technology and interactive media better than this current web-friendly generation.

Get your teens involved in the foundation by inviting them to use their online skills to make a difference—by designing websites, taking photos and digital video, networking with friends across the globe and writing, podcasting and tweeting about causes. Foundation Source's online console enables teens and their parents to collaborate online in managing the foundation's activity.

COLLEGE AGE AND YOUNG PROFESSIONALS

The training process for becoming an adult member of the foundation should include a gradual increase in responsibility. Young adults are branching out at this stage, often living far from home. Time is often the most precious commodity for this age group, so take advantage of times when you are already together to make it easier for them to be involved.

Formalize and Celebrate: When it's time for a member of the next generation to join the board, issue a formal invitation. It's important to make this a significant event, instilling a sense of consequence and meaning. Some families invite the next generation to join the foundation board when they reach a certain age. Others wait until specific milestones have been achieved, like attending a specified number of board meetings or volunteering a certain number of hours. Whatever criteria you choose, make

board membership an important, honored event that the next generation anticipates and really looks forward to.

Foundation Apprenticeship: To prepare the next generation for board duties, many families begin with apprenticeship programs, pairing young people with more experienced board members to act as mentors. One-on-one relationships with people they admire and respect can provide a meaningful introduction to the foundation. The mentors can teach their protégés about the foundation and its work, while helping them to explore how their unique contributions can enliven and invigorate the foundation.

Formal Training: In addition to creating training opportunities within the foundation, consider giving young people a chance to learn about philanthropy with their peer group, independent of the foundation. Listed below are a number of good training resources devoted to youth philanthropy:

21/64 (www.2164.net) is a nonprofit organization that specializes in intergenerational transitions. They bring young philanthropists together to discuss their family legacies and next-generation issues.

Resource Generation (www.resourcegeneration.org) is a network comprised of young people of wealth that provides education and resources to philanthropists and activists with progressive values.

The Council on Foundations (www.cof.org) runs Next Generation retreats for foundation members ages 18 – 35 at its annual family foundation conference.

Emerging Practitioners in Philanthropy (www.epip.org) provides peer support, mentoring and social events for young foundation professionals, foundation trustees, staff at philanthropy support organizations and graduate students studying philanthropy.

Exposure to Investment Management: Letting young adults see how the foundation assets are managed and talking to them about the board's fiscal goals can be a powerful tool for teaching financial basics. Investment expert, Paul Comstock, points out that the family foundation is the only estate-planning tool that allows parents to observe their offspring's proficiency in managing money firsthand. How well young adults manage foundation finances can be a yardstick of how well they'll handle their own funds once they are on their own.

Give Granting Authority: Providing a small amount of money in the form of discretionary funds offers the opportunity for young adults to connect grantmaking to their own interests. Having their own funds to contribute not only teaches them how to make grants, but also generates new program ideas for the foundation.

Foundation Source makes discretionary granting easy. Young people can make grants online from any locale up to their allotted amount. As soon as they've reached their discretionary limits, they're automatically stopped from granting any more.

CONCLUSION

The 21st century philanthropic era holds the promise of exciting changes and huge leaps forward. The next generation will play a critical role in reinventing philanthropy for needs of their era, ensuring that their own foundations have a significant impact. In closing, we share a final story that we feel captures the next generation's movement to becoming engaged, passionate philanthropists.

In a city with a rapidly growing homeless population, one client found a way to directly involve his family in his efforts to lend a helping hand. He took his children shopping for basic supplies, using this opportunity to talk about what items might be needed and appreciated by people who don't have ready access to showers, laundry facilities, etc. Together, they assembled kits that contained soap, shaving cream, razors, deodorant and other toiletries that most of us take for granted. The family kept these kits in the car and whenever they drove by someone who was living on the street, they would personally present the kit. The father remembers:

“At first, I gave out the kits while the children watched wide-eyed from the car. Over time, my kids began to yell, ‘Dad, Dad, stop the car; there’s a homeless person on the corner!’ They would then jump out and offer the kits themselves. The recipients were thrilled by their genuine concern and attention. I was delighted to see the social awareness this activity provided my children. I have no doubt that they’ll grow up to make a real difference in people’s lives.”

We believe that bringing family members together to make the world a better place is what family philanthropy is all about. With your family foundation as your charitable vehicle, you are already making a difference. By involving the next generation in the foundation, you can give them the desire, confidence and skills they will need to extend your family's legacy of good works and generosity well into the future.

ABOUT US

Atlantic Trust has partnered with Foundation Source, the nation's largest provider of comprehensive support services for private foundations, bringing unparalleled knowledge and expertise to clients across the country. The result: better-run, more effective foundations and more enjoyable philanthropy.

Foundation Source provides its services to more than 1,100 family, corporate, and professionally staffed foundations nationwide, ranging in size from \$500,000 to \$500 million. The company's administrative services, online foundation management tools, and philanthropic advisory services provide a total outsourced solution for private foundations, while Atlantic Trust manages the foundation's assets. This combined approach frees donors and families to enjoy their philanthropy with total ease and confidence while we handle the details.

We work with both established foundations and individuals interested in starting a new foundation.

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