How to make Philanthropy a Family Affair

– *Betsy Brill*

An important part of preparing younger generations for managing wealth and responsibility is to involve children and grandchildren in philanthropic activities. Discussions among family members across generations about charity plan and its mission helps in maintaining continuity of family values regarding social responsibility and ensures effective succession. Betsy Brill, founder and president of Strategic Philanthropy Ltd., a philanthropic advisory practice based in Chicago (USA) advises in this article how the young generation can be engaged in philanthropy, for it to sustain in long term.

Betsy suggests that even if the next generation members are too young for managing business or planning for wealth, they can be involved in acts of giving back to the society. Many business families find philanthropy a good way to teach the next generation about financial responsibilities and managing wealth. Well-structured family philanthropy can help children comprehend wealth not as an identity but rather as a tool that can be used to make a difference to the world. It is important for the family businesses to start thinking about how to involve the next generation in charitable planning process.

Strategies for Engagement

The author suggests the following strategies for engaging next-generation family members in philanthropic activities –

- **Adopt a deliberate approach** of involving younger members to ensure continuity of family's philanthropic goals through direct learning from senior family members.
- **Customize activities** that suit the personalities, skills and life experiences that family members bring.
- Devise engaging mechanisms for sharing family history **describing the motivations behind family philanthropy** (these may include stories of struggles of founder/senior family members with poverty, serious illnesses etc.).
- Nurture meaningful **dialogue across generations about the goals** of charitable initiatives and help guide the continuation of philanthropy.
- Generate prospects for hands-on learning in grantmaking skills by **involving young family members in a family foundation or trust**. A mini-foundation or small corpus could be created that is to be managed by the young members.
- Additionally, young members may be provided a stipend to develop their own **learning plans to equip** themselves **for charitable causes**. They may choose to attend conferences and participate in peer networks thus learning to make better use of the family's charitable assets.

- **Define broad guideline on** how various branches of the family will contribute to charitable **decision-making**.
- Families with already established foundations must **draft succession plans** with specific criteria for prospective trustees that may include – age, education, volunteer service etc. Roles and responsibilities of the trustees must be clearly spelt out.
- Use family meetings or retreats for these activities and bring in a professional facilitator to help **create a shared vision for family philanthropy**.
- **Develop a plan for managing disagreements** in the philanthropic planning process. Some decisions may require consensus whereas some others may be arrived at through a compromise strategy whereby 'losers' of one decision are assured a 'win' in another decision.

Business families must realise that philanthropic planning is a process and not an event. A family's priorities keep evolving overtime. The same is true for family philanthropy. It is important that all family members have clarity on the overarching goals of the family's grantmaking activities. While family members need to uphold the philanthropic legacy of their ancestors, they must also remain open to new ideas and experiences of younger generations and the real social issues of their times.

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