

Families That Give Together: Realizing the Benefits of Family Philanthropy

By Collette Parker

Tracey Gary, author of *Inspired Philanthropy*, is no stranger to the challenges and rewards of raising charitable kids. When Gary was old enough to earn an allowance, her parents gave her 25 cents a week in the form of five nickels—three to spend, save, and invest, respectively; one to lend; and one to give away. By emphasizing charity early, says Gary, her parents instilled her with a love of philanthropy.

It stuck with her: Gary went on to launch seventeen nonprofits, including the Women's Foundation of San Francisco, the oldest and largest philanthropic fund for women in the Western United States. A preeminent donor activist and philanthropic adviser, she has dedicated her life to helping families embrace charitable giving as a way of life. Gary's message: families who give together can magnify, exponentially, the diverse benefits of philanthropy.

Passing Values to The Next Generation

Most Americans recognize the value of family giving. According to the 2000 Cone/Roper Raising Charitable Children Survey, 85 percent of the respondents said they believe children should be introduced to philanthropy—and that parents play a key role in getting kids involved. Fully 96 percent agreed that parents' charitable giving and volunteer activities are good ways to teach children about helping others.

Family philanthropy provides a focal point for parents to transmit their values. By engaging several generations, children have an opportunity to learn from an early age that giving back to their communities is an important endeavor. Giving also offers the opportunity to create a family legacy, ensuring that important values extend beyond parents' lifetimes.

Gary advises families to begin their charitable giving programs with the creation of a mission statement and a discussion of family values. She recommends that every member of the family participate by listing the issues they hold dear, such as peace, compassion, or equality, and specific areas of interest, such as humanitarian aid, soup kitchens, or civil rights. Areas of focus for family philanthropy often emerge from discussions about the values that family members share, or the values that decision leaders such as parents or grandparents may hold in special favor.

Engaging the Kids in Giving

Family philanthropy can be conducted in a variety of ways, leveraging many types of charitable vehicles. The popular alternatives include family foundations, donor-advised funds, and family giving circles in which members make a collective decision on how to direct charitable dollars. "It's rare that you'll find a family that only gives through a single foundation," says Deborah Brody Hamilton, director of the National Center for Family Philanthropy. "If they have one, it's usually a sign that they're giving in all sorts of ways."

Tracy Gary cites the example of one family that gives away \$250,000 annually. The parents make gifts of \$100,000 to support causes that are important to them. Their two adult children each receive \$50,000 to support their own interests through separate vehicles. The family collectively decides where to grant the remaining \$50,000.

There are many ways to involve younger family members in philanthropy. Just as Gary received 25 cents to give away, children can be given small sums of money and guided in choosing how to donate it. Young children can also be encouraged to make donations of clothes, shoes, and toys, and travel with their parents to deposit the items at a shelter. In addition, school-age children can be encouraged to volunteer their time.

Teenagers, meanwhile, can be tasked with researching nonprofits, either as potential grantees or as a place to volunteer their time. Some parents give their children an allowance based on their volunteer hours.

Using Outside Resources

As the amount of charitable gifts and family size increases, families may find it helpful to establish an advisory committee—either formally or informally, depending on the giving vehicle they employ—and decide by vote how and when to make charitable gifts. In some cases, advisors such as lawyers, accountants, and nonprofit specialists may participate as board members and help guide philanthropic decision-making. These third-party experts can provide a wealth of guidance, and keep the peace when families disagree on giving priorities. “An outside facilitator can help a family decide on a mission and keep it focused on an area where they will be most effective,” says Gary. Community foundations, she notes, can offer expertise on local nonprofits, where many family giving programs are centered. Families can also benefit from the experience of their peers. “They can speak with other families that have worked through these issues,” says Deborah Brody Hamilton.

Family philanthropy is a rewarding way to bring change to communities. With some careful planning, it can also tighten family bonds, transmit family values to future generations, and create a lasting family legacy.

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Ten Ways Families Can Encourage Kids' Spirit of Generosity

1. Model abundance or sufficiency, not fear, secrecy, and inadequacy
2. Talk about giving, volunteering, and service and demonstrate each.
3. Be a mentor with your children about money and giving or find one early on.
4. Set giving, volunteering, and work ethic standards early on.
5. Teach responsible budgeting, planning, and checkbook and credit card management.
6. Set up a giving account for contributions and seed it with money, and give ongoing age-appropriate advice.
7. Provide motivation for anonymous gifts and generosity.
8. Balance needs and wants with global understanding and consideration. Know where your family is on the economic spectrum, and help your kids to understand what it means.
9. Create a family giving plan and include your kids' values and priority issues and concerns for their (and your) communities.
10. Increase your community service hours. The national average for Americans is more than 150 hours per year. More volunteering and less TV or computer time might open the hearts and minds of your whole family.

Source: Gary, Tracy and Kohner, Melissa. Inspired Philanthropy: Jossey-Bass, 2002.