

Family philanthropy: tools you can use

Teach your children the rewards of philanthropic giving. **By Peter Dunn**

Involving children and family members in your charitable giving can present both challenges and rewards as you deepen your own philanthropic commitments. There are tools you can use to make philanthropy a part of your family's life. Whatever vehicle you might choose, your family members will learn how rewarding and relevant philanthropy is to their own lives. Depending on the nature of your family and your philanthropic goals, active involvement of family members in philanthropy can have an impact on your estate and tax planning decisions as well.

Generational considerations. How to bring the next generation into a family's philanthropy is a common question. The answer will depend on the nature and structure of your family, particularly if there are multiple generations ready to be active philanthropists.

Teachable moments. No matter the age, there are always age-appropriate experiences that can acquaint family members with your commitment to giving, as well as inspire their own involvement. Opportunities abound for introducing children to giving and volunteering. They can participate in a volunteer project with you, other family members or their school. They can even join you on a site visit at a non-profit organization you support.

Managing tension. There may be healthy tension – and potential for conflict – any time the younger generation is invited into a position where they can reshape what has come before. Family members may have very different views, interests and perspectives on giving.

Tools for giving. Inclusion and communication are important keys to productively involving your family in your giving. Here are some tools to help your family work together.

■ **Create charitable traditions.** There are many ways to establish charitable traditions. One family gives their children an allowance, but divides it into thirds: one-third for spending, one-third for savings and

Resource Organizations

- ▶ **More Than Money**
www.morethanmoney.org
- ▶ **California Community Foundation**
www.calfund.org
- ▶ **Southern California Grantmakers**
www.socalgrantmakers.org
- ▶ **Council on Foundations**
www.cof.org
- ▶ **National Center for Family Philanthropy**
www.ncfp.org
- ▶ **Family Firm Institute**
www.ffi.org

one-third for charity. Another family designates the Thanksgiving holiday as the family-reunion-and-philanthropy weekend, making charitable contribution decisions together as a celebration of giving thanks.

■ **Create a mission statement.** Hold a workshop to develop or review your philanthropic mission. Family stories and traditions are powerful tools for sharing your family's heritage, emphasizing your commitment to community involvement and transferring values to family members.

■ **Philanthropic and financial literacy.** Teaching family members how to read non-profit financial statements will be useful to them, not only in philanthropy but in their professional lives as well. Consider inviting experts to share information with your family about American philanthropy, philanthropy in different cultures and different giving philosophies.

■ **Expand knowledge.** Conferences and other educational forums can introduce your family to community needs and opportunities for giving. Consider bringing family members on site visits to organizations that range in scale, approach and services provided.

■ **Open information and exchange.** Educate your children about their role in your family's philanthropy, including the scope of

their current and future responsibilities and decision-making authority. Discuss your philanthropic finances openly to create dialogue and a sense of shared responsibility.

Modes of giving. There are different ways you can structure your philanthropy, depending on the level of your giving, your goals, your family situation and tax considerations. You can make direct gifts to charities or create a foundation to organize your giving. If creating a foundation, you can establish a private foundation or a donor advised fund at a community foundation as your family philanthropic vehicle. Each option has its own benefits and limitations. The California Community Foundation can be a resource for you as you consider options for your giving and resources for engaging your family in philanthropy. To learn more, or to order publications, visit our Web site at www.calfund.org or contact us at (213) 413-4130.

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