FOUNDATION**SOURCE**

Q&A

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WEBINAR

Best Ways to Engage Family & Build Legacy

For many philanthropists, the questions that matter most aren't about grants or tax forms—they're about people. How do you bring your family into your giving? How do you build something that outlasts you? And how do you do both without prescribing so much that the next generation has no room to make the work their own?

Foundation Source's in-house team of philanthropic and legal specialists sat down to share their best tips on family engagement and legacy building—drawing on decades of experience guiding donors and their advisors through defining a legacy, structuring a family's governance for the long term, understanding what motivates each generation, and inviting new and next-generation members onto a board the right way.

The following are highlights of their conversation.

What is a philanthropic legacy—and what are we really building toward?

A lot of people are surprised to find legal and compliance considerations woven into something as personal as a legacy. But there's real overlap between the strategic planning and the compliance that hums in the background—which is why our compliance team so often has the pleasure of collaborating with the philanthropic advisory team to give people holistic support.

As for what a philanthropic legacy actually is, a line from Hamilton sums it up—a legacy is planting seeds in a garden you never get to see. But a legacy can mean many different things depending on your circumstances. It can be as grand as leaving a mark significant enough that your name is remembered throughout society. It can mean coming together with like-minded people to preserve a tradition of cultural, historical, or artistic significance—not to preserve your reputation, but to keep an important touchstone available for future generations. It can be as close to home as family tradition: "I come from a long line of philanthropists, and I want my children to know the same." It can be about shaping the younger generation more broadly—even if you don't have young people in your own family, there's a whole generation hungry for mentorship and guidance, and imparting your wisdom and experience can itself be your legacy. And for people with a spirit of discovery, one lifetime often isn't enough to get everything done; passing your passions and projects down through a vehicle like a family foundation gives people the freedom to take on large, monumental work.

What role does family participation play—and how do you define "family"?

Family participation is a core component of building a legacy, and we see it every day—particularly where there's multigenerational engagement. It raises a lot of questions worth working through. One of the first is deceptively simple: who constitutes "family"? As the legacy continues, is it bloodline only? Spouses? Extended family? And how will they work together over time, whether the family grows or diminishes across generations?

While reviewing documents, we see what people envision and then explain what could happen down the line, even with the best of intentions. Say you want to be very inclusive, so future in-laws and children are all part of your definition of family. Now imagine you have three kids: two marry and one doesn't, one has eight children, one has two, one has none—and everyone starts to feel some kind of way about how much of a voice they have in the foundation's governance.

That's exactly why you have to build in an understanding that you can only go so far—things will shift, so keep the structure as open as possible. Make a governance framework broad enough to anticipate the next generation or two, but leave it open for those generations to make their own decisions when the time comes, because a family line may disappear in ways you can't foresee 25 or 30 years out. It isn't necessarily wise to prescribe every detail of your legacy; leave some openings so you can adapt when the pieces shift. There are a lot of tools for keeping things broad—different models of engagement like advisory committees or a junior board to bring members up through the ranks; rotating governance seats, so there's no pressure for everyone to serve at once; and a voting structure that can handle a family growing exponentially because voting can get out of hand quickly.

How do different generations think about giving?

In 2024, Foundation Source surveyed more than 1,700 donors across four generations—Baby Boomers, Gen X, Millennials, and Gen Z—to understand their attitudes, perceptions, and preferences around charitable giving. Unsurprisingly, the younger generations think about wealth and giving differently from their more senior counterparts. Baby Boomers tend to focus on building a legacy of wealth that spans generations. Gen X is driven by pragmatic, research-driven approaches, often focused on local and community-based causes. Millennials, who came of age facing significant social, economic, and geopolitical challenges, gravitate toward social justice, environmental causes, and direct impact—often acting as activists rather than just donors. And Gen Z treats philanthropy as a values-driven, digital-first movement, prioritizing transparency and measurable impact, and often favoring volunteering, crowdfunding, and social-media advocacy over traditional financial donations. They really look to be changemakers.

One encouraging finding: regardless of generation, the top motivation for giving is a passion for the cause. And all four generations share the same top three goals—improving their community, helping create a better world, and driving measurable, impactful change—with the youngest generations placing particular emphasis on measurement.

How do you connect with and engage the next generation?

If you want to connect with today's younger generations and earn their trust, it helps to really understand what motivates and inspires them. This generation is proportionally more involved in philanthropy from a younger age—they're learning from their parents and expect greater involvement going forward—and 63% cite family as a primary motivator.

Here's the key to remember: advisors, parents, and the current generation need to give up what they think the next generation should be doing. It's not about getting kids into their parents' philanthropy—though they'll certainly be influenced by it—but about engaging them in a way that's relevant to them. The values are transmitted by the parents, but they'll often manifest in completely different ways. The great thing about philanthropy is that it's like a huge room with many doors to enter through. Our job—and the advisor's job—is to help each person find the right door. That's where you can play a pivotal role.

How do you navigate difficult conversations and complex family dynamics?

There's the old joke that when you've seen one family foundation, you've seen one family foundation. That said, certain patterns come up—and one of the most common is the tension that surfaces as you bring on new generations, where people feel more or less empowered to make decisions. As you invite new generations to the table—ideally with formal onboarding—it can be hard to step into a decision-making role. You may carry the title of director without feeling you have the informal authority to actually question and challenge.

This is where governance practices earn their keep. When you have decision-making structures in place and you explicitly talk about how you make decisions as a body—making it a bit more formal than just a family discussion—it creates objectivity and gives people something to lean on, so they feel authorized to step in. There are also thornier issues, like how and when to involve in-laws, where it can help to bring in an outside, neutral facilitator to make conversations less fraught—a kind of air traffic control for all the questions that need to come to the table. Part of it, too, is developing the muscle to agree to disagree and move on, and to feel okay about that. And often it comes back to philanthropic purpose: as new generations bring new issues and organizations they want to fund, the discipline of returning to your north star—"these aren't bad organizations, but here's the mission we're trying to accomplish"—helps steer the conversation toward the grants that will have the most impact.

What models are families using as they bring on the next generation?

There's no single model—what we see are models as varied as the families themselves. But there are patterns, and one clear theme is the movement toward involving the next generation. If you think about the points of inflection in a foundation's life, each one raises real questions. As families bring on the next generation, how are they addressing accountability—to one another as family members, and collectively to the communities and grantees they partner with? How are they handling equity, internally and externally—making sure there's parity across generations in power and voice, and thinking carefully about how resources are allocated? These moments are also a great opportunity to step back, reflect, and learn together—to redefine and reaffirm a shared philanthropic purpose, because without that north star, the rest is hard. And, as ever in family philanthropy, there are questions of relationships, inside the family and out.

Out of those questions, we see a real range of choices: people starting new foundations, using donor-advised funds, or weighing whether to spend down rather than exist in perpetuity forever. The short version is that there are many different models—and the exciting part is how much opportunity that represents.

How do you invite family members in—and get the invitation right?

Once you've defined who's eligible to participate, the next step is actually asking people to engage—and it's important to be clear about what you're asking. Are you inviting family to join the foundation in its current configuration, to do things the way they've always been done? Or is there room, now or in the future, for them to add their voices and influence the foundation's policies and approaches?

The more dangerous situations sit at the "my way or the highway" end of the spectrum—where you're invited in, get to your first full board meeting, and realize the culture is to go along with grandpa's decisions. There's a false sense of consensus, a false sense of agency. So part of getting the invitation right is being self-aware about what you're actually inviting someone into. When people are told "bring your voice," then discover their voice isn't really welcome, that's a perfect setup for them to disengage.

Genuine invitations, on the other hand, are exciting—but they require building the right on-ramps and asking the inviting generation to be patient. Nobody jumps in full-bore at their first board meeting and starts proposing new policies. Think about the learning curve: a board buddy, learning opportunities, the materials and support people need to feel ready to take on a full, co-equal role. And plan in advance. You don't want the first conversation to be, "There's a board meeting next month, please come." Ask how the family has been talking about the foundation, how transparent your dinner-table conversations have been about how grant decisions get made. Prepare the ground well ahead of time.

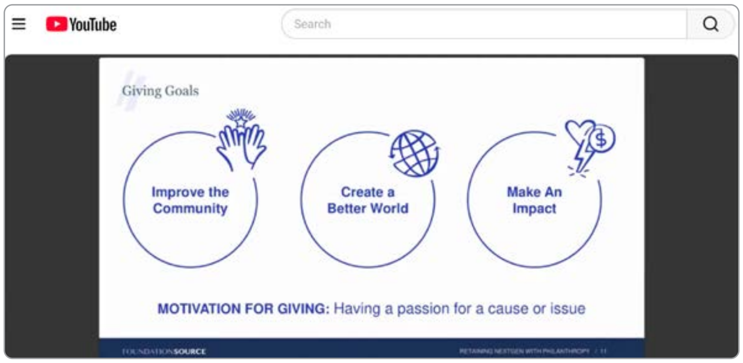
There's also a hybrid path between "my way" and "fresh perspective." By the third generation, we often see a deep curiosity about grandpa's history and grandma's values—a real eagerness to understand, emulate, and honor the interests that have trickled down. Alongside that comes a fresh voice, and new challenges and opportunities with every generation. We've seen many foundations succeed at doing both: honoring the legacy while making room for the next generation's voice to be exercised and genuinely heard. Sometimes you can marry the two, keeping the same subject or approach, while letting the next generation bring a different angle on how solutions happen.

What happens if the next generation isn't interested in continuing the foundation?

If you reach the end of your family line, or you have children and none of them are interested in the foundation and it simply doesn't speak to them, are you comfortable transitioning the foundation to unrelated people who are active in the same causes—a trusted friend, neighbor or colleague? Or would you rather wind down operations than hand control to someone else? And if you are comfortable with people you didn't personally choose eventually running things, what does that look like—a restrictive final gift reserved for particular purposes, or trust in the judgment of the people you appointed?

There's a real range of foundations grappling with this. In one case, a sole director who had worked closely with a group of attorneys her whole life entrusted them to spend down the foundation within ten years of her death—and she was very specific about her wishes: the giving focus, the size of the grants, how impactful she wanted them to be. Others choose to do all their giving while living and sunset within their lifetime. And some build non-family boards of people who aren't relatives but are experts in the field the founder cared about, entrusting them to carry the legacy forward. Another option is merging with a like-minded foundation that shares the same goals and desire for impact in the same focus area. There's not just one thing you do—everything has to be carefully thought out and customized.

This is a condensed, edited version of the conversation. Get full insights by watching the entire webinar here.



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