

3 KEY TAKEAWAYS

# Family Philanthropy: Thriving Through the Generations



**F**rom navigating family dynamics to creating a shared vision, engaging the next generation comes with challenges. But it's a critical path to ensure the future of your family foundation's legacy. How can you harness the power of family connections and what strategies can help make the most of those opportunities ahead?

Foundation Source recently hosted a webinar featuring Miki Akimoto, chief impact officer at the National Center for Family Philanthropy; Basem Hishmeh, trustee and president of The Muna & Basem Hishmeh Foundation; Deborah Bussel, founder of Bussel Philanthropy Associates and president and director of the Shepherd Broad Foundation; and Gillian Howell, our head of client advisory solutions, to discuss ways to seamlessly transition philanthropy from one generation to the next.

**Keep reading to see the three key takeaways from the panel.**

# 1 Recognize the Opportunity /

Engaging the next generation presents a powerful opportunity for a family foundation and its continued legacy. Getting family involved is a pivotal chance to connect shared history and values across generations of your clan—whether it’s the stories that matter to your families or the ideals that you’re expressing through your foundation. For many families, next-generation engagement can also be an amazing moment that sets the stage for the kinds of growth, connection and maturing that family foundations experience when rising members step into leadership roles—or help evolve new ones.

Blending new voices brings diversity, new strengths and developing roles to your mission. And the more diverse your decision-making body is, the better decisions you make. In these ways, involving succeeding generations of family members becomes a learning experience that ensures continuity, too, which ultimately can enhance your grantmaking and lead to increased impact.

# 2 Acknowledge the Challenges /

**It’s a fact:** navigating family dynamics is hard but necessary. You and your family members may not have identical values, so it can take some work to recognize and identify what your shared values really are. Reaching that point means taking stock of individual interests and beliefs and then creating a common, shared vision from which you all can move forward. Having different views is a given; the task is to figure out how to align them in the best ways.

To make this a success, it’s also important to recognize that family foundations are often mirrors of the family culture, dynamics and communication styles behind them. That defining trait makes the ability to communicate about differences and similarities alike—and navigate around any dysfunction—essential challenges of working together as a family.

One way to approach these inherent challenges is to start early with a learning emphasis. What do your children, grandchildren or other relatives really know about your foundation? As they grow, for example, perhaps they can get involved in the selection process of charities to fund. Or maybe they can accompany you to site visits or events sponsored by the organizations you help.

Another step is to think about how to work empowerment into your governance when onboarding new generations. There can be a certain tension, after all, as it naturally creates a mixed group, in which some people feel more empowered to make decisions and others feel less so. Family foundations that have been run solely by their founding generation, for instance, may find it difficult to transition to a more democratic process as new generations come on board.

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That's why a more formal onboarding process is often preferable over, say, just family discussions, to smooth those crucial transitions. It can be hard to step into a leadership role if you feel that you don't have clear authority to question, challenge and make decisions. So, having governance practices and decision-making structures in place brings more objectivity to a process that can be subjective—and that gives next-gen family leaders a solid base to lean back on in terms of how to engage, integrate and contribute.

## 3 Master Transition Planning /

When managing transitions, taking the time to discover passions and identify roles that fit is a best practice to move forward successfully. Square pegs will never fit round holes, so don't try to force them. Instead, it's vital to match interests, responsibilities and leadership abilities to family members who have the desire, enthusiasm, education and drive for the roles that make the most sense for them to accept. The bottom line? Intrinsic motivations will maintain the foundation's effectiveness and sustainability.

What about bringing outsiders into the multigenerational family mix? It's a trend among most family foundations today, according to [NCFP's Trends 2020 study](#), but it's also something that a lot of them grapple with. Before adding outside directors, prioritize effective family communication, a focus on values and operational direction.

It's not always easy for an outside party to walk into a family setting, so make sure your reasons for engaging other voices bring value and new expertise to the table and that the advisory goals you set are clearly defined. Whether you're actively bringing on the next generation, outside advisors or both, always remember to be mindful of the actions you take. You're laying the groundwork for the next stage of your family foundation and defining what you want your message to the world to be.

*To learn more about these key takeaways and other valuable insights, listen to the [full webinar discussion](#).*

### HAVE A QUESTION?

Call 800.839.0054 or send us an email at [info@foundationsource.com](mailto:info@foundationsource.com).

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