



Family Philanthropy: Establishing a Giving Tradition This Holiday Season

By Jenna Mulhall-Brereton, Chief Philanthropic Services Officer

It's that rare time of year when family members of all ages set aside work, school and even their cell phones to spend time together in a spirit of gratitude. What better time to talk with loved ones about the impact you would like to make in the world?

Family philanthropy offers a powerful way to have an impact on the causes that matter most to you. It also can bring families closer throughout the year; by creating a forum for shared experiences and values, you may get to know one another on a deeper level and strengthen your bonds.

Of course, family philanthropy isn't simple. Different generations may not share the same interests or motivations for giving. They may approach giving in different ways—some may be focused on traditional grantmaking, while others want to invest for impact or experiment with new approaches. They may measure success in different ways, too.

For family philanthropy to be most effective, it's important to plan your strategy thoughtfully.

- 1. Align on your goals.** Start with a conversation about what matters to you, rather than jumping to the question, "What are we going to fund?" Ask each family member to tell stories about personal experiences that have helped shape their core beliefs. Listen for common areas of concern, such as poverty, climate change or access to health care. Listing all of the charities you support in a given year can also help you discover shared causes and geographic areas of interest.
- 2. Develop your family giving strategy.** From your conversations about goals, you can begin to develop your family's philanthropic mission statement. Try to articulate the change you want to see in the world *and* how you think that change will happen—through research, policy changes, innovation in technology, direct provision of services, awareness campaigns, etc. It's likely you'll revisit your mission statement over the years to fine-tune it and make sure it still rings true. Throughout your giving journey, however, this powerful tool will play a critical role in keeping you focused.
- 3. Decide on your giving vehicles.** Many people handle their charitable contributions using a personal checkbook, but there are advantages to using a planned giving vehicle, such as a foundation or [donor-advised fund](#) (DAF). (For a comparison of DAFs and foundations, go [here](#).) The best option for your family will depend on a number of factors, including how much time you have to devote to philanthropy and how public you want your giving to be. Whatever combination of giving methods you choose, you're likely to be more strategic with your philanthropy if you use a giving vehicle, according to the [2018 U.S. Trust Study of High Net-Worth Philanthropy](#).

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4. Determine your decision-making structure and how you will manage your budget. You may decide to pursue collective giving in which all members must agree on the grant recipients. Another option is to allocate the largest share of resources to causes all family members wish to support and divvy up a smaller amount to individual family members to give within their own philanthropic interests. However your family chooses to make decisions and manage its giving budget, it's important to be clear about the process. That way, you'll have the best results—both within your family and with the causes you support.

5. Have a succession plan. Whether your philanthropic resources are in a checking account, private foundation or DAF, it's important to talk about your family's legacy. Are there family members who would like to take a leadership role when you are gone? With a DAF, you can name multiple successor advisors to be designated as primary advisors on new DAF accounts. Do you hope your descendants will continue the mission you have started—or do you want them to have the flexibility to pursue new causes? The clearer you are, the more successful you will be in passing the torch to the next generation.

If you would like more guidance or personalized coaching, National Philanthropic Trust offers a service to help families craft a giving strategy to maximize their charitable impact. Our [Philanthropic Services](#) team can be reached at philanthropicservices@nptrust.org or by calling (888) 878-7900.

Jenna Mulhall-Brereton is NPT's Chief Philanthropic Services Officer. She leads the team providing customized services to enable NPT's donors to develop and execute their philanthropic vision.

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