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NEWS & COMMENTARY



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Feature

Beyond Duty and Obligation

by Sharna Goldseker

Analysts of the much-discussed intergenerational wealth transfer predict Baby Boomers will inherit \$40 trillion by 2052. Although this seems almost certain, it is uncertain what the next generation will do with all this wealth. Foundations anticipating this transfer are already considering how to incorporate the next generation into their family's philanthropy. They are learning that engaging young adults in current family systems can be challenging.



Three years ago, at the Andrea and Charles Bronfman Philanthropies, we created a division called 21/64 (www.2164.net) to specialize in preparing for this intergenerational transfer, or what we would call a *multigenerational* approach to philanthropy. The 21/64 symbolizes our multigenerational approach to philanthropy, as 21 often connotes a young person coming of age and 64 a seasoned person considering his or her legacy. In this era, multiple generations must learn to work together to understand each others' values and visions in life—let alone in philanthropy. We provide philanthropic tools to facilitate the process of values clarification, strategic visioning and communicating to help families, foundations and communities achieve their goals.

After investing in research and resource development for many years, we realized that what we were learning about the Jewish community was not just Jewish, but generational. Therefore, 21/64 emerged to offer our research, philanthropic tools and know-how to families, foundations and communities that would benefit from understanding the next generation.

One of the first lessons we learned was that while the actual wealth transfer is an event that will occur in each family sometime in the future, the preparation can and should start well before the actual event. Children growing up amid family wealth or philanthropy come to internalize these dynamics long before they are invited to join foundation boards. The earlier you communicate family values and practices and invite young people to cultivate their own interest in giving back, the better prepared they will be

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for their imminent roles.

For those who have already begun to involve next generation family members in the foundation, you probably have also experienced how the very act of involving them changes the character of the foundation itself. The post-Baby Boomer generations of America today have grown up with access to opportunities across race, religion and even global boundaries that previous generations did not experience. The questions they bring, language they use as well as their values and priorities cause a paradigm shift in the way the foundation operates.

I heard a rabbi describe a Jewish family adopting a Chinese child. Although the parents thought they could include their adopted child into their Jewish American family, status quo, they quickly learned that they all had to become a Jewish and Chinese American family. The act of integrating the child into their lives required an acceptance of her heritage as well; and so their family learned to integrate the new culture as well as the child and in doing so transform the fabric of their lives.

I often reflect on this story when I talk with parents about involving their children in their family foundations. Incorporating the next generation into the foundation does not mean that children enter a static system; instead, their very presence requires the foundation to adapt.

At the minimum, foundation boards have changed their meeting schedules to accommodate college-age family members who can only meet during semester breaks. But some families have transformed the way they operate and invited their next-generation members to bring their values, visions and outlook to the table as well.

The more a family can see that “involving the kids” does not merely mean adding children to an existing foundation system but shifting the paradigm to become multigenerational philanthropy, the better prepared they will be for the next phase of their foundation's evolution. This article offers lessons about the next generation as well as strategies and tactics for integrating them into the foundation. Adopting a multigenerational approach is the first step in the process.

Operating in a Multigenerational Setting

For decades, Americans have labeled generations to describe a group of contemporaries experiencing common historical trends or social milieu. Although we assume we know the members of our family, we do not always know their generational personalities. (See “Generational Personality Traits,” below, for a more detailed multigenerational analysis of American society.)

For instance, we may know how dad views a particular grantee organization, but we do not always know why or how he came to hold that view. With four generations above the age of 21 around our philanthropic tables, there is a complex set of motivations, values and interests underlying the decisionmaking at all times.

As authors Lynne Lancaster and David Stillman lay out in *When*

Generations Collide: Who They Are, Why They Clash, How to Solve the Generational Puzzle at Work (Harper Collins, 2000), with a deeper comprehension of our family member's "generational personalities," we can more productively operate in a multigenerational setting.

Understanding the Next Generation

During the past few years, we at 21/64 have conducted new quantitative and qualitative research on the next generation. Our findings corroborate much of what we have witnessed anecdotally from consulting and training. Here are a number of lessons we have learned about involving the next generation in family philanthropy.

Who Are the Next Generation?

Identity formation: Although most parents and grandparents are concerned that their children's interests will not reflect their own, we recommend focusing on children's identity formation and motivation values, rather than on their funding "interests." Teenagers or young adults in later stages of adolescence are still establishing their identities, learning who they are and integrating the opinions of influential people in their lives to determine their own opinions. Therefore, rather than focusing on what interests you (or even what interests them), we suggest helping them to figure out who they are: their values, goals and identities in their world.

I met a grandfather who funds scholarships in his local community and his granddaughter who wanted to fund legal services for immigrants. On the surface, they are different funding interests; however, at their root, the same value of providing opportunities for those in need motivated them. In fact, the granddaughter said she learned that value from her grandfather. It may not always be the case that values are the same across generations, but the process of unearthing those underlying values will foster dialogue across generations and prepare younger funders for future decisionmaking. Consider using Motivational Values Cards (available online at www.2164.net) or storytelling exercises to facilitate communication on such multigenerational issues.

Multiple identities: Traditionals and most Baby Boomers were raised with one defining identity that informed their philanthropic choices. Whether it was because their race or religion limited their social access, or because they proudly identified with communities of their peers, who they were defined how they gave. For example, a Traditional client of ours saw himself as a Jewish man living in New York, so he supported Jewish institutions in his community.

In *OMG! How Generation Y is Redefining Faith in the iPod Era*, it was noted that members of Generation Y have and choose multiple identities that inform who they are and how they give. *OMG!* was a project of Reboot (www.rebooters.net) and supported by 21/64, Carnegie Corporation, CIRCLE, Muslim Americans in the Public Square, The Nathan Cummings Foundation, Surdna Foundation and the Walter and Elise Haas Fund.

Generation Y is the most diverse generation in the nation. According to *OMG!*, many have parents of different races and religions and certainly

have more diverse social circles (with only 7 percent reporting that all of their friends are the same as themselves). Next-generation funders who have unfettered access to everything that America has to offer want their philanthropy to reflect their multiple identities and open-mindedness across sociological divides. Therefore, consider promoting their involvement in family philanthropy and encourage them to take advantage of identity-based affinity groups and other networks that reflect their multiple identities (visit www.cof.org for a complete list of Council on Foundations-recognized affinity groups). Identity-based exploration can be as important at this stage of development as learning philanthropic skills.

Preparing the Next Generation

Power of a peer group: Growing up with access to wealth or philanthropic resources is often complicated for next-generation family members. Many have mixed feelings about the opportunity and responsibility of participating in their family legacies. They harbor uncertainty about a range of issues, from how the money was made initially to why they are privileged to have resources that the majority of the world does not. Others question how the foundation's assets are invested or how the grants are allocated. We encourage younger funders to seek out peers with whom they can grapple with those complex questions.

For example, a Gen Y woman asked us to help her organize a peer group of younger funders. She knew she would be joining her family foundation board when she turned 25, but she did not feel comfortable talking to her friends about her family's resources. We helped her create a network called Grand Street for 18-28 year olds who are involved or will be involved in their family's philanthropy (www.2164.net). Resource Generation (RG, www.resourcegeneration.org), another available peer resource, is a network of young progressive people of wealth that emerged a decade ago to provide education and resources to funders and activists with progressive values.

In addition to those ongoing networks, foundations can support family members between the ages of 18–35 to attend next-generation retreats run by the Council on Foundations at its annual Family Foundation Conference (www.cof.org). The Association of Small Foundations (www.smallfoundations.org) offers one as well. RG, with support from other partners, runs Making Money Make Change (www.tidesfoundation.org/mmmc), an annual gathering by and for young progressive people with wealth. A small investment in that type of peer-based education and preparation for next-generation family members is beneficial in the long run.

Meaningful experiences: Although Gen Xers are stereotypically considered “slackers,” most members of their generation would tell you they are actively seeking meaningful experiences and want to learn by doing. They “work to live” not “live to work” like generations before them. Those with the financial resources to do so even prefer to volunteer rather than drudge through a job where they are not learning or helping others.

Similarly, according to Reboot, members of Gen Y have been considered “drifters,” but they too are seeking meaningful connections as well as new skills and practices. Robert Wuthnow observed in *Loose Connections*:

Joining Together in America's Fragmented Communities (Harvard University Press, 1998) that even those who are only able to commit to episodic participation in civic life—such as at foundation meetings—desire meaningful involvement.

Acknowledge next generation members' passion for relevance and offer them more than way stations en route to full board participation. Consider making internships available for a summer or semester. Enable qualified family members to work for the foundation, as employing their expertise can be mutually beneficial for the foundation and the family members. If there is not room within the foundation, help younger funders find volunteer positions, internships or even jobs at nonprofit organizations that align with their values and interests. Give them access to funding proposals and grantees through site visits. By engaging Gen Xers in meaningful ways and enabling Gen Yers to gain new skills, you will nurture real partners in multigenerational family philanthropy.

Staying Involved

Personal and informal: Recent OMG! research has confirmed that younger Americans are a “generation of individuals.” If they are less interested in habitual, formal practices and more engaged by personal—albeit sometimes episodic—experiences, then we need to help them stay engaged and involved. Even those working in the nonprofit field are more interested in helping their constituents than spending time on their administrative responsibilities. Continue to invite them to stay involved in personal and informal ways that resonate with them.

For example, one Gen Y man we work with helped his family create a next-generation program for his other siblings and cousins because he was interested in the governance process. Another foundation established a fund for Gen X family members to award their own grants in addition to those the foundation supported. Other foundations have set up matching grants or discretionary grants programs to enable younger funders to give to what interests them. (See [Legal Brief](#).) On a smaller scale, foundations can provide an allowance for nextgeneration family members to purchase philanthropic resources such as Tracy Gary and Melissa Kohner's book, *Inspired Philanthropy: a Guide to Creating a Giving Plan* (Chardon Press, 2002, www.chardonpress.com). Over time, the opportunity to have a personal and significant experience with philanthropy is invaluable and there are dozens of creative opportunities.

Strategic Philanthropy: For decades, funders have been trying to solve societal issues. Whether by eradicating poverty, improving public education or providing clean water to communities around the world, strategic funders consider their values and align their interests with the challenges of the day. Many younger funders are just beginning to know the critical issues and the map of organizations responding to them. At 21/64, for example, we created *Slingshot: A Resource Guide for Jewish Innovation* for younger funders who did not know the map of the Jewish community or how to navigate it. *Slingshot* is now utilized by strategic funders of all ages who want to align their values with contemporary needs in the Jewish community and fund innovative responses.

Even if your next-generation family members live in different cities, regional

associations of grantmakers (RAGs) offer programming on critical issues in scores of local communities. If your foundation is a member of your local RAG, younger family members can often attend programs in other cities for a nominal fee (www.givingforum.org). Also, Foundation Center satellite offices (www.foundationcenter.org) offer extensive resource libraries as well as educational seminars on a range of timely topics. Many funders do not begin to consider the legacies they want to leave until later in life. However, it is never too early to consider the impact you want to have in your lifetime and to encourage younger funders to align their values and explore strategic grantmaking whenever they are ready.

Optimism about the Future

Whether or not you decide to pursue these strategies for involving next-generation family members in your philanthropy, the next generations are hungry for meaningful experiences, as well as ways to express their multiple identities. By using the lessons learned about identity formation, articulation of values, peer networks and so on, you will find them eager to participate. However, if you are merely trying to invite your children to be part of your philanthropy without offering them a seat at the decisionmaking table, you will continue to struggle.

People are only motivated by duty and obligation for so long. But if we invest in our children and invite them to bring their values, visions, interests and experiences to the table, multigenerational philanthropy can succeed.

Fortunately, at 21/64, we are optimistic about the future. It is a rare opportunity to have the resources to give philanthropically and even more exceptional to be able to do so with four generations of family members around the table. Although multigenerational philanthropy can be a complex process, it seems well worth the effort. Let us know if we can be of help.

Generational Personality Traits

Researchers use different dates to characterize generations. I will use Lancaster and Stillman's *When Generations Collide* for these generalized descriptions.

For the **Traditionals** (born 1900–1945) their “generational personality” was imprinted with experiences of World War I, the Depression and the Holocaust. They received the G.I. Bill, experienced the United States move from an agricultural to an industrial economy, saw Henry Ford debut the Model T and were buoyed by the New Deal. Their values were fortified in an era where loyalty, patriotism and faith in government were rewarded. For Traditionals, giving was a norm whether it was to your country, your family, your religious community or your fellow American. According to participants in an intergenerational dialogue workshop at the 2004 Council on Foundations Family Foundation Conference in New York—to this day, their philanthropy reflects those values.

Baby Boomers (born 1946–1964) brought with them a new era, as their

upbringings were informed by the bull market and optimism of post-World War II opportunities. The advent of television brought culture into the home and familiarity with technology gave a new confidence to this generation. Humans landed on the moon, the Beatles, Peace Corps and flower power emerged. The drastic fluctuations in ideology and the cultural revolutions from the Traditionals to the Baby Boomers gave way to heightened interest in diversity, social justice, gender equity, personal freedom, respect for the environment and reproductive rights, and their philanthropy reflected those values. Boomers became personally involved with the civil rights, women's and gay rights movements, and remain committed to those causes as well as to other forms of advocacy because they witnessed democracy at work.

With those opportunities also came competition, as Baby Boomers—the largest age cohort (80 million in America)—began competing with one another for leadership, power and control as so many of them were in the same space. So what happens when Generation X comes knocking at the door?

Generation X (born 1965–1980) grew up in an era of the Watergate and Iran Contra scandals, the downsizing of corporations their parents worked for their whole lives, the free love of Woodstock transforming into the AIDS epidemic, the war on drugs adding crack to the list and America realizing a tripling of the divorce rate. Gen Xers learned to be skeptical of every institution from the government to corporations even to the institution of marriage. How does this affect their view of perpetual foundations? How does this affect their view of large institutions that their grandparents have supported and their parents have led?

To Traditional grandparents, their Gen X grandchildren appear frenetic as they jump from one opportunity to the next rather than remaining with one job for decades. However, an understanding of Gen Xers' upbringing sheds light on their lack of faith in institutions. In their minds, moving from one opportunity to the next reflects independence and adaptability—skills they learned growing up. Furthermore, Gen Xers are more often motivated by values of opportunity, freedom and compassion as opposed to duty, patriotism and obligation.

With the smallest numbers in their age cohort (46 million Xers compared to 80 million Boomers), Gen Xers rarely have to compete for opportunities and either enter leadership roles in their 20s and 30s or begin their own start-up corporations and nonprofits. The Annie E. Casey Foundation's "Generation Change and the Leadership of Nonprofit Organizations" found that to their Boomer parents, who are still competing for leadership roles, Gen Xers often seem disrespectful as they have not "paid their dues," yet have been afforded every opportunity at too early an age.

While Gen Xers are stereotyped as "slackers," their operational experiences demonstrate their ability to be hard-working, creative and resourceful when they find something about which they are passionate. Additionally, for those leading nonprofits, they have gained skills, confidence and a feeling of partnership with nonprofit practitioners—sometimes the very ones their foundations fund. Despite people's view of them, Xers consciously choose among their options, focus on meaningful experiences and learn by doing along the way.

Generation Y or Millennials (1981–1999) were reared on exponential advances in technology. Their resourcefulness around information technology has enabled them to research and learn the machinations of their families' philanthropy more quickly than older generations anticipate; therefore, they are ready for real involvement because they are up to speed faster and are dubious of insincere invitations of their time and know-how. When they commit to something, they commit full force, if only for a limited amount of time until the next developmental stage.

Lastly, this generation is tolerant of people of other races, religions, ethnicities and sexual orientation, as their communities are profoundly diverse in a way those of previous generations have not been. However, this generation has also experienced the close-to-home violence of September 11th, Oklahoma City, Columbine and their peers going off to the war in Iraq. Their combination of tolerance and wide-eyed awareness makes this generational cohort a welcoming voice of reason between the generations at their family foundation tables.

With knowledge of these distinct “generational personalities,” it becomes more apparent that intergenerational philanthropy is really multigenerational philanthropy. In fact, one generation can never truly transfer its interests to the next, as the next generation brings its own unique set of historical, familial and communal experiences to the philanthropic table.

If we can begin to understand that we are not transferring philanthropic decisionmaking but instead involving multiple generations in family philanthropy, that small shift of purpose can enable families to work together.

Resources

- www.2164.net.org
- www.cof.org
- www.foundationcenter.org
- www.givingforum.org
- www.learningtogive.org
- www.resourcegeneration.org
- www.smallfoundations.org
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Sharna Goldseker is vice president of the Andrea and Charles Bronfman Philanthropies where she manages 21/64. She also serves on the boards of the Jewish Funders Network and The Goldseker Foundation as well as on the Council's Committee on Family Foundations.

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