

LEARNING TO GIVE

Susan Crites Price, vice president of the National Center for Family Philanthropy in Washington, D.C., likes to tell the story of Hilary Critchley Plioplys, who learned about philanthropy by watching her mother, an active fundraiser and volunteer for numerous causes. Because charitable giving was an integral part of the family fabric, it came as no surprise to Price that Plioplys and a friend organized People for Peace during their junior year in high school. The group's stated mission was to educate "young people about key societal issues" and mobilize them "to act on that awareness."

Mobilize it did. Within a short period, the group raised \$16,700 to rent three trucks to ship supplies to Kosovo refugees. As a result, the group received an award from the National Society of Fundraising Executives and grants from Youth Service America and the Maryland lieutenant governor's office.

Following the Family Model

"We totally underestimate our kids," says Price, who also authored the book *The Giving Family: Raising*

Our Children to Help Others. "They are so open to the idea of giving, particularly the latest generation of kids, who have grown up with the Internet. But kids need encouragement, direction and role models, and that starts with the family."

Promoting philanthropy within a family also can instill important values in children, including generosity, community and gratitude. It also sends the message to children that giving extends beyond writing checks.

"Philanthropy is not all about money," says Eric Kessler, principal with Washington, D.C.-based Arabella Advisors. "It shows that [wealth brings a] responsibility to give back to society in a thoughtful, productive way."

Never Too Young

For children, the earliest lessons about giving should be simple. Celebrations and holidays, for example, are ideal times to create philanthropic traditions. Buying a turkey for a needy family on Thanksgiving or gifts for homeless children at Christmas may be small gestures, but according to Price, kids will notice them. "Children

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absorb the lessons of youth,” she says. “They may not act on them until they become older, but the messages are received and passed on from generation to generation.”

Steve Gunderson, president of the Council on Foundations in Washington, D.C., adds that to ensure a younger generation’s commitment to philanthropy, families should keep them involved every step of the way. “We encourage family foundations to set up a process that integrates the different generations,” he says. “That way, when it’s time for a generational transfer the involvement is already there.”

Guide, Don’t Push

Parents should note that teaching kids about philanthropy is not the same as pushing philanthropy on them, which only creates resistance. Talking about sharing, modeling those values and giving children opportunities to participate when they’re ready are the best ways to cultivate a philanthropic spirit. And when children are ready, let them choose where their money should go.

“The biggest mistake parents make is sitting their kids around the table with a spread of foundation books, organizational brochures and literature,” Kessler says. “It makes the whole process very corporate and is the least effective way to engage young kids and adolescents.”

Age is another important factor to consider when deciding how to engage your children in philanthropy. Teenagers, for example,

are more interested in working with peer groups than with parents. Some families with structured philanthropic activities, including family foundations, help adolescents stay involved in charitable efforts by developing a mentor program that matches them with relatives — such as aunts, uncles or cousins — or advisors for activities related to family philanthropy.

Let Kids Pursue Their Own Interests

Another way to engage children is through volunteering, which has the added value of strengthening bonds among family members. But parents need to be flexible about where that volunteering takes place. Volunteering at an animal shelter is appropriate for younger children, while an environmental cause or a soup kitchen might be better suited for older kids.

Kessler remembers receiving a call from a California client who told him that it was impossible to engage his two children in philanthropic activities because their sole interest was surfing. “Both parents said to me, ‘You have to fix our kids,’” Kessler says. “So I went to California and went surfing with them. While we were at the beach, we talked about the need for clean water and clean beaches, something they’re interested in.”

As a result of that outing, small informal accounts were set up within the family foundation for the two boys, and they now are



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making grants to environmental advocacy organizations. “In 20 years, maybe their kids will care about the opera like their parents, but not now,” Kessler says. “Parents have to let go and recognize that a little flexibility goes a long way. After all, philanthropy is a family business, and you want your kids to learn how to run that business.”

Donor-Advised Funds Provide Opportunities

Increasingly, families are establishing donor-advised funds for young adults, which can be funded with as little as \$10,000. While they act much like family foundations, donor-advised funds are easier to set up than a foundation. “A donor-advised fund is a good way to get young people into philanthropy without setting up a formal organization,” Gunderson says.

Donor-advised funds are currently the fastest growing charitable giving vehicles in the United States. According to the National Philanthropic Trust, more than 100,000 donor-advised accounts, holding more than \$17.5 billion in assets, operate today in the United States.

On Board

If you have a family foundation, an internship provides a way for teenagers to learn about foundation management. An increasing number of family foundations are setting up junior or advisory boards to teach the how-tos of philanthropy to family foundation heirs, says the Council on Foundations. Typically, a junior board is given a fund to allocate to grantees in much the same way that a governing board does. Some junior boards are limited to choosing grantees that fall within a foundation’s expressed mission, while others are allowed to fund any charitable group.

To help ease the transition with generational transfers, some foundations add the younger family members to the governing board. “When leadership changes to the next generation, that generation will likely take the foundation in a different direction,”

Gunderson says. “Members of the board have to embrace and celebrate that, rather than let it become a barrier to their work.”

Get Off to an Early Start

But families don’t have to wait until the teen years to involve children in their foundations. Young children should be allowed to occasionally visit board meetings and see what takes place. Some foundations even combine annual meetings with family reunions. “A lot of boards wait until kids are older and then can’t understand why those kids aren’t interested in the work that the foundations are doing,” Price says. “When it comes to philanthropy, let young people get involved as early as possible.” ■

The Diversity of Giving Establishing Your Charitable Legacy

Philanthropy plays an important role for many affluent families. But successfully establishing a charitable legacy involves more than simply choosing organizations and writing checks. To help you integrate your charitable goals into a comprehensive wealth transfer plan, Northern Trust has published a series of papers exploring key aspects of philanthropy. “The Diversity of Philanthropic Motivations” will help you understand your motivations and objectives for giving; “The Diversity of Philanthropic Solutions” will help you evaluate charitable solutions to find those that may best suit your needs; and “The Diversity of Philanthropic Funding Alternatives” will help you decide what, when and how to give.

To order a copy of any or all of “The Diversity of Giving” papers, visit us online at northerntrust.com/giving; contact your relationship manager; or call 866.296.1526.