



NATIONAL CENTER FOR
FAMILY PHILANTHROPY

Pride of Place: Sustaining a Family Commitment to Geography



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Background

In 2015, after more than ten years of advocating and planning, the National Center for Family Philanthropy realized its dream of presenting rigorous, research-based findings on trends in the practice of family giving. Up until that time, it was assumed that families would not respond to a survey designed to understand the inner workings of their family's participation in philanthropy in numbers needed to constitute a statistically-relevant sample. Further, the lack of a legal definition of the term "family foundation" meant that there had to be strong agreement about what would constitute such a foundation for inclusion in the study.

To deal with the latter, we, fortunately, had been around this roadblock before. In 1999, NCFP convinced the Foundation Center that we could establish credible criteria for factors that, when combined, provided clear and convincing evidence of current family involvement in the foundation. Led by NCFP staff member Jason Born, working with Steven Lawrence of the Foundation Center, we developed the list of likely factors, wrote profiles in family giving, and reviewed the preliminary research findings. NCFP also provided the funds to cover the costs of the research. The resulting publication, *Family Foundations: A Profile of Funders and Trends*, was a groundbreaking step in the right direction.

And, with regard to families not participating in surveys? We knew that donor families had never turned us down when we asked them to share their experiences so that others might learn. We had no doubt they would do so again even with the formal, and somewhat formidable, survey instrument needed for a comprehensive Trends study. They came through in spectacular fashion, exceeding even our most optimistic predictions and those of our research partner, The Urban Institute.

NCFP's *2015 Trends Study: Results of the First National Benchmark Survey of Family Foundations* highlighted six key trends to watch in family giving. NCFP developed smaller initiatives to explore each of these trends and to provide resources and support to families dealing with one or more of these issues. Key trends explored to date include strategic lifespan (also known as "the question of perpetuity"), transparency, and engaging the next generation. Another important trend that surfaced was how foundations that are founded with a commitment to a particular geographic region, usually the founder's "hometown," remain committed to the hometown over generations while sustaining both effective grantmaking and family involvement. This report provides our first-ever, in-depth examination of place-based, multi-generational family giving.

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Pride of Place 2019 Interview Study

Rather than look first to comparing the contrasting decisions—why a place or issue basis for giving—this study is designed to examine how family foundations and funds committed to place are sustaining (or not sustaining) that commitment over generations.

Specific goals of the *Pride of Place: Sustaining a Family Commitment to Geography* study are to:

- Develop more specific information on the opportunities and advantages of place-based giving.
- Describe the range of challenges to place-based giving, and explore how to better anticipate and address these challenges.
- Identify specific approaches and strategies for preventing, mitigating, and managing these challenges.
- Provide honest analysis of successes and stumbles as well as practical tips for ensuring excellence in governance and giving in a foundation committed to its “pride of place.”

Methodology

The complex questions involved in sustaining a place-based giving mission and the nuance associated with each family’s story did not lend themselves to a written survey. Likely, while that method might give us more data, it would not provide us with the depth of understanding and learning needed to truly understand the challenges and strategies of multi-generational, place-based family foundations.

To capture the richness of these stories, the research team decided on an interview study approach. A template of questions was developed and reviewed by an advisory team of those interested and experienced in geographically-focused giving. Interviews were scheduled with founders, board chairs, current and past board members, and chief executive officers. Hearing directly from family members, as often as possible,

NCFP’s 2015 Trends Study Identifies Changing Patterns in Place-Based Giving

How has place-based family philanthropy evolved over time? NCFP’s *2015 Trends in Family Philanthropy* looked at both historical and current trends for family foundations with a focus on place.

History: Most family foundations, particularly small ones, began with a geographic orientation to their giving. Charitable giving has long been motivated by the desire to give back to the community or region that nurtured the family, reflecting a different model of growing a business. Thanking customers and employees was a deep motivation. A more “mobile and global” business-building world was yet to be.

Study findings: Historic impressions were borne out by the *2015 Trends Study*. Some 80% of the older family foundations, those created before 1970, still reported a largely place-based giving mission. Younger family foundations, those created since 1990, were more likely to be focused on issues, with just over 60% describing themselves as such. However, the idea that younger family foundations do not have a strong sense of place was refuted by a solid 40% of younger family foundations making gifts on the basis of geography. One-third of all family foundations reported focusing on both issues and geography in their giving.

Of those that reported issue-based giving, the top two issues reported were (1) education and training and (2) poverty. Other issues cited include health, children, religious causes, and arts and culture.

Questions for ongoing consideration: The *Trends 2015 Study* raised several important questions, explored in detail in this report: Is the move toward funding issues solely a result of newer foundation motivation and behavior? As families move beyond the first couple of generations, will family dispersion—combined with a need to find common ground—lead to even more issue based giving among older foundations?

ensured that the study would offer this unique perspective to the findings.

In addition to a focus on the family/board perspective, additional criteria for the study sample included:

- **The study over-sampled older foundations to help illustrate experiences over a longer period of time.** How are the advantages and the challenges the same? Different? What do the range of practices and strategies tell us about their ability to anticipate issues and confront dilemmas?
- **Each interviewee was encouraged to tell their story as they wished.** While the same interview template was used for each to ensure a common set of data points, individual interviews invited personal anecdotes, interpretations, and analysis, with the goal that this approach would lead to a more comprehensive and practical report.
- **The study sample includes examples of families who conduct place-based giving through a variety of vehicles.** While many of the challenges associated with multi-generational, place-based family giving may involve board selection and service, the private foundation vehicle is by no means the only structure available to donors choosing to involve their families. The study sample includes numerous interviews with those who give through donor-advised funds, family businesses, family offices, and direct check writing. In fact, most interviewees reported using more than one vehicle for charitable giving.

A Note of Gratitude from the Author

Like all our new knowledge work, *Pride of Place: Sustaining a Family Commitment to Geography*, would not have happened without the contributions of so many generous and gracious representatives of family giving programs. I may have been the sole researcher/author on this project, but I was not solely responsible for it. My deep gratitude and respect goes toward:

- Every person who agreed to be interviewed in person or by telephone. I asked for 30 minutes and most of you gave me an hour to almost three! You gave me some of the most informative and inspiring conversations of my career. You took pains to be thorough, candid, reflective, frequently self-deprecating, often witty and always generous. I know I am in your debt but I am joined by everyone who will be helped and supported by this work.
- Those who took time to review the interview template, initial findings, and methodology. Your clear and incisive thinking helped me shape and refine the interviews and the results.

Statement of Place

The Frey Foundation: Doing good where we call home. We believe in doing great things where you are planted. That's why we focus our efforts on serving communities in Kent, Emmet and Charlevoix Counties, as well as supporting efforts that benefit the broader West and Northern Michigan region.

- Those who participated in sessions at both the 2017 NCFP National Forum and the 2018 Symposium on Imagining the Future. Both sessions, and a 2019 webinar, shared early findings and tested conclusions with great results.
- The many NCFP Friends of the Family and Leadership Circle supporters whose annual contributions keep the National Center for Family Philanthropy available to both new and multi-generational donor families at home and around the world. I hope you share our pride in what you have helped to build!
- The NCFP Board of Directors, who consistently and enthusiastically support our research and data gathering initiatives, despite the cost and time required for these efforts, and who share our confidence that we can use the information to advance ethical and effective family giving. You offer unending and inestimable leadership to the field we serve and, I am glad to say, to me and my colleagues.
- To the talented, hard-working NCFP staff family—my colleagues and friends—who understand and carry on when I disappear behind closed doors for those three-hour interviews or day-long writing sessions.

And, finally, to those who provided special funding for this effort, I am deeply grateful for your own commitment to place-based giving and to knowing more about how to do it well. Thank you to the William Penn Foundation, David Haas, and the Nord Family Foundation who provided early and essential support to make this work happen, and thanks also to the JF Maddox Foundation, who provided generous support for events and discussions that introduced and tested the early findings.

Gratefully,



Virginia Esposito
Founder and President, National Center for Family Philanthropy

A Brief Portrait of the Sample

This study is based on interviews with leaders from more than 50 place-based family foundations over the course of 2017 and 2018. Study participants included foundations with assets ranging from \$15 million to more than \$2 billion, although a few are pass-through. Additional aspects of the sample's age, management, and governance demographics include:

Age

In keeping with our goal to include experience with multiple generations whenever possible, we intentionally over-sampled foundations and funds with more than three generations involved. Foundations and funds interviewed have been around for 10-100 and more years. The largest sampling came from foundations founded from 1940-1970, with the next largest segment founded in the late 1980s-2008. A few notably older and newer were added to test experiences and conclusions.



Courtesy of the Zeist Foundation | Atlanta, GA

Legacy

The largest majority (more than 75%) are place-based due to the express wishes of the founder. All others determined the program focus on place in the second generation either to reflect the donor's past giving and/or to honor the donor in the best way possible.

Place of Focus

Foundation and funds interviewed for the study are located throughout the continental United States as well as Alaska and Hawaii.

Relation to Family

Just over 60% of all those interviewed were family members. Six were donors/founders and generations two through six were included. 35% served as chief executive officers of the foundation and six were family member CEOs.

Management

In terms of management, several rely on volunteer family members for staffing, the majority have between 1.5 and 8 paid staff, and a significant sample were large foundations with upwards of 40 staff (that segment reported distinct challenges in multi-generational governance and giving). A few rely on a family office or business for some staffing (often administrative and financial/investment management); four rely primarily on a community foundation; and one uses a foundation management firm.

Giving Vehicles

An overwhelming majority of interviewees use more than one giving vehicle (foundation, donor-advised fund, including, in two cases, multiple DAFs, family business and family office giving, supporting organization, direct giving). Others noted collaborations, an ongoing local funders group, intermediaries, and significant individual (personal) giving. In all cases, interviews focused on the place-based vehicle(s).

Board Size and Make-up

In cases of those with a place-based private foundation, board size ranges from 6-18 members, with an average of 10. Of these, 30% have all family member boards and 70% include non-family board members. Boards of place-based foundations are also significantly more likely to have both non-family and non-white board members, according to *Trends*

2020 findings. In such cases, non-family members are included for their expertise, knowledge of the community, or their longstanding relationship with the donor/family. (More on this will be included in the section on strategies for maintaining effective place-based giving.)

Strategic Lifespan

Of the private foundations interviewed, 60% expect to exist in perpetuity; 10% are limiting the foundation lifespan, and 30% are undecided or unsure at this point. Several foundations expecting to exist in perpetuity noted that their payout is not linked to this goal but to the opportunity/timing of high-priority grants. According to *Trends 2020*, 46% of family foundations expect to exist in perpetuity; 9% are limiting their foundation lifespan, and 45% are undecided.

Discretionary and Matching Grants

75% of interviewees do not allow discretionary grants (discretionary grants refer to grants recommended or designated by individual board members, the chief executive, or others). Of those who do not offer discretionary grants, approximately 20% noted that the benefit was permitted at one time but was eliminated to focus on shared work toward a common mission. Only one of these foundations noted that there is pressure from the family to offer discretionary grants to board members.

15% offer board members discretionary grants, most averaging between \$2,500-3,000. Of those who offer this opportunity, a small percentage has reduced the size of the grants/grant pool over time. Several others noted pressure from some board/family members to increase the annual amount of individual discretionary grants. Two foundations noted the intention to drop the discretionary grant privilege after the retirement of the second generation. *Trends 2020* shows that place-based foundations are 30% less likely than other

Statement of Place

Since 2016, the Jay & Rose Phillips Family Foundation of Minnesota invests in the creative and strategic genius of the North Minneapolis community in the spaces of economic development and education. North Minneapolis is a community with a rich set of histories, a wealth of knowledge, a deep commitment to the health of its community, and an eagerness to build suitable and positive change.

foundations to allow individual board members to allow recommend discretionary grants.

35% of interviewees offer matching grants to board members and, more rarely, to staff, to encourage individual giving and volunteering.

Geographic Dispersion

Only 5% of all place-based family foundations/funds interviewed have a fully dispersed family (no one living in the “hometown”). Another 5% report that all family members live in the hometown. Of the remaining 90%, about half have significantly more family members living out of the area than in. For most, dispersed means throughout the country and, increasingly, throughout the world. As one stated, “We have 105 family members on three continents!”



Greensboro Children's Museum | Courtesy of The Cemala Foundation | Greensboro, NC

Size of Families

Given the number of multi-generational foundations interviewed, as expected, some report very large families, with a few having 100 to several hundred family members. In three cases, the donor couple constitute the only family members involved although future generations is possible but not assured.

Program Strategy and Focus

While the study was approached with as few preconceptions as possible, we brought some general impressions of what we might discover. One of those was the idea that place-based funds would be more likely to be general purpose in nature—open to general support requests from the targeted region. Perhaps the most striking, even surprising, characteristic of interviewed funds/foundations is, therefore, that less than 5% of our sample reported being a true general purpose foundation. In fact, more than 90% indicated they had defined program priorities within the geographic area covered.

Program strategy focuses that were most commonly cited in the interviews include, in order of frequency:

- Education for 0-18 year olds
- Economic wellbeing/wealth disparity/poverty
- Children and youth (some termed this “children and families”)
- Arts and culture
- Human/social services
- Environment
- Health (access, research, etc.)
- Homelessness and housing security
- Impact investment opportunities (PRIs and others)

Also mentioned were:

- Public safety
- Community development
- Urban issues
- Policy advocacy
- Refugees and migrants
- Healthy, sustainable communities
- Hunger
- Opportunities to leverage national funding in the area

Many of those who reported having strict program priorities and guidelines also noted that they have a small pool of discretionary dollars set aside as a “good neighbor fund.” However, most of these “good neighbor”

funds are budgeted annually out of foundation assets or expected pass through funds.

For a rare few, a separate donor-advised fund is used to make these special grants so as not to confuse potential grantees and the public about the program focus of the principal foundation/fund.

Examples of good neighbor grants include community-wide efforts where participation is an

act of good citizenship, emergency funds for natural and man-made disasters, and occasions where having the participation of the family would be meaningful to the cause and fundraising.



Restored Colony Barn | Courtesy of the Rasmuson Foundation /Musk Ox Farm | Anchorage, AK

The Guadalupe and Lilia Martinez Foundation, Fairview, Texas

Shirley Gonzalez, board president of the Guadalupe and Lilia Martinez Foundation, traces her roots in Texas well before the lifetime of her maternal uncle who made his wealth after the discovery of gas wells on his property. “My mother’s family had occupied the same spot in south Texas before there was a state of Texas, or before there was a Republic of Mexico or a United States,” she wrote in her master thesis. One of the original Spanish land grant families that began ranching in Texas in the 1830s, Shirley’s family roots don’t just go back in time, they are deeply grounded in the history, culture, experience, people, and values of the region.

Her uncle and his wife were deeply committed to San Ignacio, the town just south of Laredo where their ranch, La Union, is located. Shirley’s background as a social worker and her knowledge of her aunt and uncle made her the perfect choice to assume responsibility for the foundation when the childless couple passed away. She carries on their commitment to education and to meeting the needs of the community, what Shirley calls “corporal acts of mercy.”

Perhaps the most poignant—and effective—gesture was their decision to convene their grantees to share stories of need, to meet one another, and to feel the community (and family’s) support. They organized a meet and greet at a local restaurant, told the manager to keep food and drink coming, and listened to the stories of their grantee partners. “It was a way to keep in touch with the people of Laredo and Zapata. I could feel my uncle smiling as my children and grandchildren mingled with the community. They are all down to earth and that helps them relate to the community and to grow their skills as fundraisers.” Shirley often asks organizations if they can visit their sites just to sit with them and listen. “Once you’re under the Martinez umbrella,” Shirley said of their grantee partners, “we are your biggest cheerleaders.”

Shirley’s son and daughter are already engaged in the work and there are plans for the fourth generation as well. “They did not know my aunt and uncle, but we’re bringing them into the organization by teaching them this is not our organization. I really want—I’m desperate—for them to know my aunt and uncle through my stories...I want my children to know that, in his humility, my uncle was a great man.”

What Does Place-Based Mean and Why Does It Matter?

A place-based foundation or fund is committed—often exclusively—to a particular geographic region of the country. For this study, we relied on those who self-identified as place-based. For some, this is a city or, more often, a greater metropolitan area. For a few, their focus is county specific or, more commonly, commitment to a multi-county region. More rarely in our sampling, the geographic focus covered an entire state or more than one state. Almost half of all interviewed represented a multi-county focus; about one-fourth covered a greater metropolitan area.

Interviewees overwhelmingly reported making 90-100% of their grants in place. Only 5% of interviewees reported making less than 80% of their grants in place and none below 60%. In cases where grants were not made in place, funders noted that grants were made primarily to support discretionary grants in other areas where the family members currently live or to support national initiatives that would have a specific benefit locally.



Courtesy of The Jay and Rose Phillips Family Foundation of Minnesota | Minneapolis, MN

The George Gund Foundation, Cleveland, Ohio

The George Gund Foundation's commitment to Cleveland remains steadfast despite the tremendous changes that have occurred in Northeast Ohio and within the foundation. The economic and social dislocation that accompanied the decline of the region's industrial economy posed great challenges to the entire population, and the Gund Foundation consistently applied itself to sustaining the city's assets while also supporting attacks on roots causes of vexing issues. Meanwhile, members of the Gund family followed opportunities and interests to other parts of the country until today no family member lives in Northeast Ohio. Either factor could have splintered both the central purpose of the foundation and diminished committed family participation.

Founded by the president and chairman of the Cleveland Trust Co., then the largest bank in Ohio, the foundation grew out George Gund's formal program of personal charitable giving that he began in the 1930s. He launched the foundation in 1952, largely with stock that he had acquired in the Kellogg Corporation from the sale of a small coffee company that developed decaffeinated coffee.

From its beginning, the foundation had a strong focus on Cleveland. Foundation Executive Director David Abbott suggests that today the connection takes different forms than one influenced by personal, day-to-day involvement that arises from living in the community, but it is strong nonetheless. The family members know the foundation plays

a key role in Cleveland and they know it has great impact in a city the size of Cleveland.

As Board President Geoffrey Gund put it in his annual report reflection in 2012, "The duration and depth of our engagement in Cleveland provides advantages that would not exist with less geographically concentrated grantmaking. Our Trustees and staff members have acquired extensive experience with issues and organizations, and that experience enables us to interact in ways that we hope provide value that goes beyond the amount of the grant check. Management advice, program guidance, convening people around a topic, commissioning research—we use these and other tools to help organizations achieve their missions."

A central part of that assistance to grantees and to achieving impact is deep support for policy advocacy that both enables and supports the foundation's work in Cleveland. "Foundations typically speak through their grants, and we can amplify our voice when we support advocates for sensible public policy," wrote Geoffrey Gund in 2016. "The George Gund Foundation has long supported building a nonprofit voice in public policy deliberations at all levels of government... Democracy benefits from a vigorous nonprofit voice, including from foundations."

continued on page 9

Why Do Founders Make the Choice to be Place-Based?

Conversations explored both the founding motivations for the place focus as well as motivations for succeeding generations to sustain and build upon the founder's original commitment to a place or community.

Founders and others describing the founding spoke candidly about the profound emotional connections to place that their families have. Gratitude, love, and giving back to a city or region that had given so much to the family were the most frequent motivations cited. Others spoke of a "love for the land" and a deep sense of belonging. A few cited their faith as the basis for their commitment. Many noted that their commitment preceded any substantial accumulation of wealth; it was natural that wealth would only further their ability to contribute locally.

For others, the commitment to place is equally sincere but more practically grounded. This is true in three very different types of motivation:

1. **Giving back where the funds were created:** "This is where the dollars were made; it is right to keep

the dollars here." While perhaps not a motivation that donors operating in a more global economy might understand, this motivation was vital to several of the donors in this sample.

2. **Example for next generation:** For several founders, the focus on place is grounded in their hopes for their children. Some founders/parents want to be able to model their charitable activity for their children, even involving them in hometown volunteering and giving. A few indicated they did not intend to leave considerable wealth to their children and giving locally helped the children understand and even actually see how the money was being spent.
3. **Guiding strategy:** Finally, and most overwhelmingly, funders spoke of a place basis as supporting their goals for strategic philanthropy. Having deep knowledge and connections in a community, the ability to get to know needs, circumstances and possibilities, and the opportunity to develop partnerships over a period of time all enhanced their ability to be thoughtful, purposeful, and effective donors.

George Gund Foundation, cont. from page 8

Abbott points out that ongoing learning for board members and staff is a regular process. Board discussions, update calls, guest speakers, and email blasts about issues and current events contribute to that learning. The summer board meeting includes one day for a tour of Cleveland with a particular focus and a variety of guests. In addition, board meetings shifted years ago from dry presentations of grant recommendations to dynamic discussions of current issues. This has generated greater engagement as board members bring their life experiences to the table—from wherever they live.

Two other factors must be considered in looking at the vitality and effectiveness of Gund grantmaking. One is that the foundation's connection to Cleveland is reinforced by having two Cleveland-based trustees who are not members of the Gund family. They provide extensive local knowledge and experience that augment that of the staff. The Cleveland trustees are eligible to serve two three-year terms. Family members are not term-limited.

Another important factor in Gund's approach is a culture that emphasizes collaboration with other organizations and sectors in order to leverage the foundation's human and financial resources. The staff members view their roles as community change agents and they spend a lot of time out of the office working with others. Just one good example is the ongoing transformation of the Cleveland public schools, which is the work of a partnership among local and state government, the business community, other foundations, and the schools themselves. Such work, especially with the public sector, reflects Gund's experience in supporting policy advocacy and its desire to maximize impact.

"We are a bellwether, older industrial area," Abbott noted. "By taking advantage of Ohio's role in national politics and policy, we can have an outside influence. The challenges are enormous. Those challenges helped to give rise to the terribly divisive state of affairs that afflicts our country. Political dynamics, racial dynamics, and other forces make it difficult to act cohesively. But in that unsettled territory the Gund Foundation and philanthropy generally have important roles to play."

What are the Motivations for Future Generations to Retain the Commitment to Place?

The original motivations for a donor to have a place-based giving program are likely intuitive; beyond the passion with which donors spoke of their loyalty to place, these responses may not hold many surprises for some. What has been more elusive are the motivations for subsequent generations to continue to be loyal to place. There has been speculation on why multi-generational foundations and funds are challenged to keep a place-based fund on track, and this report details responses addressing those challenges in a later section. The chance to speak to generations from the second to the sixth generation away from the founder about why they are still actively involved in carrying on that legacy was a priority for this review.

Why are place-based foundations being sustained 50, 75, or even 100 (or more!) years after the donor's death? The three most frequently mentioned motivations are:

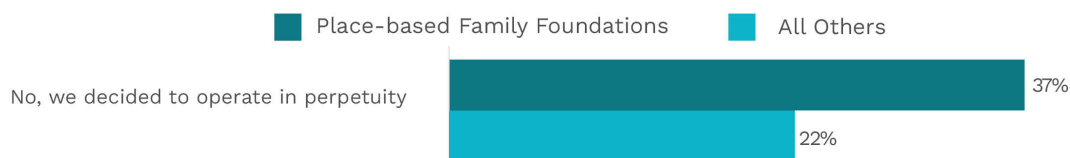
- **Family legacy:** Descendants spoke about their pride in the family's shared philanthropic legacy, pride in the work of those who came before, and a keen desire to carry on that legacy—including passing it on to future generations. Several used the term "respect" in place of pride, but the implications are the same.
- **Respect for heritage:** The sense of responsibility, even duty, implied by a respect for heritage was not described in terms of an obligation; no one spoke of obligation in a negative sense. Some spoke of all the things that had come with the family's success: wealth; opportunity; privilege; and more. But also, hard work on behalf of family enterprises, including the charitable enterprises, as the consequences of that privilege.
- **Long-term impact:** Family members and chief executives spoke of the benefits of concentrating and focusing grants in a specific region. There is

also a sense of fulfillment that comes from seeing the results of their grantees' work over time. "We can take on tough problems that won't be solved over the course of months or even over the course of a few years," said one chief executive. "I know the family isn't going to change course in the middle of a protracted or tough effort." Families value being able to grow these relationships and see the results of the work—even to know they might not be the ones to see the results firsthand. Another family member noted that they enjoy being able to try things out in a local context, knowing the impact may be felt in other ways and in other locales.

Other motivations frequently mentioned include:

- **Shared love of hometown:** Those who continue to live in the community of origin share the founder's devotion and gratitude. They are not just carrying on the responsibility but sharing in the passion to give back. Several descendants who no longer live in the hometown also spoke of their affection and loyalty for maintaining the giving programs in place. "I am as intensely and seriously committed to this work as my grandfather," noted one third generation ("G3") board leader.
- **Deepening family connections:** For these families, the chance to maintain and strengthen family ties—because of rather than in spite of—geographic dispersion is a compelling motivation to continue the work. A shared commitment to place provides a commonality and unifying vision that transcends their own politics, personalities, funding interests, and home locations. As one interviewee noted: "My great uncle told me he stayed committed to the work of the foundation because of the great joy he found in working with his extended family." Another emphasized, "This city is where our family has lived, loved, married, divorced, and had kids ...it is home."

TRENDS 2020 FINDINGS: IS THE FOUNDATION LIMITING ITS LIFESPAN?



Advantages and Opportunities of Place-Based Giving

Dynamics that work well for one family can be the same that stymie another. Participants in the study spoke about the many advantages of a focus on place. Of course, they also noted that these are advantages only insofar as they are seized as great opportunities. Among the most commonly cited special advantages and opportunities were:

- The opportunity to **develop deep knowledge of community assets and needs** over time.
- **Being seen as a trusted and steadfast partner**—not only among other funders and nonprofits, but among civic leaders in government and business.
- The **ability to dig in and fund for the long haul**. Participants noted this advantage eases the way to identify strategies that tackle intractable problems. Place-based funders share an enthusiasm for multi-year grants, with the potential of renewal.
- The **ability to develop and nurture long-term relationship with grantees**. Several noted they are very likely to “invest” in their grantees beyond special projects. They mentioned capacity building, general support and transition support (for those nonprofits experiencing professional or volunteer leadership changes), as well as support for sabbaticals and collaborations.

Statement of Place

To solve community-wide challenges, everyone must be at the table: The JF Maddox Foundation believes in the people of Lea County. We think big, dig deep, and connect the community so that together we can cultivate big picture possibilities for all our Lea County neighbors. We help bring about the changes that help people here thrive for generations.

- The **ability to target and evaluate their work**.
- The **shared directive to truly unify the family around common heritage, legacy, and purpose**. Many families noted that the place-based giving provided a sense of shared identity and work despite different politics, geographies, generations, branches, interests, and levels of wealth.
- A wider lens. Several interviewees noted that the foundation/fund gave them the **opportunity to see beyond their own individual preferences and communities**. They also spoke of taking those experiences and lessons back to their own homes and interests.



Courtesy of The Jay and Rose Phillips Family Foundation of Minnesota | Minneapolis, MN

Common Challenges in Sustaining a Place-Based Giving Program

For some, the challenges of geographic focus begin early in the life of the giving vehicle. For most, challenges appear in the third generation and beyond. Two factors seem to influence these challenges more than others:

- The first: **whether the foundation is expected to exist in perpetuity**. Every family intending to share a common enterprise over generations must expect the natural evolution of that family, including the addition of more members, marriages/divorces, next generation interest (or lack thereof), geographic dispersion, political differences, varying levels of wealth and capability, and more. Typically, those foundations that try to rigidly adhere to structures and practices that worked in G1 and G2 experience considerably more problems than those that, based on shared values and mission, are appropriately flexible in designing systems to get the work done.
- And the second: **anticipation of changing circumstances is vital**. Almost everyone interviewed noted that the extent to which they had anticipated and prepared for changing circumstances in the family—versus being forced to react after the fact—greatly affected the ease with which they navigated these challenging times. The most frequently cited reasons for not anticipating and planning included: not wanting to think about, much less anticipate, the death of beloved senior family leaders; not wanting to offend or to be seen in opposition to the founder's wishes; fear of change; and, for many, fear of conflict or hurting a family member's feelings.

Statement of Place

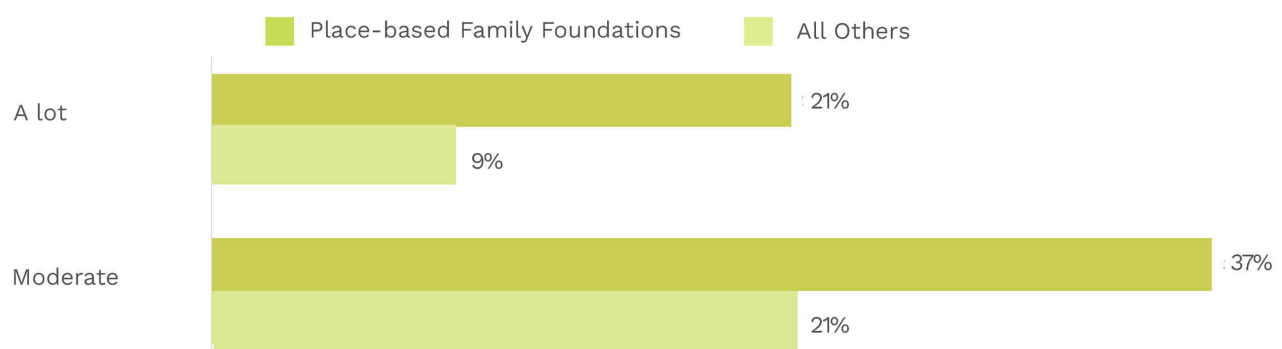
Tauck Family Foundation: We are a private, multi-generational family foundation that invests in organizations and initiatives that equip the children of Bridgeport, Connecticut with the necessary social and emotional skills to thrive academically and in life.

For every one of these challenges, there are giving families that have anticipated and/or addressed them effectively. This study included inheritors working some 100 years after the death of the donor and they report that many of these issues have been wrestled with and resolved resulting in more effective grantmaking and more energized family involvement.

And, what are the natural challenges of sustaining a commitment to place?

- **Number 1, bar none, is the geographic dispersion of family**. Many families commented that dispersion across the country and the world seems to exacerbate differences of personal interest and can mean less investment in the hometown. As will be seen in the Strategies section of this report, some believe their goals are best served by accommodating individual family members with regard to differences of geography and interest. Others set policies they see in the best interest of the place-based foundation/fund, and invite those interested to participate.

TRENDS 2020 FINDINGS: THE EXTENT TO WHICH GEOGRAPHIC DISPERSION IMPEDES FAMILY MEMBER PARTICIPATION



- **Access to community expertise.** While not unique to place-based philanthropy, the need for expertise and experience with the issues and communities served is particularly urgent when family members do not live in the area and have limited hands-on knowledge or context about the issues and challenges faced by the community. *Trends 2020* findings support the use of outside expertise, showing that place-based foundations are more likely than others to formally integrate outside perspectives into their grantmaking process and/or governance structures and are much more likely to create advisory committees of community members or program experts.

Place-based Family Foundations Include Diverse Perspectives on Their Boards

- 54% of place-based family foundations have 3 or more non-family board members compared to 24% of other family foundations
- 39% of place based-family foundation boards are non-family members, while non-family board members of other family foundations is 24%
- 51% of place-based family foundations have at least one non-white board member compared to 26% of other family foundations

Source: *Trends 2020*, National Center for Family Philanthropy

- **Living the legacy.** In the early years of a foundation/fund that has been established to exist for decades or centuries, personal knowledge and respect for the founder often drives not only participation but the faithful interpretation of the founder's wishes with regard to mission and grants. As the generations who never knew the founder and may never have lived in the hometown take their place at the table, that lack of personal history and experience can cause confusion and a broader, likely more diffused, interpretation of intent.
- **Preparation for stewardship.** To that end, the second most frequently cited challenge in the study is the need to continuously prepare future generations for stewardship. Place-based foundations report the need to regularly impart information on history, charitable goals, mission, and program priorities. Even more they stress the need to tell family stories, discuss shared values openly, and be clear about what trusteeship means in terms of expectations and service.
- **Finding focus.** Many of the interviewees report that the key to sustaining a vibrant commitment to a particular community is finding a strong sense of purpose within the geographic borders. Some noted that, while family members may not feel a personal passion for the region, they are excited by the work in education, housing security, or whichever priorities are pursued. Others said a grantmaking strategy provides the roadmap for impact and the geographic region became more meaningful to the family as a result of that journey. Indeed, place-based foundations are far less likely to accommodate the interests of individual board members or to influence the foundation's shared giving mission, according to *Trends 2020*.
- **Encouraging personal giving and volunteering.** There is a palpable distinction between foundations that accommodate—sometimes over accommodate—the personal interests of board and other family members, and foundations that see the philanthropy as a place for common work where family members are expected to advance their individual interests through personal giving and volunteering. The first set of foundations report a pulling together that dominates

In the early years of a foundation/fund that has been established to exist for decades or centuries, personal knowledge and respect for the founder often drives... the faithful interpretation of the founder's wishes with regard to mission and grants.

the dynamic; the second reports a constant pulling apart that creates tensions and, often, dissatisfaction. This challenge becomes particularly difficult once one or both of the following circumstances are in play:

- o Family members do not enjoy the same levels of personal wealth and access that likely characterized those in the earliest generations. Cultivating a family culture of giving according to one's means and passions—and bringing that experience back to the family giving table—can reap rich rewards for both the individual and the common experience.
- o There are too many family members to meet everyone's wants and interests. Even families who offer discretionary giving opportunities only to board members note that there can be jealousy and resentment by those non-board family members who don't have the same privilege.

- **Establishing core philanthropic values.** As mentioned above, it is important to offer the next generation training in grantmaking and trusteeship. This study strongly suggests it may be even more vital to the health of the foundation/fund and to the wellbeing of family members to offer clear guidance on core charitable values. For example, beginning with the second generation, foundation boards should ask the extent to which family members see themselves as potential “stewards” of a place-based philanthropy and to what extent do they see themselves more as “owners” of a foundation for its potential to advance individual interests? The “stewardship or ownership” dynamic was addressed repeatedly in interviews, and always by those who proudly saw themselves as stewards not only of a family philanthropic tradition but also of a precious resource serving a community of special family importance. Another way to examine this dynamic is to consider whether potential service and involvement is seen as a privilege (as in honor and opportunity) or as a prerogative (one attendant to family status).

Bradley-Turner Foundation, Columbus, Georgia

If the challenge of managing a place-based foundation across multiple generations is daunting to many, it makes sense to look closely to the Bradley-Turner Foundation as the fifth generation of that family prepares to welcome the sixth to the work of the family foundation. Gilbert Miller's great, great grandfather was known as someone who saw great value and pursued it. His business began with textile mills, steamships, grocery stores, and running supplies up and down the Chattahoochee River. But it was his negotiation with the Candler family to purchase the Coca Cola business that provided the significant wealth that fueled his charitable instincts. For if he was known as a smart investor, he was better known as a man of his word.

His perspective was faith-based and the integrity for which he was so admired was grounded in that faith. He was never one to be showy or to have wealth fuel an ostentatious life style. When the depression hit Columbus, Georgia, W.C. Bradley kept his cotton mills open, knowing the calamity that would ensue if he shuttered them, even temporarily. Bradley believed it was better to do with than do for and rarely imposed his will on the community in terms of the use of his money. That philosophy guided Gilbert's great uncle when he took over the two family foundations, merging them in 1983. A lack of interest in getting credit is a value that continues to this day.

The foundation's transformative moment came in 1997 when a number of emergency requests from arts organizations began arriving. They proposed getting the arts organization together to develop a common vision and formed a partnership to leverage resources. The Columbus Challenge was born and both an arts center and greater collaboration were among the results. For the family, it cemented their place-based commitment.

For the first time in their history, as of 2017, the family has more members living outside Columbus, Georgia than within. Knowing that kind of shift requires thoughtful planning, Miller is working on a family retreat for Labor Day weekend. He makes the case that their commitment to place is critical and will continue to be so. “My great uncle said that one of the reasons we have made it into the sixth generation is that we have stayed committed to working together.” Perhaps another reason is that the foundation ethic encourages family members to give as well. “If something big is going on, we schedule a family meeting to talk it through. We also invite them to give. We don't compel or twist anybody's arm, but we want people to find the joy in the giving. That joy has connected us and if we lose that, we lose the effectiveness of a connected journey.”

Strategies for Place-Based Family Philanthropy that Work (For Most)

There were a number of strategies that stood out from the interviews with regard to governance, engaging the next generation, staffing, and other areas. Collected here are several of the highlights.

Governance and Leadership

As is true with any foundation or charitable endeavor, the key to good governance practice lies in the values, policies and practices that determine and drive leadership. The most frequently mentioned in this study include:

1. **Have clear statements of eligibility for involvement and expectations once involved.** Special emphasis should be placed on whether board members/donor advisors/others are expected to advance the place-based mission and on whether they have any latitude whatsoever in how far it deviates from the original priorities.
2. **Have a succession plan.** How will statements of board eligibility guide the selection of future leaders? In the early generations, a logical organizing principle might be found in allocating seats along branches of the family or generations. In later years, those same logical divisions become less meaningful and, not infrequently, divisive. Families find themselves straining to adhere to an organizing structure that worked well at one point but no longer does. For many families of later generations, leaders are chosen from a common pool of eligible family members who are aware of the expectations and come to their board service understanding their responsibilities and their limitations. One fourth generation member commented that, “in my family, we are not raised to think we might ever have a seat at the board table. There are just too many of us and so many would be great board members. If it happens, that’s amazing and we serve our terms proudly and rotate off.”
3. **Define family.** Again, while not limited to place-based foundations, interviewees spoke often of the importance of having a clear understanding of “who is family.” For future roles, will you include spouses, partners, adopted and stepchildren, etc.?
4. **Select capable board chairs.** For those with private foundations, the vital role of the board

chair was stressed repeatedly. While some families successfully rotate board chairs as an honorific, most do not find that practice successful—or not for long. Board chairs must have strong qualities for meeting management, board/staff relationships (where staff are in play), conflict resolution, and more. According to one interviewee, “the skill and temperament of our chair have been crucial to us getting through several recent crises.”

Place-based Family Foundations Prioritize Governance, Planning, and Assessment

- Nearly three times as many place-based family foundation boards reported spending a great deal of time on governance
- Place-based family foundations have significantly more board committees and written governance policies than others
- Place-based family foundations are more likely to assess the role and performance of board (36% vs. 13%) and staff (44% vs. 16%) and to assess DEI outcomes (19% vs. 13%)

Source: *Trends 2020*, National Center for Family Philanthropy

5. **Implement board terms and rotations.** Although it is common practice that the donor generation and often the second generation serve life terms, few find this a workable practice after the second generation. Terms with rotation means more can participate, board members stay fresh, and you can constantly renew the board with needed skills and experiences.
6. **Be willing to adapt board functions and meetings.** Many note that there is precious little time for visioning, strategic planning, and community education. To make time, families in the study often change board meetings to include consent agendas, board dinners with grantees, assigning tasks to individual committees, and instituting mandatory attendance policies.

Engaging the Next Generation

Trends 2020 data show that place-based foundations have significantly more 3rd generation family members on their boards as well as more plans to increase the number of young family members on the board in the next four years. Study participants mentioned a variety of strategies designed to acquaint the next generations with the work of the foundation/fund, prepare them for possible service, and encourage them to develop their own charitable interests to pursue. Strategies include:

1. Chronicle and share family histories and stories.
2. Consider a mentoring program (e.g., one veteran to one newer or prospective board member/donor advisor).
3. Bring them on board while the senior generation is still actively at the table. Multi-generational giving seems to ensure future leaders have a far better sense of the history of the giving, the priorities of the foundations, and the systems that have made it work.
4. Develop a learning agenda. Many interviewees noted that they have developed a curriculum for those interested in the foundation. For some, completion of that curriculum is required to be considered for formal service. *Trends 2020* gives evidence of this commitment to learning, with more than 70% of place-based respondents taking steps to become an active learning institution.
5. Provide opportunities to attend philanthropic conferences, board meetings, and more.

Statement of Place

Z. Smith Reynolds Foundation is dedicated to improving the quality of life for all North Carolinians. More than 80 years ago, the Z. Smith Reynolds Foundation began investing in the quality of life of all North Carolinians. Today, millions of diverse experiences and opinions are shaping our state and our communities in complex ways. We believe this growing diversity continues to make North Carolina a state of great promise. By becoming more flexible and adaptable as a funder, while simultaneously adhering to enduring values like fairness, dignity, integrity, and equity, we are working with others to pursue a vision where we all thrive.

6. Provide opportunities to participate in charitable organizations other than the family foundation/fund. Among those mentioned: church activities; local nonprofits of special interest; children's organizations.
7. Start early. As one participant noted, "kids start learning from the moment they are born." Several mentioned efforts for children, some in connection with regular board meetings. Encouraging young people to actively pursue their own charitable passions can fend off any sense that the family philanthropy must bear the weight of their individual priorities.



Courtesy of Visit Philadelphia ®

8. Make extended experiences, internships, or tours available to students during the summer break.
9. Organize conversations, invite reading proposals, share committee work, and more in conjunction with board meetings or during vacations/holidays.
10. Several families noted the importance of programming offered by the community foundation that families are invited to attend together. In a few cases, the community foundation was available to plan a special event for the individual family.

Staffing

Those who have the support of a professional, locally-based staff report that this is an enormous asset to the foundation and board. Staff members are seen as active in the community, eyes and ears on the ground, active community partners, and leaders. That kind of deep knowledge and personal connections is of great value to several of the interviewed foundations where board members are largely not local.

Other staff qualities mentioned as being particularly helpful in a place-based philanthropy were not unique to a place focus but illuminating nonetheless:

- **Good communications skills.** This is especially useful when a chief executive is relied on for information about the community, funding issues, staffing, and more. A facility for social media and online communication tools were also noted.
- **The capacity to think long term.** Interviewees noted the constant points and the ever-evolving nature of families and their foundations/funds. It is easy to get caught up in the day-to-day while putting off the time for reflection and planning that is vital to renewal.
- **The ability to encourage and listen to many different viewpoints while not being thought to side with any one particular person or point of view.** Integrity was frequently mentioned.
- **Facilitative skills – helping the board/family find common ground.** It is easy to react to all the things that make family and board members different. Staff members that can help find and exploit the shared values and mission will move systems and individuals much more effectively. And when it is hard to find that common space...
- **Willingness and ability to deal with conflict.** In any organization that is growing and changing, there will be conflict. Conflict appropriately managed is healthier for the giving and the family than conflict avoidance. Staff members willing to find helpful, constructive ways to get through disagreements are more valuable than those more comfortable with blinders.

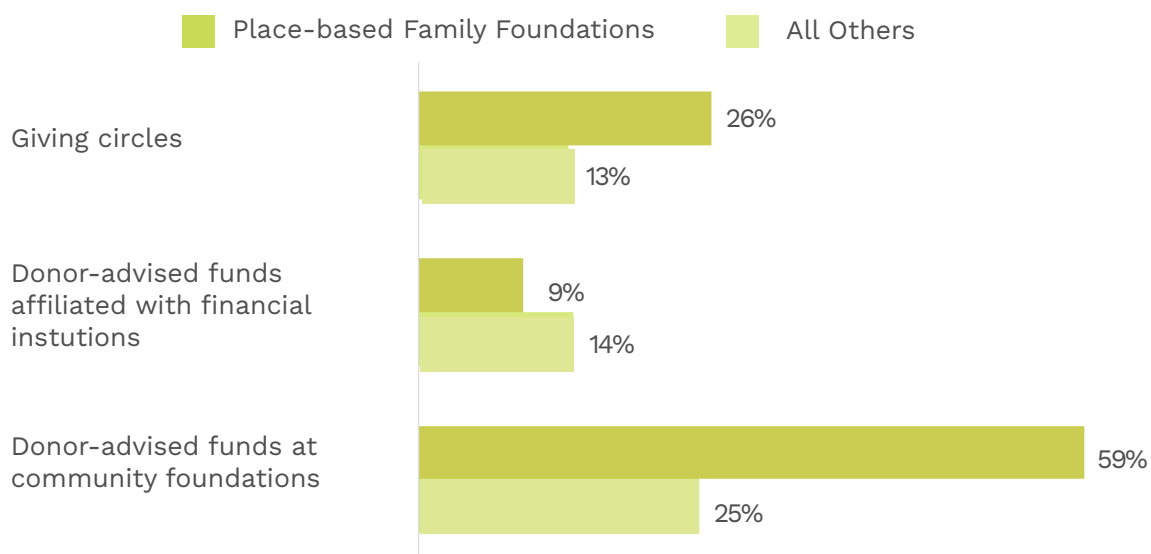
In cases where there are no, or very few staff, interviewees spoke of relying on community foundations, regional funding groups and other local connections to enhance their understanding of and on-the-ground presence in the community.

Discretionary Grants

As noted above, there are foundations/funds that rely quite satisfactorily on discretionary grants to act as a “pressure release valve.” Although most report very modest annual amounts or these grants, some respondents say they can help acknowledge, even reward, the work of board service, while allowing members to make a gift of special personal importance, and keep the eye of the full board firmly focused on the common mission. This was especially true for those who use discretionary grants to thank non-family board and committee members for their service.

On the other hand, for many families, the dangers of discretionary grants cannot be overstated. Some thought such individual privilege eased the way to splintering the board leading to a push for more and more discretionary dollars. One family member was quite specific: “Individual prerogative took over the goal of keeping it together. The focus on discretionary grants caused the breakup of the foundation.” Others said it can detract from the goal of encouraging personal philanthropy (if family members came to believe it was the responsibility of the foundation to do their personal giving). Most everyone noted that, effective or not, it takes away from dollars that can be directed to the core mission and region.

TRENDS 2020 FINDINGS: MULTIPLE GIVING VEHICLES



Plan for Access to Community Expertise

As mentioned with a locally-based staff, many in the research sample noted that they have very intentional plans and strategies for accessing local community perspectives and experience. Many spoke of an ongoing learning agenda in the same way they spoke of such a plan for the next generations. Strategies for doing so vary but include:

1. Adding community voices to the board (70% of respondents)
2. Commissioning local needs assessments (20% of respondents)
3. Commissioning reports on topical issues (15% of respondents)
4. Actively soliciting information from relevant groups and organizations (half of all respondents)
5. Use of the community foundation (40% of respondents)
6. Working in partnership with local funders, organizations and intermediaries (40% of respondents)
7. Site visits and listening tours for the board (85% of respondents)
8. Guest speakers at foundation/fund meetings (75% of participants have an educational component to at least one board meeting per year)

Additional suggested strategies for accessing community expertise include:

9. Offering community advisory panels on topics of current community importance or special importance to the foundation/fund
10. Sharing monthly board email blasts with links to information of local importance
11. Requiring volunteer service hours with a nonprofit
12. Providing access to a [Slack channel](#) for local news
13. Participating in a local/regional funders group

14. Partnering with the public sector. Several noted that connections to local government enhanced their knowledge, advanced their mission, and allowed them to participate in public discourse/policy
15. Maintaining social connections within the area. Many pointed to the value of involvement in organizations like the Chamber of Commerce, Rotary Club, Leadership (Insert City Here), and other social opportunities to connect and learn

Stay Mission Focused

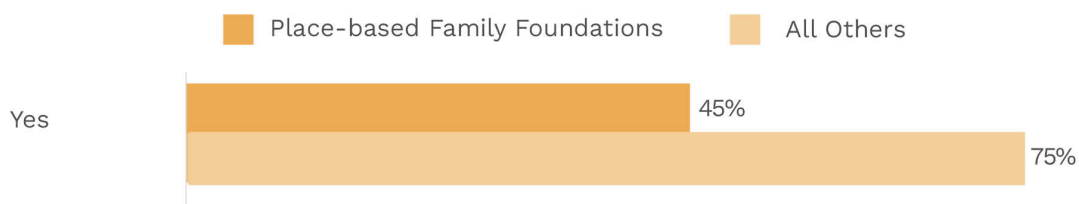
Finally, several participants report that they maintain their place-based giving do so by, as one respondent noted, “absolute adherence to mission.” Participants commented that they don’t accept or advance practices that would deviate from mission and that everyone is completely supportive of maintaining that focus.

Statement of Place

The Island Foundation’s grant priorities fall within four major categories: Environment, New Bedford, Alternative Education, and Global. The Foundation supports projects in coastal areas of Maine, Massachusetts, and Rhode Island and selected international locations.

For the last two decades, the Foundation has focused a significant portion of its financial resources on Southeastern Massachusetts, where its office is located. Here the Board seeks to understand how communities grow sustainably and equitably, how to increase educational opportunities, how rural and urban economies are intertwined, and how to best protect working landscapes and the people who rely upon these areas for their livelihoods. In funding in a few specific areas, the Board believes it will have the most impact.

TRENDS 2020 FINDINGS: ARE BOARD MEMBERS ALLOWED DISCRETIONARY GRANTS?



Source: Trends 2020, National Center for Family Philanthropy

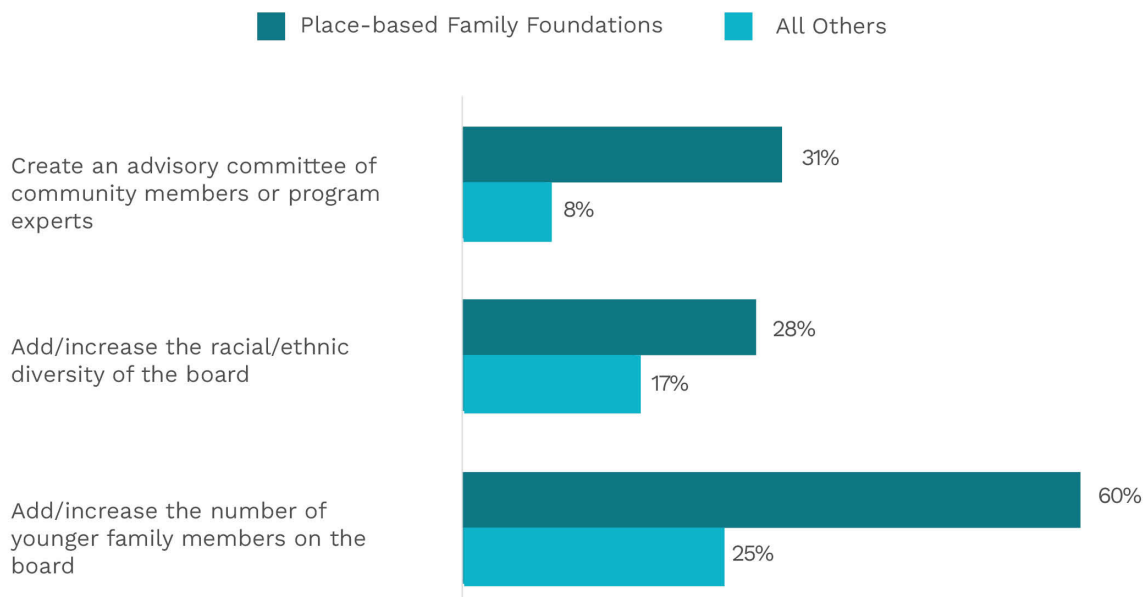
The Ten Characteristics of Highly Successful Place-Based Foundations and Funds

As described throughout this report, there is no single model for the effective place-based, multi-generational family philanthropy. They may be volunteer-managed or they may have a capable staff of a few or a few dozen. They may be private foundations, donor-advised funds, or a combination of two or more philanthropic vehicles. They may work in a metropolitan area or be regional. They are in the first generation; they're in the sixth. They actively seek out grantmaking opportunities; they are responsive and available to the needs of the community. They invest for maximum return; they look for social equity investments. Beyond their local region they may keep a low profile; they may have a sophisticated communications strategy to draw attention to their issues and grantees.

But beyond the flexibility of the model and the mission, throughout the study certain characteristics emerged as having a positive effect on the quality of both grantmaking and family participation.

1. **They have a strong sense of their charitable legacy.** They appreciate their family advantages and the responsibilities and opportunities attendant to those advantages.
2. **They have an attitude of service.** Whether they call it stewardship or servant leadership, the attitude is “what can I contribute to this philanthropy” (rather than “what does it offer me”).
3. **They have articulated and adhere to program priorities.** These allow them to concentrate and evaluate their efforts. They are more likely than other foundations to solicit feedback, assess staff and board, and evaluate DEI outcomes, according to *Trends 2020* results.
4. **They use a variety of tools:** grants; investments; PRIs; collaborations; community engagement meetings; communications; etc. They plan to further increase transparency in the coming years.
5. **They provide for emergency needs** when appropriate (the “good neighbor” policy).
6. **They are a generous, thoughtful convener and collaborator.** They bring others together without ego.

TRENDS 2020 FINDINGS: ANTICIPATED CHANGES IN THE NEXT FOUR YEARS



7. ***After the third generation, they do not offer discretionary grant privileges to board/family members.*** There are just too many family members to do this purposefully and without rancor or divisions. They may encourage giving and volunteering through matching grants.
8. ***They have an enthusiastic learning agenda for all: the current generation, the next generation, and extended family.*** They keep current with community needs and access community experts and practitioners when necessary. They actively offer opportunities to be “in place,” even to those dispersed around the world.
9. ***They plan and remain open to change.*** They take time to reflect, evaluate, and adjust. They don’t allow themselves to get stale or repetitive. They stay alert to new opportunities while maintaining their commitments to long-term and still vital opportunities. They plan ahead, understanding every difficult eventuality is better anticipated than reacted to.
10. ***They consider the viability and implications of perpetuity.*** This is not to say there are no vibrant perpetual, place-based foundations. Quite the contrary; there are foundations 75-100+ years old that are serving their hometowns with passion, purpose, and distinction. But they operate off a foundation of strong, shared values while adapting and changing systems and practice as the family grows and disperses.

Statement of Place

The Cooke Foundation supports worthy endeavors in the community that the family feels will make a significant difference in the betterment and welfare of the people of Hawai’i.

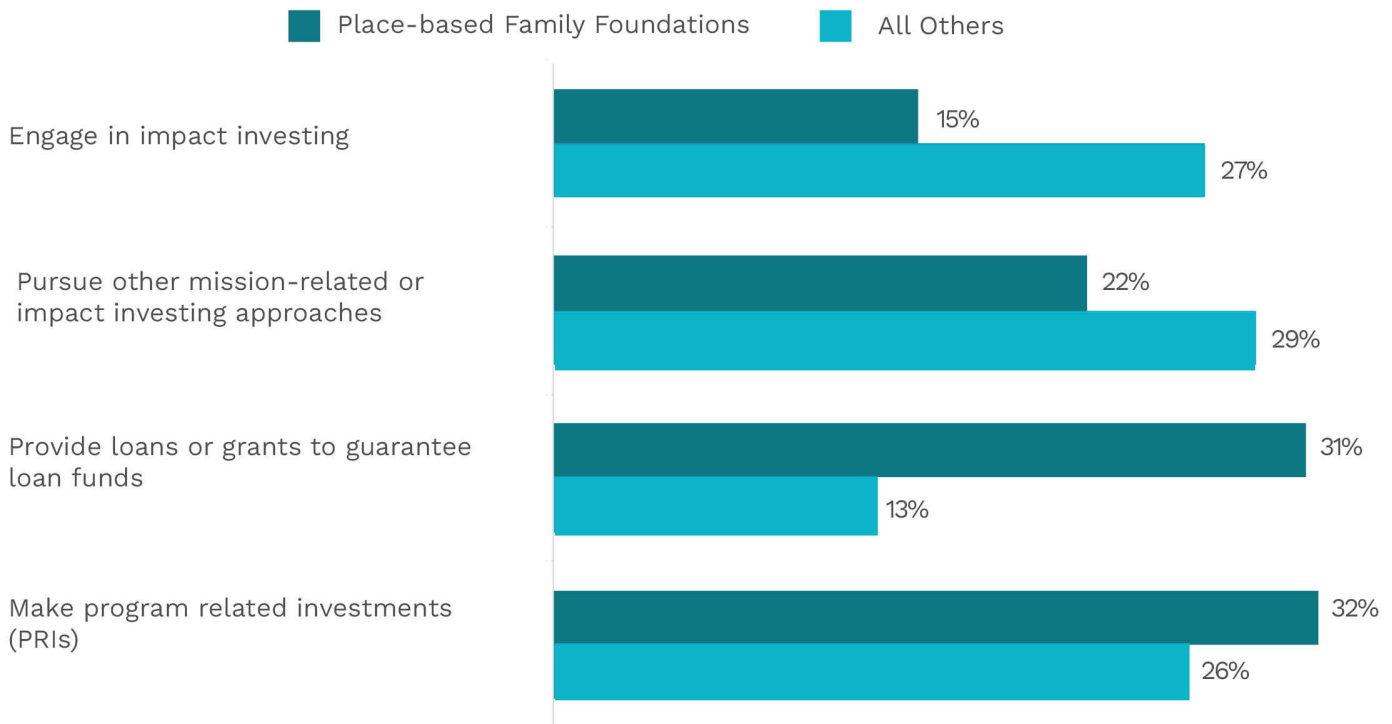
They have an enthusiastic learning agenda for all: the current generation, the next generation, and extended family. They keep current with community needs and access community experts and practitioners when necessary. They actively offer opportunities to be “in place,” even to those dispersed around the world.

What Does the Future Hold?

When asked what they think is in store for their foundation/fund’s future, participants were thoughtful and candid.

- “We will always be place-based. Our commitment is real. It transcends us as family members no matter where we live or which generation we’re in.”
- “I worry about donor fatigue. We so rely on enthusiastic, committed board members and we ask a lot of them. How long will they—or future family members—be willing to do this?”
- “We spend so much time and energy dealing with our grant cycle challenges. It overwhelms any time we might need for lifecycle challenges. I worry we are not thinking long-term enough.”
- “How do you continue to focus as players change?”
- “We have to improve our understanding of our impact—the impact we think we’re having, the one we are really having, and the impact we want to have.”
- “Our most critical challenge is good governance. That will be more important than our dollar allocations.”
- “I look at our next generation and though they’re still pretty young, I am so confident. For me, believing in them helps me see a very bright future for our foundation.”

TRENDS 2020 FINDINGS: OTHER ACTIVITIES THE FOUNDATION ENGAGES IN



Source: *Trends 2020*, National Center for Family Philanthropy

Closing: Gratitude, Responsibility, and Pride of Place

This report seeks to engender a deeper understanding of the importance of the place-based funder. Many communities that have seen industries collapse and the wealth run out—the textile firms of the Southeast and the rust belt industries of the Midwest, for example—have a more vibrant community life because of these funders. They represent the same families that made their wealth during the region’s heyday. When the industry, and even the personal wealth, went away, their loyalty, appreciation, commitment, and social investment did not go with them.

Vitality does not depend on family members still being “in place.” I spoke with distinguished philanthropies where not a single family member still resides in the hometown. But they are as committed to it as ever. “We are as much a part of this city’s history as they are part of ours,” a family member once told me.

Vitality will not, however, be reinvigorated and renewed without attention to their changing circumstances—both the family’s and the



Center City Park | Courtesy of Lynn Donovan Photography and The Cemala Foundation | Greensboro, NC

community’s. These funds often began with a sense of gratitude and generosity and those same qualities appear to be necessary to sustaining them.

I come away from these conversations and analysis with an even deeper appreciation for the work of philanthropic families. Place-based foundations and funds bring such a deep, personal commitment to their charitable work; a commitment born of family history, connections, legacy, values, and experience. Those who report doing well and those struggling to maintain excellence are motivated by gratitude, responsibility, and, most assuredly, a pride of place.

Statement of Place

The Raymond John Wean Foundation seeks to leverage a powerful combination of grantmaking, capacity building, convening and partnerships to advance community-building in underresourced communities of the Mahoning Valley.

Appendix 1: Project Background and Interview/ Survey Instrument

The 2015 study released by the National Center for Family Philanthropy showed that shifting patterns in the historic commitment to place by giving families were much in evidence. These shifts may be from third and fourth generation giving programs turning to more issue-based funding or to multiple geographic regions (sometimes not including the “hometown”). They are also evident in founding donors, who may identify with a more global economy and transient lifestyle and launch their giving with an issue focus.

This pattern is worthy of study on many levels: what prompts a shift away from place; why founders are interested in issues; how are giving families managing these opportunities and stresses, etc. But we begin our inquiry with a look at how multi-generational families are sustaining a commitment to place. Why and how are they doing it? What makes the giving vibrant and effective over time—an effective strategy for the community and for necessary support and participation?

The study will be conducted by interviews and focus groups. Additionally, an online instrument will be available. What follows is the draft template for the issues to be probed and the appropriate questions to be asked to realize our goals of sharing this information with others trying to sustain a geographic focus or to those considering what it takes to do so. Personal interviews and focus groups will seek more open-ended response to ensure spontaneity and the full range of perspectives and experiences. The online instrument will offer multiple choices to ensure there is a common basis of inquiry and responses.

Background of the Foundation or Fund

Note: Some of this may be identified in advance depending on the sources available. Some may be sought in person. In either case, the goal is to understand the legal form of the philanthropy, assets, governance structure, whether the organization intends to operate in perpetuity or for a limited time, and the number of generations currently participating.

Origins of the Place Focus and Status of Family Commitment

1. What are the origins of the geographic focus (how was the money made, what prompted the founder’s focus, why was this important to the founder that the focus continue)?
2. Depending on the generations involved, why is it important to the family that the focus on place continue and why:
 - a. Affection and loyalty to the founder
 - b. Shared commitment to the community
 - c. Sense of obligation or responsibility
 - d. Donor intent is paramount

3. Depending on the generations involved, why is the commitment to geography sometimes hard to maintain:
 - a. Many family members have moved away;
 - b. There are so many different hometowns that family members would like to be more engaged where they live, give and volunteer;
 - c. With such a diverse family, it might be easier to agree on a program priority that can be applied more expansively;
 - d. There is little memory of the founder or the hometown and, therefore, passion for the giving has waned;
 - e. Keeping a learning culture and family engagement strategy viable, affordable and logistically free of complications is so hard.
4. How does the foundation or fund define place (local, regional, etc.)?
5. What percentage of the grantmaking budget is committed to place?
6. Is family relied on for staffing, program work (site visits, etc.), and hands-on governance? Do you use a community foundation or another intermediary to support your place-based giving?
7. How many family members participate and how many live in the area of focus?
8. Do family members support their own geographic areas on their own—inside or outside of the foundation's region?
9. What does it mean to work and reside in a place, but not see yourself as from there and not see yourself as connected to the traditions, needs, and aspirations of that place?
10. Has there been a significant change in the economic well-being of the community over the time the family has been part of it? For example, sometimes after a family business peaks or is sold, there can be a concomitant decline in the local economy or disenfranchisement of the local population. If that has been your experience, how have you anticipated or responded (particularly if it were your family business that prompted the downturn)? What have been the moral or ethical questions the family has wrestled with? How has a strong program agenda been advanced in the face of increasing need?
11. To what extent do you use a place and/or a defined geographic area to pilot and incubate new ideas and strategies?

Strategies for Keeping a Vibrant and Effective Commitment to Place

Describe all the strategies for governance, grantmaking and management which you employ to achieve your goals for charitable impact and family participation, including but not limited to:

1. Board composition: has it changed to accommodate a dispersed family?
2. Board expectations: are board members expected to maintain the geographic focus, participate in local site visits, and stay informed about relevant economic, policy, civic, and other developments?

3. Has the family continued or begun to engage non-family board members to strengthen the knowledge of the community served? Advisory groups? Guest speakers? Other?
4. Does the family have a locally-based staff to maintain relationships with potential grantees, partners, etc.?
5. Has the family used one or more community foundations to provide grantmaking expertise, management, or other service designed to enhance access to community expertise?
6. Does the foundation or fund commission needs assessments, issue reports or otherwise solicit information on the philanthropic needs in the community?
7. Within the geographic focus, are there program priorities/issues that are of special significance to the foundation/fund?
8. Does the foundation/fund allow any discretionary or matching grants to trustees/fund advisors/ others to give them an opportunity to give outside the normal scope of the grantmaking? If so, are there restrictions of any kind?
9. Is there an ongoing “learning agenda” to keep trustees, advisors, younger family members and others engaged in the work and aware of the impact it is having? Who is responsible for that engagement and which elements of the agenda are particularly welcome/effective?
10. Has your process for approving grants changed due to large numbers of board members that don’t live in the area? Consent agendas? Reliance on staff or site visit teams to recommend and/ or approve grants? The board has shifted to a more policy-oriented role with some or all grants (perhaps of a certain size) approved by staff/others?
11. Does your investment strategy complement or enhance your commitment to place?
12. Which other strategies have you used to sustain the commitment to place and ensure robust family participation and high quality grantmaking?

The Future of Your Pride of Place

1. How do you see the future of your community and your commitment to that community?
2. For how long is the foundation/fund intended to exist? Will a geographic commitment be a factor in whether or how the foundation/fund goes on?
3. Is it your intention to involve future generations in the grantmaking?
4. If so, how are you keeping them excited about the giving, aware of their possible participation, and preparing them to potentially be involved in the giving going forward? Conversely, how are you managing expectations about being involved depending on the number of family members and any eligibility requirements you may have?
5. Are there issues on the horizon that might affect your thinking about the future of your giving?

6. Have you already used other vehicles or organizations to support or manage part of your giving: a family office; a family foundation management service; a community foundation; bank or other advisor firm; any other donor-advised management service; etc.? Might that be a possibility in the future?

Concluding Remarks

1. Based on your experiences, are there any other considerations we should be looking into?
2. What would you like most to learn from this study?
3. Which other aspects of place-based giving are priorities for future exploration? For example, when to shift away from place or when to shift away from family participation?

Appendix 2: Additional Resources

Reports and Articles

[Trust is What Powers Place-based Philanthropy](#) (Philanthropy Northwest, 2014)

[Place-Based Philanthropy Supports Urban Sustainability](#) (Philanthropy Northwest, 2017)

[The Place-Based Strategic Philanthropy Model](#) (Southern California Grantmakers, 2007)

[Donor Perspectives on Place-Based Philanthropy](#) (2004)

[Towards a Better Place Conference Report](#) (Aspen Institute, 2015)

[The Art and Science of Place-Based Philanthropy: Themes From a National Convening](#) (The Foundation Review, 2016)

Impact Investing and Place-Based Philanthropy

[Investing Together: Emerging Approaches in Collaborative Place-Based Impact Investing](#) (Urban Institute, 2018)

[The Capacities Foundations Need to Embark on Place-Based Impact Investing](#) (GreenMoney, 2019)

[Invest in where you know: Impact investors rediscover the power of 'place'](#) (ImpactAlpha, 2018)

[Where Does Your Cash Sleep at Night?](#) (Exponent Philanthropy, 2019)

Case Studies

[Steans Family Foundation: A Case Study in Place-Based Giving](#) (Annie E. Casey Foundation)

[Moving Forward While Staying in Place: Embedded Funders and Community Change](#) (Chapin Hall Center for Children at the University of Chicago, 2004)

[A Sense of Place: Place-Based Grantmaking in Practice](#) (Neighborhood Funders Group, 2010)

[The Art & Science of Place-based Evaluation](#) (Jacobs Center for Neighborhood Innovation, 2015)

Blog Posts and Additional Perspectives

[Lessons from Place-Based Philanthropy](#) (Giving Compass, 2019)

[The Argument for Place-Based Funding](#) (Wise Philanthropy, 2015)

[Funder Spotlight: Durfee Foundation](#) (Whitman Institute, 2017)

[Place-Based Philanthropy: Investing in Community Change](#) (National Center for Family Philanthropy, 2010)



About the Author

Virginia Esposito is the founder and president of the National Center for Family Philanthropy. For more than 35 years, she has worked to advance private philanthropy through research and education. For 30 of those years, she has focused on the family philanthropic experience, promoting values, vision, and excellence across generations of donor families. Ginny was editor and principal author of the first edition of *Splendid Legacy* and of *Splendid Legacy 2: Creating and Recreating Your Family Foundation*. She currently serves on the board of directors of the John M. Belk Endowment.

About the National Center for Family Philanthropy

The National Center for Family Philanthropy (NCFP) is the only national nonprofit dedicated exclusively to families who give and those who work with them. We provide the resources, expertise, and support families need to transform their values into effective giving that makes a lasting impact on the communities they serve. Together, we make great things happen.

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We offer special thanks to our Leadership Circle members and to Friends of the Family, our annual supporters who make it possible for NCFP to produce important content for the field. We also express our deep gratitude to the family foundations that agreed to share their stories in this paper. For information about becoming a Friend of the Family, email Maureen Esposito at maureen@ncfp.org or call (202) 293-3424.

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We Welcome Your Comments

If you have comments, questions, or suggestions for future research, please email ncfp@ncfp.org.

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