

Cultivating the next generation of givers

by Kim Laughton—President, Schwab Charitable



Lessons from the 2017 Stanford PACS Philanthropy Innovation Summit

Philanthropy can be a powerful way for families to deepen relationships across generations, develop a shared mission, and increase their impact on the world. With \$30 trillion dollars expected to be transferred between generations over the next 30-40 years¹, charitably-inclined individuals have an unprecedented opportunity to engage with younger family members and pass on a legacy of giving.

Following are three essential tips for philanthropic families shared by the Heising-Simons family at the Stanford Center on Philanthropy and Civil Society's bi-annual Philanthropy Innovation Summit, an intensive day-long program focused on trends and best practices in charitable giving. Through the Heising-Simons Foundation, the family has granted more than \$263 million over the past decade to charitable causes across five program areas: climate and clean energy, education, human rights, local and emerging opportunities, and science.

In a candid discussion, the Heising-Simons offered these insights, which apply to a range of donors, including those who use donor-advised funds as a standalone solution or in combination with other giving vehicles such as private foundations and trusts.

Start conversations about giving early

Teaching children about philanthropy can spur a commitment to giving over time. Although Mark Heising and Liz Simons did not launch their family foundation until their children were teenagers, they exposed their daughter Caitlin and her brother to philanthropy early on. For the holidays, the young children received an allocation of money to donate, and were responsible for identifying and researching a charitable organization to support. This kind of assignment encourages curiosity and empathy, and begins to shape children's worldview. As one Schwab Charitable donor, who employed this strategy with his donor-advised fund, put it: "[It allowed our children to] give with us, and yet in their own way". Services such as GuideStar, a research database covering more than 1 million U.S. charities, can help families identify charities that match their philanthropic goals.

Demonstrate the importance of non-financial support

Volunteering connects children and teenagers to their communities, and helps them develop a sense of purpose. Liz has said that her interest in social justice was influenced by a trip with her father to Colombia, where she witnessed extreme poverty for the first time when she was 12 years old. Similarly, her daughter Caitlin credits volunteering with her parents and observing her mother's work as a volunteer in local schools with sparking her own early interest in human rights. After joining the board of the family foundation in 2014, Caitlin, who was then in her early twenties, helped build out the family foundation's human rights program. Last year alone, the foundation awarded nearly \$3 million in grants to established and emerging human rights organizations.



¹ FTI Consulting Study, 2010

**Create projects
with measurable
goals**

When children are older, consider offering them increasingly complex philanthropic opportunities that align with their interests. Giving teenagers and young adults special opportunities to lead philanthropic initiatives builds their confidence, develops their sense of responsibility and accountability, and strengthens their relationships with the charities they support. Mark and Liz emphasized the importance of setting evidence-based goals for measuring the impact of these projects. Outlining quantifiable objectives was particularly important when, a few years ago, Caitlin jumped at an opportunity and lead the family foundation's grantmaking around a specific policy proposal. Since effective philanthropy often requires a test and learn approach, Liz suggests that new and experienced donors alike should ask themselves, "Have I personally been catalytic in my giving?"

At Schwab Charitable, donors tell us that developing a charitable mission can help multiple generations focus on the causes that are important to them. A mission statement is a vision for change. All members of a family can help define philanthropic goals and how the family expects to achieve them. As the Heising-Simons's story demonstrates, parents and children who treat each other's ideas with respect and sensitivity can increase their impact on the causes they support. Liz noted at the end of the discussion: "It is good to hear voices from unexpected messengers like the next generation. As we get older, they are getting wiser".

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