SETTING UP A FUND, FOUNDATION, OR FAMILY PHILANTHROPIC OFFICE:
6 TIPS TO CONSIDER (PART TWO OF TWO)

Last week we discussed how an increasing number of individuals and families are setting up donor advised funds, foundations, or family offices. We will talk more about the differences between these vehicles and the various investment strategies to fund them, but today we are continuing our discussion with a few questions to ask yourself before setting up *any* of these efforts. We have found that thinking through these questions represents a critical first step towards giving more strategically, measuring impact more effectively, and engaging family members more substantively.

Recognizing that each person comes to this with a different perspective, we recently discussed the following three questions regarding philanthropic planning:

#1: What does success mean to you?

#2: How narrowly do you want to focus your efforts (from both a cause and a geographic perspective)?

#3: Are you interested in contributing more than money?

Today, we will discuss three more topics we encourage everyone interested in increasing their philanthropic impact to consider. As always, we are also happy to talk with you more about any or all of these!

#4: Do you want to involve your children or grandchildren in your philanthropic giving?

A number of individuals setting up these philanthropic vehicles do so with a hope that their children will play an active role in their philanthropic efforts, either in the immediate term or in the future. Our experience is that it is almost always best to bring children into these activities sooner rather than later. We know of families, for example, that even bring elementary-age children into this process in simple yet important ways, which is a wonderful way to lay the foundations for a life of both empathy and strategic philanthropy. If you have older children, there are also a range of ways these children can be involved, with increasing responsibilities as they get older and/or prove themselves able to take on more significant leadership roles. For more on information on how to involve children in philanthropic giving, especially via family offices, check out this Forbes article.

As with many things, we find that it is important to discuss the role your children might like to play sooner rather than later. This gives all of you the opportunity to begin planning what this involvement might look like, both in the immediate term and in the future.

#5: What is your timeline for impact? And critically, how will you measure this impact?

As we have mentioned, a surprising number of philanthropists donate a significant amount of money before really thinking about what impact it is that they truly want to make or the timeline by which they want to make this impact. For example, the time-to-results associated with donating to a single well-run organization looks very different than supporting a fledgling nonprofit that is just getting started or giving to a range of organizations focused on different issues in different communities. All of these can be powerful approaches. But our advice is to think carefully about the type of impact you want to make, and how quickly you want to make it, BEFORE beginning to make your gifts. This philanthropic strategic planning is also critical when thinking about the impact goals you share with family members and (potentially) external audiences.

Just as many CEOs and investors develop a clear set of benchmarks and success metrics before making an investment, we suggest creating a similar set of impact benchmarks and metrics before making sizable philanthropic donations. This pre-thinking not only allows you to assess the difference your gifts have made, it also allows you to "roll-up" information about a series of philanthropic gifts you have made in order to tell a comprehensive story about the over-arching impact your fund or foundation is making.

#6: None of us are here forever. What do you want your philanthropic legacy to be?

Speaking of impact timelines, we often find that setting up these philanthropic vehicles is the perfect time to consider the larger question of what you want your philanthropic legacy to me. This, of course, includes a range of pretty deep questions. Some of these we have already touched on, but these questions are just the beginning of the things you might consider:

- Do you want to be known for tackling a specific issue? Or helping a specific community?
- Speaking of being known, do you want your gifts to be anonymous? Or would you like to tie your gift to a broader awareness of your philanthropic/community efforts, perhaps, via naming rights for a building, chair, or social impact initiative?
- Do you hope that your gifts will prompt others to make their own gifts to these causes, perhaps, by creating a matching gift or by providing the seed gift to a capital campaign?

- Would you like to "spend down" the funds you have set aside within a certain number of years? Or within your lifetime? Or, perhaps, would you like your children to continue this work after you are gone?

Again, these questions just begin to scratch the surface of the conversations we love to have with those interested in deepening their philanthropic impact. If you would like to talk more about any of these questions, please don't hesitate to email me.