

A Closer Look

Finding Your Voice as a Next Gen Philanthropist



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In Brief

- **As a younger philanthropist, you have the power to drive change. You and your peers are bringing new energy and ideas to philanthropy, doing things differently, and in many ways redefining what it means to give.**
- **When it comes to family giving traditions in particular, you are inspiring values-based intergenerational conversations that are helping to clarify and highlight what the family believes in and stands for.**
- **Yet establishing yourself as a philanthropist may be challenging, especially when it comes to balancing your own desires with longstanding family traditions.**
- **You can get there by confronting your feelings about your wealth, defining the values and issues you care most about, continually learning, and engaging others to support you on your philanthropic journey.**

By any estimation, younger Americans are endowed with extraordinary generosity and an abiding concern for making the world a better place. While much the same can be said for all generations, you are part of a cohort that is “not just fundamentally transforming giving, but redefining the role of philanthropy in society and rethinking what being a ‘changemaker’ entails,” according to the Dorothy A. Johnson Center for Philanthropy.¹ Next generation (“next gen”) philanthropists — comprising Millennials (born 1981 through 2000) and Gen Z (born 2001 through today) — are starting younger, bringing entrepreneurial ideas, and are willing to look beyond traditional approaches in order to see results. For example, younger philanthropists may be less apt to give to the same organizations year in and year out. According to the Case Foundation’s “Millennial Impact Report,” 90% of Millennials are “motivated to give by a compelling mission, not an organization.”²

As a next gen philanthropist, you have the potential to reignite a foundation board that has grown accustomed to the usual way of doing things, or even help steer the family toward new horizons. And your influence will only grow in the decades to come, as younger generations inherit trillions of dollars collectively.³

Yet coming into your own as a philanthropist may mean overcoming some challenges. These could include becoming more comfortable with your own feelings about wealth, familiarizing yourself with the art and science of thoughtful giving, or finding your own voice in a family tradition that has been handed down for generations. In this paper, we’ll discuss some ideas and steps to consider that may help you embark on a journey of effective and fulfilling giving.

1 Michael Moody and Kevin Peterson, “Philanthropy’s Next Gen Is Starting to Make Big Changes.” Dorothy A. Johnson Center for Philanthropy, *11 Trends in Philanthropy for 2021*, <https://johnsoncenter.org/blog/11-trends-in-philanthropy-for-2021/>, p. 26.

2 The Case Foundation, “The Millennial Impact Report: 10 Years Looking Back,” <http://www.themillennialimpact.com/sites/default/files/images/2018/MIR-10-Years-Looking-Back.pdf>.

3 “Older Americans Stockpiled a Record \$35 Trillion. The Time Has Come to Give it Away,” *The Wall Street Journal*, July 2, 2021, <https://www.wsj.com/articles/older-americans-35-trillion-wealth-giving-away-heirs-philanthropy-11625234216>.

Consider Your Relationship With Wealth

While many people aspire to wealth, the feelings that come with it are often complex. If you represent a first generation of wealth — say, through a business you've created — you have the opportunity to explore its meaning and build a tradition of giving starting with a blank slate. If you are part of a family where significant wealth has passed from one generation to the next, you may fully embrace the opportunities and traditions it represents. Yet it's not uncommon for some to be more ambivalent or to grapple with feelings of guilt, seeing inherited wealth as a barrier to carving out their own identity.

The important thing is to recognize there are no “right” or “wrong” ways to feel about wealth. Even within families, siblings may have markedly different views. Whatever your feelings are, they don't have to be a detriment or barrier. In fact, they can be a valuable asset guiding your emerging role as a philanthropist. You have within you the power to make a difference by volunteering, learning more about the causes you want to support, and potentially bringing new energy and ideas to a generations-long family tradition of giving. Among families we work with, we have seen it over and over again: The next generation adds energy and clarity to the family's philanthropic purpose and inspires values-based intergenerational conversations that over time illuminate what the family believes in and stands for.

Explore Your Personal and Family Values

One way to start is by taking some time to formally consider your personal identity and values as they relate to wealth. Even if you think you know exactly how you feel, the act of creating a written record may unlock or clarify your thinking. List the values that are most important to you. Think about recent situations you've experienced where values came into play and how you responded. Are there any values you aspire to but don't feel you've lived up to as yet?

You may find that coaching helps focus your efforts. At Bessemer, for example, we use tools and exercises to facilitate the process. One exercise asks client family members to carefully review, consider, and order a number

Case Study: Honoring a Legacy and Supporting Education

A young man from an East Coast family had at an early age developed a deep interest in helping others. A primary influence was his grandmother, who had devoted a long career to public education. When he decided to attend college in his grandparents' home state out West, the young man looked for ways to get more involved with his new campus community and to honor his grandmother's legacy.

He turned to his family's Bessemer team to help him focus his core values of entrepreneurship, excellence, and responsibility and explore ways he could empower changemakers in education. The team helped him create a business plan for a \$10,000 annual prize for the most innovative idea to improve public education within the state. The college approved and offered operational support for the prize program. Throughout his years as an undergraduate, he worked to expand awareness about the prize program and empowered other young changemakers to champion their ideas for enhancing public education.

of cards, each defining a value ranging from diversity and excellence to learning and gratitude. This process helps identify which most closely (or distantly) align with their values. Follow-up conversations explore more fully the reasons behind their choices. Other exercises might ask you to identify and consider the most important Money Messages you received from your parents while growing up, and what messages you would like to live by or would hope to pass on to *your* children.⁴ Whether you work independently or with a coach, don't lose the momentum of what you've learned. In the end, you should come away with a written document that you can come back to and that may even be included as part of the other mission statements or documents in a family foundation.

Practice Experiential Learning

As your values come into clearer focus, dig in and learn about the various issues and causes that align with them. Listen to podcasts or lectures featuring leaders and scholars specializing in your core focus areas, read annual reports from organizations that strike your interest, attend events hosted by charities, or gather

⁴ Money Messages © 2018 21/64, Inc. 21/64, Inc. is a nonprofit practice providing multigenerational advising, facilitation, and training for next generation engagement (www.2164.net).

with other next gen philanthropists to see what they're doing. And, while it's natural to want to get involved and see immediate results, keep in mind that learning, like philanthropy itself, takes time. As authors Michael Moody and Sharna Goldseker note in their influential book, "Generation Impact: How Next Gen Donors Are Revolutionizing Giving," "Many types of impact take a long time to achieve and can be hard to identify. Dig deep, look closely, and ask questions."⁵

As you learn, push yourself to get out of your comfort zone. It's easy for any of us to gravitate to familiar and comfortable circles of friends, acquaintances, and colleagues. While these networks can be valuable resources for information and ideas, widening your scope could reveal additional opportunities, perhaps with grassroots organizations with modest budgets that are doing transformational work within communities. As the COVID-19 pandemic intensified, we spoke with many clients naturally eager to help in any way they could. We encouraged them to seek out organizations working directly in the most vulnerable communities, organizations that might be best prepared to respond quickly and directly to community needs as the crisis evolved. As you explore new potential avenues for giving, you may find that you have the power to expand your family's network of interests and the organizations it supports.

Do Your Homework

Before committing to any specific charitable groups, it's important to do your due diligence to help ensure that their goals fully align with yours and that they are equipped to follow through on their stated missions. Choosing from more than 1.5 million charities in the United States alone⁶ may seem like a tall order, especially when you're just starting out. Yet there are steps you can take to feel confident you're making the best choices.

Start by reading up on organizations that spark your interest. Websites, social media, and other sources can give you a solid grounding in their mission and values, who their leaders are, and their financial health (see the resources on pg. 6 for informational sites). Does

Case Study: Values for Giving; Values for Investing

To help guide their giving strategy, a group of Millennial wealth creators who had been successful in the tech industry set up a donor-advised fund (DAF) through the Bessemer Giving Fund. The DAF offered an efficient way for them to contribute money, invest it within the fund, and then recommend gifts to organizations focused on two key areas: climate change and empowering women and girls.

In addition to the gifts, the group wanted to ensure that their investments within the DAF wouldn't simply produce returns, but would also support positive change — a process known as impact investing. Their advisors helped them identify and conduct due diligence on an investment opportunity through their local community development financial institution (CDFI). Their investments helped provide capital for a revolving loan fund financing minority- and women-owned businesses.

their organization have a clear, well-defined mission statement? What makes them unique? What was their operating budget last year, and how did they spend it? You will also want to understand their strategies and how they operate, their reputation and legitimacy among their peers, and whether the organization is committed to diversity, equity, and inclusion.

Advance research can help you eliminate some charities from consideration and elevate others. Based on your research, you can reach out to representatives of the latter for personal conversations. Your knowledge going in will help you ask more thoughtful questions and pave the way for authentic partnerships. Such conversations are best approached with humility, and with candor about your goals and intentions. Building trust takes time, and candor is an essential component of trust. Keep in mind that most organizations are working hard to do good things, and that their leaders have valuable knowledge to share, based on years of experience. As authors Goldseker and Moody advise, "Listen more than tell."⁷ Your questions will help you discover those organizations that best align with your goals. Ask your Bessemer advisor to share the "Conducting Due Diligence" guide to better focus your inquiry.

5 Sharna Goldseker and Michael Moody, *Generation Impact: How Next Gen Donors are Revolutionizing Giving*, Updated and Expanded Edition, John Wiley & Sons, 2021, page 275.

6 National Philanthropic Trust, "Charitable Giving Statistics," <https://www.nptrust.org/philanthropic-resources/charitable-giving-statistics/>.

7 Sharna Goldseker and Michael Moody, *Generation Impact: How Next Gen Donors are Revolutionizing Giving*, Updated and Expanded Edition, John Wiley & Sons, 2021, page 274.

Navigate Family Dynamics

No matter how close a family is, or how unified it feels around the causes it considers important, relationships between grown children and parents or grandparents, and among siblings, can be complex and difficult. Navigating family dynamics is a natural part of the process as you seek to balance family traditions and cohesion with finding your own unique voice as a philanthropist. And it's natural to feel impatient for a greater role. One study shows that while next generation family members currently hold fewer than 17% of board seats on family foundations, "they are extremely eager to increase that number substantially."⁸

A good place to start is by learning everything you can about your family's traditions and approaches to philanthropy. For example, a family foundation may have a mission statement reflecting shared values that unite the foundation's board around a common purpose and goals. Bessemer recommends foundations also have strong governance systems in place that not only detail qualification for board membership and the processes for grantmaking and other activities, but also present a clear path for younger family members to gain experience and decision-making responsibilities.

Case Study: Finding Unity to Help Communities in Crisis

A group of siblings was nominated to serve on the board of a family foundation created from their grandparents' estate. The siblings were geographically dispersed and had never had the opportunity to work closely together through a family business or similar entity. As a result, they initially found it difficult to find consensus when making decisions on the board.

As the pandemic unfolded, each sibling expressed deep concerns about the health and economic impacts in their local communities. Their Bessemer team recommended the foundation focus its annual grantmaking on COVID-19 relief and recovery. This created a common theme for the siblings as they prioritized getting funds quickly to nonprofits serving the most vulnerable communities. They voted unanimously to increase the 2020 grant budget. This shared experience helped the siblings look beyond their differences and coalesce around common goals. The board has continued to focus on education, mental health, and housing as a way to maintain relationships with grantees and help their communities on the path to healing and rebuilding.

In our experience, givers derive greater meaning when their philanthropy is aligned with their values and with a loftier goal.

Although you may not as yet be in a position of control, you can bring fresh ideas and new hands-on approaches, such as site visits or other experiences. If your family lacks clear guidelines and you feel frustrated in your attempts to become more involved, you might suggest a family meeting to voice those concerns. Family communication is essential — Bessemer can help facilitate conversations.

Keep in mind that your parents and grandparents may have different giving styles and priorities. Even as you seek to establish your unique voice within the family tradition, recognize that the generations before you have deeply held values and decades of experience that you can learn from. Among the families we work with, senior generations sometimes express frustration when younger families come off as impatient or dismissive. Don't be too hasty to write off their ideas or the charities they've supported for years — look closer and you may find those organizations leading the way with bold, innovative approaches. Ideally, all generations learn from one another and enrich the collective experience of giving.

Use Wealth to Create Meaning and Purpose

While philanthropy can be transformative for next gen philanthropists and the communities they care about, it's rarely ever as simple as doing good and feeling good. Taking the time to explore your values, goals, and ultimate approach can help your giving feel more authentic and bring greater purpose to your life. Moreover, a thoughtful approach will enhance the impact your giving can have on the organizations and causes you're supporting. Wealth can serve as an avenue to finding your "North Star," and if you're giving in collaboration with others, it can help

8 Michael Moody and Kevin Peterson, "Philanthropy's Next Gen Is Starting to Make Big Changes." Dorothy A. Johnson Center for Philanthropy, *11 Trends in Philanthropy for 2021*, <https://johnsoncenter.org/blog/11-trends-in-philanthropy-for-2021/>, p. 27.

Doing Your Due Diligence

Some questions to consider before committing to a charitable organization:

Mission and Values

- Does the organization have a well-defined mission statement?
- Do its values align with yours?
- What programs, services, or products does it offer?
- How is its approach unique?

Leadership and Governance

- Who leads the organization?
- Who sits on the board of directors?
- Who are the people powering the organization?

Financial Health

- Is the charity in good standing with the IRS?
- How is this organization funded?
- What was its operating budget for last year, and how was it spent?

Source: Bessemer Trust, "Conducting Due Diligence" guide

- What is the organization's cash reserve?
- Are there any signs of financial trouble?

Strategy and Operations

- What is the organization's strategy for accomplishing its goals?
- What is its rationale for taking this approach to address the issue it's focused on?
- How is the organization structured?
- How does it measure its impact?

Reputation and Legitimacy

- How do community stakeholders view the organization?
- Has it experienced any recent reputational issues?

Diversity, Equity, and Inclusion (DEI)

- How does the organization operationalize values of DEI?
- Are staff, board members, and leadership diverse?
- Does the organization engage, serve, and include diverse groups in the community?

your group define a shared vision. In our experience, givers derive greater meaning when their philanthropy is aligned with their values and with a loftier goal.

As much as younger generations can achieve on their own and through their families, their expansive ability to communicate with others via social media and other means gives them the power to compound the effects of giving. Younger philanthropists may be more willing than others to reach out to others outside the family to forge connections. One way to initiate such connections is through gatherings or workshops where young philanthropists exchange ideas. Bessemer can help you find such groups.

Engage the Support You Need

As you find your way as a philanthropist, don't be surprised if there are times when you feel unsure about next steps, confused about how to manage a specific

family situation, or even wonder whether the issues or causes you're pursuing are really the ones that matter most to you. While it may at times feel like trial and error, that's all part of the learning process and a long journey that requires time and patience.

Depending on your experience level and your needs, Bessemer can help familiarize you with the basics of philanthropy and due diligence, offer one-to-one coaching or facilitate family meetings and conversations, and connect you with like-minded peers. And keep in mind that no matter how long you practice it, part of the joy of philanthropy is that it remains an endless process of discovery and learning. For more information reach out to your family's Bessemer Trust advisor.

Resources

Our Related Insights

- [“Family Dynamics and Philanthropy” — A Closer Look](#) explores how effective governance systems can improve family dynamics and increase the effectiveness and satisfaction of your family philanthropy.
- [“Ways to Give”](#) examines key issues to consider in determining the specific ways in which you can make your charitable giving meaningful.
- [“Maximizing Your Impact: Philanthropic Approaches to Meeting Today’s Needs”](#) discusses a range of global giving options and highlights opportunities to fight the COVID-19 pandemic.
- [“Sustainable Investing: The Evolution and Bessemer’s Approach” — Investment Insights](#) provides an overview of the rapidly evolving sustainable investing space, Bessemer’s investment approach, and the ways Bessemer assists clients looking to align their investments with their personal values.

Books, Research, and Reports

- [“Generation Impact: How Next Gen Donors Are Revolutionizing Giving,”](#) by Sharna Goldseker and Michael Moody.
- [“Be Fearless: 5 Principles for a Life of Breakthroughs and Purpose,”](#) by entrepreneur, businesswoman, and philanthropist Jean Case.
- The Dorothy A. Johnson Center For Philanthropy, [“Next Gen Donors Collection.”](#) Articles, research, and tools by, for, and about younger philanthropists.
- [“Giving Done Right: Effective Philanthropy and Making Every Dollar Count,”](#) by Phil Buchanan.
- [“We Need to Talk: A Memoir About Wealth,”](#) by Jennifer Risher.

Podcasts & Videos

- [“Giving Done Right,”](#) Center for Effective Philanthropy.
- [“Giving With Impact”](#) — This series creates a collaborative space for leading voices from across the philanthropic ecosystem to engage in both aspirational and practical conversations around relevant topics at the heart of achieving more effective philanthropy.
- [“Future Perfect by Vox”](#) — The first season tackles big questions about the most effective ways to save lives, fight global warming, and end world poverty.

- TED Talk, [“How to disrupt philanthropy in response to crisis,”](#) featuring Ford Foundation President Darren Walker.
- TED Talk, [“Why giving away our wealth has been the most satisfying thing we’ve done,”](#) featuring Bill and Melinda Gates.

Next Gen Peer Communities

- [Nexus Global:](#) Community of next gen philanthropists, impact investors, and social entrepreneurs committed to creating a better world.
- [The Philanthropy Workshop:](#) A community of global leaders committed to finding solutions for “the world’s most pressing social issues.”
- [21/64:](#) Nonprofit organization dedicated to working with families on ways to include and engage next generation philanthropists.

Impact Investing

- For What It’s Worth – [Case Foundation](#) impact investing newsletter designed for the next gen audience.
- [The Global Impact Investing Network \(GIIN\).](#)
- Information on [Community Development Financial Institutions \(CDFIs\).](#)

Online Tools

- [Give Bck:](#) Comprehensive database showcasing the diversity of causes that Black-founded nonprofits organize around.
- [JustFund:](#) Connects donors with critical social justice projects around the country and provides funders with personal endorsements from peers and colleagues.
- [GuideStar by Candid:](#) Free online resource that publicizes nonprofit financial information.
- [Trust-Based Philanthropy:](#) Curates tools and resources for philanthropists to address the inherent power imbalance between donors and nonprofits they support.
- [GiveWell:](#) Research organization devoted to finding “the charities that save or improve lives the most per dollar.”

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