



CEP ADVISORY
SERVICES



FAMILY TIES:
**MULTIGENERATIONAL FAMILY
FOUNDATION BOARD ENGAGEMENT**

REFLECTIONS FROM SEVEN BOARD CHAIRS AND CEOS



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funded by Surdna Foundation

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ABOUT THE CENTER FOR EFFECTIVE PHILANTHROPY

The mission of the Center for Effective Philanthropy (CEP) is to provide data and create insight so philanthropic funders can better define, assess, and improve their effectiveness—and, as a result, their intended impact.

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Phillip Henderson, president, and **Peter B. Benedict II**, chairperson; Surdna Foundation

Sharon Alpert, president and CEO, **Jaimie Mayer**, trustee, and **Ruth Cummings**, board chair; the Nathan Cummings Foundation

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For more information on CEP, please visit www.cep.org



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FOREWORD

April 2017

Dear Colleague,

As we celebrate our centennial year, we at the Surdna Foundation have been reflecting on our history and readying ourselves to continue to be a force for social justice in the United States. The fact that after 100 years we are still governed largely by descendants of our founder, John E. Andrus, makes us unusual—and proud.

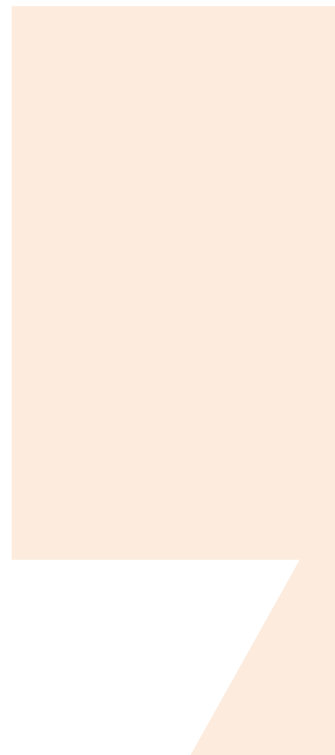
But we also know we are not alone in this journey. There are many other family foundations that have thrived and sought meaningful social change across multiple generations. So, to mark our centennial, we began a conversation with the Center for Effective Philanthropy (CEP) to see whether we might design a project that could uncover some common elements that are at the heart of what it takes for a family foundation to be productive over decades and generations. In particular, we were interested to see whether there are lessons to be learned from foundations like us that have chosen to do work that, while not always explicitly labeled as such, approaches the world with an eye toward justice, equity, and inclusion.

The six foundations selected in addition to Surdna represent a range of sizes, geographic scopes, and age, but they all share a commitment to excellence. These foundations also share Surdna's interest in learning about how family philanthropy is practiced and sharing their story in the hopes that it helps others. As the report outlines, the team at CEP that conducted the interviews with the leaders from all seven institutions found several common elements of governance, leadership, and a commitment to the benefactor's legacy among this group of institutions—elements that we suspect speak to a much wider group of philanthropies.

We could not have undertaken this project without the tremendous partnership with CEP staff. And we owe a debt of gratitude to the presidents and board chairpersons at each of the participating foundations for sharing their stories and their wisdom with the field.

Sincerely,

Phillip Henderson
President, Surdna Foundation



INTRODUCTION

The United States is home to tens of thousands of family foundations. Their efforts have contributed to progress in major efforts ranging from reduction in global childhood mortality, to the passage of civil marriage rights for LGBTQ citizens, to giving a voice to community members in decision making. Alongside the positive contributions these foundations make to society, though, it's sadly also not hard to find examples of family foundations whose efforts are hindered by organizational dysfunction or strained relationships. In those latter stories, it's not uncommon for the foundations' boards of directors to play a leading role.¹

There should be a story about good family foundation governance, too: a narrative about efforts to create well-thought-out governance structures, careful plans for meaningful engagement of new generations of family members, and thoughtful practices to maintain deep connections to fields and communities. Good governance may not make the headlines, but in talking with foundations, we discovered they're often quick to note that an effective board is an important component of effective philanthropy.

When John E. Andrus established the Surdna Foundation in 1917, he probably did not imagine the ways in which his descendants would engage with one another as leaders and stewards to steer the foundation's efforts to foster sustainable communities guided by principles of social justice. And yet, in 2017, the fifth generation of Andrus's descendants, drawing from nearly 500 Andrus family members, operates with carefully developed governance practices that they believe yield a more effective board—and foundation.

On the occasion of its centennial, the board and staff of the Surdna Foundation commissioned the Center for Effective Philanthropy's (CEP) advisory services group to create this publication. In it, we spotlight the practices and structures that seven large, multigenerational family foundations have created to maintain family involvement; select, orient, and engage family members across generations; and keep the board and foundation focused on impact. Given the Surdna Foundation's social justice-focused mission, we invited participation specifically from other funders whose efforts focused at least in part on systems of injustice, marginalized communities, access to opportunities, and influencing public policy—even though a number of the foundations interviewed do not explicitly name "social justice" as an overarching focus of their work.

The specific focus areas of these foundations' work, the distance from the lives of their benefactors, the size of their families, and the board practices they use all vary widely. Nonetheless, at each of these seven foundations, the board chairs and CEOs we interviewed describe significant efforts to foster effective governance and honor the legacy of their benefactors.

These boards, often spurred by new generations of family, have created—and continue to evolve—formal practices to engage and train family for foundation leadership. They bring diversity of experience and perspective onto their boards through inclusion of nonfamily members, and they work alongside experienced, professional staff to design and implement plans to create impact. They are devoting time and resources as a board to ensure that they remain connected to the experiences of grantees and community members, and they often seek opportunities for those family members not currently on the board to gain an understanding of the foundations' work.

In conversations about their social justice–related efforts, these leaders point to the legacies of their benefactors and early family generations as compelling guidance for a continuing, long-term commitment to this work. And even for efforts that outside observers might imagine to be polarizing—for example, work on reproductive rights or racial justice—the examples of previous generations and a shared sense of family responsibility create an environment of common purpose.

These seven stories don't mirror the practices of every family foundation. But, we hope they serve as useful examples for the many family foundations earlier on in their paths to creating lasting legacies of effectiveness.

¹Sacha Pfeiffer, "How to Squander \$52m of Charitable Money in 6 Months," *The Boston Globe*, May 23, 2016, <https://www.bostonglobe.com/business/2016/05/23/how-squander-million-charitable-money-months/6WVKVWDo3dpCvIwV3YucEI/story.html>.

Alex Daniels, "Clash at Koret Foundation Shows Perils of Cloudy Succession Plans." *The Chronicle of Philanthropy*, March 26, 2015, <https://www.philanthropy.com/article/clash-at-koret-foundation/228821>.

Globe Spotlight Team, "Some Officers of Charities Steer Assets to Selves." *The Boston Globe*, October 9, 2003, http://archive.boston.com/news/nation/articles/2003/10/09/some_officers_of_charities_steer_assets_to_selves/

PRACTICES COMMONLY IDENTIFIED BY PARTICIPANTS AS KEY TO THEIR BOARD'S EFFECTIVENESS

- Creation of **formal governance structures** that ensure continued family engagement and influence over time, including examples of bylaw provisions that maintain family control while also allowing boards to function as a group of equals.
- Advance planning for **specific processes to select new family board members** as the number of family members grows across generations, including examples of sister foundations or junior trustee structures that **help new family members join with a full understanding of the responsibilities and expectations** of effective board members.
- Importance of **non-family members on the board** and trusted professional staff to bring additional expertise, diversity, leadership, and connections to issues and communities.
- Significant time and effort spent on practices like site visits and grantee presentations **that connect board members to the experiences of grantees, beneficiaries, and communities**.
- The influence of the **legacy of benefactors and earlier generations of families helps drive long-term commitment** to important work—including work on advocacy and policy, with marginalized communities, or focused on social justice—that from the outside might seem likely to polarize board members or be controversial.

CEP'S APPROACH

The goal of this publication is to share profiles, examples, and observations from interviews with a small set of foundation CEOs and family board chairs at large, multigenerational family foundations.

In consultation with Surdna Foundation staff, CEP selected seven family foundations for interviews, including the Surdna Foundation. Each gives \$15 million or more annually, and all are guided by boards that include at least some family members three generations or more removed from the foundations' benefactors. To that we added a criteria about focus on social justice-related efforts. Among the largest, multigenerational family foundations, only a few specifically called out social justice, equity, or inequality as an overarching focus for their own missions. Many, though, focus in part on these efforts or more broadly on specific related components of social justice efforts: systems of injustice, marginalized communities, access to opportunity, influencing public policy, and fostering lasting social change. Drawing on information from foundation websites, National Committee for Responsive Philanthropy publications, and CEP's and the Surdna Foundation's observation of their work, we further narrowed the list of invitations to funders whose efforts included some of those components.²

Much has been written about the role of boards at family foundations, but the important voices of family-member board chairs are surprisingly largely absent. As much as possible, this publication uses the words of board chairs and foundation CEOs to share their own stories. This is not a research report but rather a chronicle of the experiences and perspectives of these interviewees as they described them to CEP.

In developing an interview guide, we built on insights from the National Center for Family Philanthropy's strong publications about family engagement, the National Center for Responsive Philanthropy's recent publications about family foundations' role in funding social justice efforts, and CEP's own research and experiences.³ One-hour, joint interviews with CEOs and board leaders were conducted by phone, recorded, and transcribed for accuracy.

Interview topics focused on approaches these family board members and CEOs use to create effective family engagement. We asked about how they select and orient board members, balance family legacy with strategic evolution, and keep often dispersed families with diverse interests connected to the communities, issues, and beneficiaries on which the foundations' work focuses. We asked for their advice to other family foundations at earlier stages of board development.

To create these profiles, CEP selected the quotations, lightly edited for clarity, and created brief summary observations. Participating foundations reviewed draft profiles and suggested edits.

LIMITATIONS

This project was not designed to be comprehensive research able to make claims about the best way to approach family foundation governance or to describe the way the average family foundation approaches governance. It was designed to convey the experiences of these foundations' chairs and CEOs, in their own words.

² National Committee for Responsive Philanthropy, "Criteria for Philanthropy at Its Best," 2009, http://www.ncrp.org/wp-content/uploads/2016/10/paib-fulldoc_lowres.pdf.

³ Susan Crites Price, Alice Buhl, National Center for Family Philanthropy, "Current Practices in Family Foundations," 2009, <https://www.ncfp.org/export/sites/ncfp/knowledge/reports/2009/downloads/Current-Practices-in-Family-Foundations-POE-Report-NCFP-2009.pdf>.

Niki Jagpal and Ryan Schlegel, National Committee for Responsive Philanthropy, "Families Funding Change," 2015, https://www.ncrp.org/wp-content/uploads/2015/10/Families_Funding_Change.pdf.

Kelin E. Gersick, National Center for Family Philanthropy, "Generations of Giving," 2005.



SURDNA FOUNDATION

The Surdna Foundation seeks to foster sustainable communities in the United States—communities guided by principles of social justice and distinguished by healthy environments, strong local economies, and thriving cultures. For more than five generations, the foundation has been governed largely by descendants of John Andrus and has developed a tradition of innovative service for those in need of help or opportunity.

Assets: \$960 million; **Giving:** \$36.6 million (2015)

Location: New York, NY

Founded: 1917 by John Emory Andrus

We spoke with President Phillip Henderson and Chairperson Peter B. Benedict II, a fifth generation descendant of John Emory Andrus.

Given the large size of the Andrus family, over the last 15 years the Surdna Foundation has increasingly formalized its practices to identify and orient new family board members, and to create an environment of continuous board attentiveness to legacy alongside review and learning about the pressing social justice issues the foundation focuses on today.

SURDNA FOUNDATION BOARD

13 board members; 10 are Andrus family members

Mostly fifth generation family on the board, with one fourth generation family member

All board members: four three-year terms

Approximately 485 family members

STAYING CONNECTED TO FAMILY VALUES AND THE FOUNDER'S LEGACY

The Surdna Foundation's board considers the values of John Andrus and the early work of the foundation, focusing on understanding what these values and experiences mean in today's society.

PHILLIP: One of the things we know about John Andrus... is that he cared for people who were vulnerable. The first big act by the foundation was to establish an orphanage.

PETER: There's an internal document called a statement of culture that the board uses. It outlines how we like to behave as board members. In it, you will find language that, as far as we know, we can trace back to some of the ideals of our founding benefactor—for example, terms like "humility" or themes like depth versus breadth of work.

PHILLIP: I think it's about not trying to ask ourselves, "What would John Andrus do today?" but rather, "How do we interpret the values that have been part of this institution over the last century, today?"



How do we interpret the values that have been part of this institution over the last century, today?

STAYING CONNECTED TO BENEFICIARY EXPERIENCE

The Surdna Foundation's board turns to its grantees in board meetings and site visits to stay connected to how their work affects the foundation's intended beneficiaries.

PETER: One of the things the foundation has always done very well is bring in people who are recipients or partners of Surdna's work and have them talk about the work that they do. All of us see it either in that type of instance or through a site visit.

There are a lot of "a-ha" moments, when you suddenly see social justice occurring right before your very eyes, either through an outside person's presentation or through a site visit.

A FORMAL PROCESS FOR SELECTING, ORIENTING, AND TRAINING BOARD MEMBERS

Family member engagement often starts through programs designed specifically to engage younger family members in philanthropy. Board members are chosen through a rigorous nomination and selection process. Among other aspects, the foundation looks for age, gender, family line, and experience diversity in shaping its board.

PETER: The board is disciplined in how it approaches membership. One of the things that the family has focused on is having a family involvement or a family participation program. Through formal and less formal vehicles, we try to engage family members with the work of the foundation.



There's a program for teenagers about philanthropy and a program for younger twentysomethings to engage with the foundation and its work. There is a sister foundation, the Andrus Family Fund, which the Surdna Foundation oversees, where some folks can do board service and participate in grantmaking. Through those different things, we identify people for the Surdna board who we know are interested. We've had a chance to look at their engagement.

PHILLIP: The board has really adopted a pretty highly professionalized process for identifying interested and capable family members. There's a nomination process where we're looking for new board members, a letter goes out, and outreach happens. Then there is an interview process and reference checking and other things that really look and feel like the process that we go through for folks outside the family. It's a very rigorous process.

Orientation of new board members is a mix of formal education alongside advice from existing members and staff.

PHILLIP: On orientation we give folks at least a full day where they learn soup-to-nuts what happens at Surdna. They meet the staff, learn about the programs and about how grants are made. We accompany that with the electronic equivalent of a binder of documents and old board books to give them the basics. In addition, we have pretty consistently over the past five or six years assigned each of them a partner on the board, a buddy. They have a relationship and can call the more seasoned board member to ask advice or to answer questions, and vice versa. They immediately begin working as a member of one or more committees, so they get a little deeper look at parts of the work that we do.

PETER: Not only do we meet quarterly, but every other year, we also have a retreat. We, the entire board, get out of the office and we do site visits at least every two years.

THE FOUNDATION'S SOCIAL JUSTICE FOCUS

Shortly before Peter joined, the Surdna Foundation board carefully redeveloped its mission, making explicit the ways in which it centers on social justice. At present, the board is focused on discussion and continued learning.

PHILLIP: Over the first couple of years after I arrived in 2007, part of the ongoing conversation within the institution was getting clear on the current mission statement. The foundation's mission statement places social justice front and center as one of the cross-cutting themes of our work. It was already in the DNA of the foundation, but it brought into a sharper focus some of the core themes that we as a foundation thought were present in society that we wanted to work on.

The board sat together and crafted the words, being really careful about which words and in which order, and really having a discussion. At one point, the board asked, "Is social justice a component of a community, or is it the underlying value system?" And they said, "It's the value system, the principles of social justice across these many features because we believe that's the way it should work." And so those word choices were explicit and intentional... They chose unanimously, emphatically the foundation's programmatic reorganization around these themes.

The foundation's mission statement places social justice front and center as one of the cross-cutting themes of our work.

This had a really profound, board-driven/board-owned impact on the organizing of the institution. It was a forcing mechanism to say, "We have to actually use this as a focusing tool and not just think of it as words on a page."

PETER: When I joined the board and read the language, my first reaction was, "This feels right because it resonates with what I feel like the foundation has always done, in many ways, and what our founder would have wanted." It looked totally like it belonged to us. It did bring all kinds of clarity and articulation. We really grew into it. And then we found ourselves a year or two into it saying, "Well, what does that exactly mean? And how does that mean we have to behave and act? How would that drive our strategies?"

PHILLIP: The work to try to have a common understanding of the way social justice works or doesn't work, or the barriers to opportunity, or the issues around race or discrimination all of those features are a part of the ongoing conversation within the institution.... The values of working on behalf of and with people in need has been present in the foundation over its many decades and generations.

The Surdna Foundation also continues to learn from the experiences of its sister foundation, which provides even more opportunities for board members to delve deeply into social justice issues.

PETER: The Andrus Family Fund's actions have pushed us to be very conscious about the roles of the disadvantaged, and of race, and of representation of voice as it relates to social justice.

PHILLIP: That orientation has filtered its way into the thinking and the conversation throughout the entire institution. There was a session on the questions, "What is structural racism? How does it work? How does it show up?" Several board members were profoundly affected by that. I think it set the table for us to be able to talk about social justice in a more direct way.

LESSONS TO SHARE

When describing lessons other foundations might want to consider, the Surdna Foundation's leaders stress the importance of being explicit about governance, valuing non-family members' board contributions, and reviewing lessons learned.

PETER: Make sure that all of the documents, all of the governance structure, all of the manuals that you would use to make decisions and guide process are codified, established, professionalized, and checked with legal counsel. That full professionalization of things has been so important.

We really pushed ourselves, when talking about success measures and what success looks like, to ask, "Can we come up with any great examples of failure, and what we learned from them?" There were several board meetings before we started to find examples and to develop enough of a culture to be able to say, "Hey, here's something that's not working as well, and something that we've learned from it. So, let's not be afraid to pivot away from this particular direction or idea."

Do not underestimate the value of the decision to include non-family members. That has been one of the greatest tools we've ever had, in terms of adding expertise, diversity, and the ability to understand power and privilege. All of those things have been greatly enhanced by the addition of non-family board members, or community board members.



THE NATHAN CUMMINGS FOUNDATION

Rooted in the Jewish tradition of social justice, the Nathan Cummings Foundation is committed to creating a more just, vibrant, sustainable, and democratic society. NCF focuses on finding solutions to the two biggest problems of our time—the climate crisis and growing inequality—and aims to transform the systems and mindsets that hinder progress toward a more sustainable and equitable future for all people, particularly women and people of color. To do so, the foundation invests in four focus areas: inclusive clean economy; racial and economic justice; corporate and political accountability; and voice, creativity and culture. As part of its impact investing strategy, the foundation also uses its standing as an investor in publicly traded companies to push for changes that both further its mission and enhance long-term shareholder value. While the foundation’s focus is primarily concentrated in the United States, it has a long-standing program supporting work in Israel.

Assets: \$460 million; **Giving:** \$18.7 million (2015)

Location: New York, NY

Founded: 1969/1949 by Nathan Cummings

We spoke with Board Chair Ruth Cummings, Trustee Jaimie Mayer, and President & CEO Sharon L. Alpert.

The Nathan Cummings Foundation’s board, which provides a variety of formal ways for family members to be engaged, stresses the importance of intergenerational family engagement and continued learning about the foundation’s focus areas and the field of philanthropy generally. Social justice has been a key lens for the foundation’s work since its inception, drawing from the values of Nathan Cummings.

THE NATHAN CUMMINGS FOUNDATION BOARD

15 members; 10 family plus the CEO and four independent trustees; bylaws require family majority.

Up to 10 family associate members of the board. Currently at six, associates participate in meetings and committees to learn the work of the foundation before being eligible to become trustees.

Third and fourth generations on the board

Independent trustees can serve two consecutive three-year terms; family members serve unlimited three-year terms, with review from the nominating committee

FAMILY ENGAGEMENT ON THE BOARD

The Nathan Cummings Foundation provides multiple commitment levels for family members to serve, including an associate role. The nominating committee, comprised of family and non-family trustees, has a voting structure that ensures that family members do not vote on one another’s entry onto the board.

RUTH: We started as a family foundation. We hold onto the spirit of being a family. At the same time, we have a strong desire to keep professionalizing our work to be the most efficient, the most effective, and the most impactful in the spirit of the donor. It’s a balance that is really important to us as we carry out the mission of the foundation. We have a really amazing group of family and independent trustees who are doing this work together with an amazing new staff.

The nominating committee’s charge, when there is competition for a board seat, is to judge who in the mix of candidates brings what’s needed to the board at that particular time. This process represents the best practice of our foundation operating with family and professional values.

JAIMIE: Any family member who’s interested in being a part of the foundation can apply at the associate level. The three

different associate levels correlate to different amounts of time required and different board-recommended grant discretionary funds. We put out an annual application to family. I don’t think anyone’s ever been turned away from being an associate. We’re at a place where anyone who wants to be a part of the foundation is able to find the right spot for them in one of the three associate statuses or as a trustee. In terms of the trustees, that’s the only piece where we’re out of sync, if you will, for the amount of people who want to be involved. That’s why we put the nominating committee in place, so that family members aren’t voting on family members, and the independent trustees are making that call.

BOARD DYNAMICS, ORIENTATION, AND TRAINING

Board dynamics stress the importance of learning from each generation as equals. In addition to the associate status, which provides early exposure to the board, the foundation has used other opportunities to engage younger family members, including a donor-advised fund and programming from other organizations.

RUTH: When we were all younger, we understood the value of our relationships as family and developing

philanthropists. There was a very intentional outreach to the fourth generation. When they were as young as eight or 10 years old, it was important to us—as second-and-third generation trustees—to foster relationships among them and an understanding of philanthropy to encourage their interest to engage with us in the future.



There's something to celebrate about two generations working shoulder to shoulder together and really having the ability now, in such a fast-changing world, to learn from each other.

As the fourth generation grew older, we involved organizations like Youth On Board to help them develop ideas about board service. We had something called the "Buddy Fund for Justice," named after our trustee emeritus, Buddy Mayer, a second-generation trustee, which gave the younger people an opportunity to act as a board and negotiate among themselves on grant allocations from the fund.

We are invested very seriously in creating a sense of partnership on the board between the generations. There's something to celebrate about two generations working shoulder to shoulder together and really having the ability now, in such a fast-changing world, to learn from each other.

JAIMIE: The Buddy Fund for Justice was a \$1 million donor-advised fund for social justice work that was in the hands of the younger generation. The fourth generation built the fund with strategies, guidelines, and a mission, named it after my grandmother, and presented at every board meeting. It brought my generation together in a working relationship in a new way. It was concurrent to serving on the board, but when we were in board meetings, we had a new language that we were speaking, a shorthand with each other that we could bring, as well as level of professionalism and understanding to the board.

The generational gap between the third and fourth generations is not as wide as it was when we were younger. We now all see each other as equals. I'm not seen as the daughter or the granddaughter or the niece. It doesn't matter if someone's in their thirties or in their seventies, we're all just human beings, side by side.

RUTH: We have a job description for the role of trustee, for the role of associates, and within that, a reminder about the responsibility to represent the foundation at large. It calls upon us to be up to speed on and proponents for our grantees, to understand our policies, to promote our mission.

THE FOUNDATION'S COMMITMENT TO SOCIAL JUSTICE

Social justice work has been part of the Nathan Cummings foundation's mission since its inception. The foundation's current focus areas have evolved but continue to reflect the social justice principles of its founder, who demonstrated a commitment to philanthropy and to Jewish values.

RUTH: In the mission from the beginning, we carried forward the values and practice of the donor, my grandfather, Jaimie's great-grandfather. He passed through the family particular Jewish values that underscore pursuing justice and treating the other as you would want to be treated yourself.

A critical piece was that he did not leave us a blueprint or a set of directions for what he wanted us to do. It was our responsibility to create that for ourselves. As we deliberated in the early days of the foundation, as an extended family with a consultant for a couple of days, we generated about 40 different program areas, everything from animal rights to environment and everything in between. At the end of the day, the consultant said, "If you want to really make progress in any of these given areas, choose four." Three of those ended up reflecting the donor's interests: health care for the underserved, arts and culture, and Jewish life and values. The environment was very specifically an interest of the third generation.

JAIMIE: Social justice is really a lens... that holds everything together and through which we also look at everything that we're doing. Our new focus on inequality is just a step further into social justice and taking it on more in a programmatic way, intentionally.

SHARON: The fact that social justice was part of the mission statement from the inception is rare in philanthropy, and particularly in family philanthropy.... Having it in the mission statement really becomes a north star for the issues you choose to work on, who you hire and the approach that the professional staff take, and the outcomes that you're looking for. When you have it in your mission, it really infuses every aspect of the work. The foundation, long before I got here, played a leadership role in social justice philanthropy organizations. There's been a long attention to building the field of social justice philanthropic leadership.

Intentionality in learning has always been very high.... As it relates to social justice, there have been board learning conversations around structural racism and implicit bias.

STAYING CONNECTED TO MISSION AND COMMUNITY

The Nathan Cummings Foundation's board embodies a culture of continual learning and engagement, including site visits, grantee meetings, and professional development opportunities like conferences.

SHARON: Creating a culture of philanthropy has been a very serious focus at this foundation, and in this family. There's quite a lot of expertise around the board table; many of the family board members are involved in the nonprofit sector in their professional lives.



Creating a culture of philanthropy has been a very serious focus at this foundation, and in this family.

There's real attention to the professional responsibility of philanthropy, and building skills and expertise around the table and in the field through serious engagement, site visits, conversations with grantees, and board meetings. Over the years, board members are out in the field; for example, participating in affinity group meetings, like the National Center for Family

Philanthropy, Council on Foundations, Grantmakers in the Arts, and Social Venture Network, to name a few.

RUTH: To honor the fact that the foundation is a learning organization, when we have a board meeting, either before or the day after, we have what we call an education day. This year, just after the elections, 20 of us—board, staff, and associates—went down to witness arraignments in New York City. We convened a call with some of our criminal justice grantees before this visit to discuss people's expectations and anxiety. This is an example, to quote Bryan Stevenson, of "getting proximate," being close to the people and the issues we're working with; trying to put ourselves close to, if not certainly in the other person's shoes. It's pushing ourselves to do work that will foster social justice, being proactive as well as responsive by seeking out the experiences that will help us in our work to develop compassion, connect with people, and be part of a much broader community and society than just our gatherings in the boardroom.

LESSONS TO SHARE

When sharing successful practices, the Nathan Cummings Foundation's leaders describe flexibility to support board members' desired level of engagement, the use of multiple resources—including shareholder advocacy—to achieve impact, and a focus on contemplation and reflection.

JAIMIE: One thing that we've done is to tell family members that wherever they are is great. We won't force someone to be a trustee when it's not their time, or shame

them if they don't want to make the foundation a priority. That has created a really warm, loving culture around the board table.

We consider our grantees grant partners. We sit with them side by side and try to both learn from them and help them far beyond the dollar.

SHARON: The shareholder activism work of the foundation, which started decades ago, has been critical to the foundation's belief that you should use all of the resources at your disposal and be an active and engaged owner of your resources, and advocate, too. We advocate with the power we have in our investment dollars to be an institutional owner at the table. And we have for many years. We do that in partnership with our grantees, as well, to identify issues where we can advocate on their behalf, using our institutional investments. I think it's a critical part of the foundation's story, and it's a critical part of an ongoing evolution of foundations using their endowment resources as part of the capital that is at our disposal. We have human capital and we have financial capital, and we want to use all the leverage points that we can on both of those fronts.

RUTH: We've started to have contemplative moments before we begin our work as a board. I think it's very effective to deepen our awareness, our connection to each other, and our connection to the issues. How do we bring our best selves to the work and leave the distractions and the noise behind to be very focused and value the time that we spend together to serve people in the world who need our resources?

THE GEORGE GUND FOUNDATION

THE GEORGE GUND FOUNDATION

The George Gund Foundation was established with the sole purpose of contributing to human well-being and the progress of society.

Assets in 2015: \$516 million **Giving:** \$26 million

Location: Cleveland, OH

Founded: 1952 by George Gund

We spoke with the Executive Director David Abbott and Board President Geoffrey Gund, son of the foundation's benefactor.

The George Gund Foundation is a place-based family foundation dedicated to making greater Cleveland "more competitive, livable, sustainable, and just." Even as family members have dispersed to other locations, board members maintain the founder's legacy and connection to Cleveland through site visits, meetings, and inclusion of community board members.

THE GEORGE GUND FOUNDATION'S BOARD

10 board members total, eight are Gund family members

There are approximately 13 to 14 family members eligible to join the foundation board

Second and third generations are on the board

Non-family board members are limited to serving two three-year terms

Family board members do not have term limits

SELECTING AND ORIENTING FAMILY BOARD MEMBERS

The George Gund Foundation uses a trustee candidacy year to orient new family board members to the foundation, and family engagement outside the foundation strengthens relationships in ways that are helpful in the board room.

GEOFFREY: The new family members who've come on the board so far have been the product of self-selection and are people who've had a strong interest in the foundation over time. Also, because the minimum age to serve is 30 years old, they have had some real experience in charitable giving at an individual level. In other cases, it's by invitation: people I've felt would be very good for the board and could represent a family branch that isn't as represented.

Potential members have a year to observe during the trustee candidacy year, in which they're involved to different degrees. Within a year, they're very active members of the foundation.

DAVID: The community trustees—the two non-family trustees—also play a role in orienting board members. I also try to get new members to Cleveland for a tour, where I take them around the community and explain some of the history, context, and issues that come up in our board meetings.

GEOFFREY: It was also my belief that if the next generation was going to come on and have an interest in the foundation, we should have a family reunion once a year. That has helped bind the family together, I would say. While it's certainly tangential, I saw it as something that would be important to the future of the foundation. That really has made a difference to the family and the way it relates to the foundation.

DAVID: The fact that there is that kind of family interaction outside of the foundation's operations and meetings means that nobody comes in as a stranger. Everybody knows everybody and has relationships that are long and deep.

ENGAGING FAMILY AND STAYING CONNECTED TO GREATER CLEVELAND

With geographically dispersed members, the Gund family stays connected to the community by devoting significant time to engage with the community through site visits, tours, and programmatic updates from staff.

GEOFFREY: Many board meetings have a dinner the night before where someone from the community, or even in some cases someone we funded nationally, in some connection with Cleveland, comes in to speak. That's very informative. It's been going on since the early 1970s. It has been very helpful to people in orienting them to the city of Cleveland. Also, every year, one of the meetings is attached to a visit to grantees or a visit to panels of grantees, talking about a given subject. There are three or four visits that relate to projects that we've been involved with. They are another very effective way of introducing a new trustee to what goes on.

DAVID: Three years ago, the whole family came to a meeting, and we'll be doing it again this summer. We set up a day-long tour to expose the family to at least one grantee in each of the program areas. We tried to make it as interactive as possible so that we could make it engaging for the younger kids. We went to a nonprofit printmaking organization and did printmaking, and then over lunch, Geoffrey gave a talk on the history of the foundation.



Everybody knows everybody and has relationships that are long and deep.

GEOFFREY: We hold telephone conference calls in between meetings in Cleveland. At those meetings, every program officer speaks. David talks about broad issues, and each program officer talks about something in their area that is important and that will probably be part of the next meeting. Because of the fact that everybody's engaged and that the board is small, there's an immersion in Cleveland that I think works very effectively to bring the non-Cleveland board members into the scope and detail of what's going on in Cleveland in a remarkably effective way over time.



Non-family member trustees provide additional eyes and ears on Cleveland for the board from fellow board members.

DAVID: Non-family member trustees provide additional eyes and ears on Cleveland for the board from fellow board members. The tours we do in the summer, which are day-long events, are really useful, too. They get the trustees out into places that we see as staff, but which they don't regularly see. Those visits put the foundation's work in a spatial context as well as introduce the board to the people and their communities. Hearing from them directly is really important.

STRONG RELATIONSHIPS WITH PROGRAM STAFF FUEL UNDERSTANDING

The George Gund Foundation builds strong bonds with program staff to deepen understanding of the foundation's work in Cleveland; program reports focus on both recent successes and challenges.

GEOFFREY: I think all board members feel they can engage readily with program staff. Program staff are not only engaged but extremely competent in each area. That's important to the way that relationship develops between the board and the staff.

DAVID: In the process of recommending whatever the grants may be at a specific board meeting, we always provide updates to the board on progress, or lack of progress, in any particular area.

It wasn't too long after I got here that we moved into a much more policy-level kind of interaction with the board, instead of just, "Here's what we're recommending on this grant, and how much." That is embedded in the program officer's report on the grants we made in this area: what we're looking at now, where we've succeeded, and where we've failed. It's woven into our conversation with the board to tell them how we're doing.

A LEGACY OF FOCUS ON CLEVELAND

As a place-based foundation, the George Gund Foundation centers its work on the well-being of Cleveland and its residents, including broader policy-related and social action goals.

GEOFFREY: My father is present through a number of programs that we support, particularly education, which was the primary mission of the foundation when it started. Our Cleveland focus is a continuing legacy of my father's.

DAVID: The lens through which we look at our work is primarily, "What does it take to make Cleveland a thriving, successful, competitive, and just community?" Because we're place based as opposed to issue based, it gets us into all sorts of dimensions of life in a complex community. That doesn't limit us to grants in Cleveland because the policy environment that Cleveland operates in is set in the state capital and national capital. So if we're going to be serious about our work here, we have to be conscious of and engaged in policy support there.

GEOFFREY: We've never really looked at our work primarily through the direct lens of social justice. But I think that we've been involved. We moved in many different directions that could be called, in their time, "social action." We're constantly trying to meet the needs of a community that has varied needs, some of which can only be deemed to be related to social justice. Education, abortion, AIDS, shareholder activism, gun violence: We were involved in handgun control when very few other foundations were.

COMMITMENT TO STEADY FUNDING

When asked about advice for others, Geoffrey and David mentioned the importance of the George Gund Foundation's long-term, focused commitment to issues and grantees that is amplified by advocacy work.

DAVID: Sticking with things over a fairly long period of time is important. If a foundation jumps from thing to thing, or has a sort of attention deficit disorder, I think it's really hard to have impact over time. The support that we get from the board for engagement around policy is absolutely critical because any area that a foundation is going to invest in is in a policy context. Even though we're a place-based foundation primarily, we see this place in this vertically integrated policy context, from local to state to national policies.

GEOFFREY: The foundation came to an understanding that there were real benefits to be gained through funding organizations over time. It's harder to do that if you're spread out. I do think our relatively narrow focus has been important in allowing us to pursue that. But it's also been a process of both staff and trustees feeling that this works

and feeling energized and excited about the way it works when it works. For example, what we've done in education just was impossible for us to foresee during the first 30 years of the foundation.... We've seen the merit of being patient and focused.

DAVID: Progress in education would definitely not happen if there hadn't been that long, patient commitment. Not just of grant making, but of deep engagement and advocacy, and pestering, and research, and all the work that the foundation has done.

THE HEINZ ENDOWMENTS

HOWARD HEINZ ENDOWMENT • VIRA I. HEINZ ENDOWMENT

THE HEINZ ENDOWMENTS

The Heinz Endowments' mission is to help its region thrive as a whole community, economically, ecologically, educationally and culturally, while advancing the state of knowledge and practice in the fields in which we work.

Assets: \$1.5 billion; **Giving:** \$68 million (2015)

Location: Pittsburgh, PA

Formed: 2007 from the Howard Heinz Endowment, established in 1941, and the Vira I. Heinz Endowment, established in 1986

We spoke with President Grant Oliphant and Board Chairman André Heinz.

As a mostly third generation family board, The Heinz Endowments' directors have begun to create a more formal process to engage future generations of the Heinz family on the board. The family's social consciousness, demonstrated by the lived experience of earlier generations, informs its focus areas and its emphasis on using Pittsburgh as a laboratory for developing solutions to issues national in scope.

THE HEINZ ENDOWMENTS BOARD

15 board members;
seven are Heinz family members

Second and third
generations on the board

Non-family board members: three-year
terms with a three-term limit

Family board members:
chairmanship rotates every four years

THE HEINZ FAMILY ON THE BOARD

The Heinz family plays a pivotal role in setting the values of the Endowments' board, while keeping full-board discussions open and consensus-based.

ANDRÉ: I view all board members quite equally because I think the goal is to make sure that you get a real open and equitable discussion among the people whose opinions you value and respect.

GRANT: The family is responsible for articulating and affirming the values they want to drive the organization. But the process that they exercise around that is highly consultative with the full board and the CEO. They also have hiring and supervision responsibility over the CEO.

ANDRÉ: The family has a small amount of extra discretion, an extra-special weight on the board. That being said, we've also generally had a consensually oriented decision-making process. Originally, the family was quite hands on. Now, I've been a little bit programmatically involved but really view myself as just another board member.

STAYING CONNECTED TO FAMILY VALUES AND LEGACY

The Heinz family keeps the ethos of the Endowments' original founder in mind; their family has remained focused on just and ethical causes.

GRANT: There was an inherited ethos that goes way back to H. J. Heinz, the founder of the Heinz company, and there are stories that have guided the thinking about the foundation throughout its history, about a certain type of ethical behavior.

He was an early advocate, for example, for the pure food law and was a pivotal player in taking on an ethical approach to food packaging and food quality. He was one of the earliest employers in the country to look at child care and the special needs of women as workers in the workplace. That has permeated our thinking as a foundation; it's part of the culture.

When you look at the Heinz family, one of the things that strikes me is that there's this incredible continuity. Every generation is different, but there is a remarkable continuity of socially conscious values that we would generally describe as progressive over the course of time.

ANDRÉ: There's a clip of my father talking about the importance of the family legacy to him. The legacy has affected my brothers and myself, and my mom, and actually it affects the Endowments. And without that, we would have a much harder time understanding the place of ethics and morality and vision in what we do.

If you look at the founding documents and the donors' intent, it is useful and important but not, I think, as powerful as what was the living example of the first two generations—the first three generations really—doing things that mattered, that required a vision.



Every generation is different, but there is a remarkable continuity of socially conscious values .

PLANNING ENGAGEMENT OF FUTURE GENERATIONS

As the Heinz family grows, the Heinz Endowments' board has conducted thoughtful planning efforts to engage future generations. These include a series of onboarding activities for new board members, including a summer internship program for interested family members.

ANDRÉ: We have had a very small family up until my generation, where now we have three sons, of which I am one, each starting their own families. We want to extend the invitation to participate as a board member in the Endowments to all lineal descendants—recognizing the limits of that because a couple generations from now it may be just too many, and we may need to change that. But as it stands, our spouses are invited to serve, and the kids will be, too, when they come of age.

GRANT: André's generation is the first one that's had to be really intentional about answering the question of how to incorporate an expanding number of family members. He and his brothers went through a very deliberate process of thinking through what shared leadership looks like, and how they will make room in the future for lineal descendants of their three lines.

They've been thoughtful about getting potential family board members to attend board meetings and experience it for a while before going on the board. That's what André modeled with his wife, Maria.

ANDRÉ: My brothers and I did internships for the summer at the Endowments before we were invited to join the board. That gave us an orientation and allowed us to give considered responses to whether or not we would want to join the board, because we would then have a flavor for what the organization did. And it was worth keeping in mind that it may be a practice to continue as the families grow, so as not to foist a sense of inherited responsibility as much as an inherited opportunity.

STAYING CONNECTED TO COMMUNITY AND ISSUES

The Heinz Endowments uses site visits, community convenings, and listening sessions to stay connected to the Pittsburgh community and to the issues that affect its intended beneficiaries. Ultimately, creating connections within community and fields is a crucial role of staff.

ANDRÉ: We do site visits—you go out and meet some of the people who are working on their missions or meet people who were impacted.

We have an outstanding staff that are, in many cases, very well known in their field. They have developed their own intellectual, strategic, and funding alliances, where appropriate.

GRANT: We have a process for any board members who want to go on site visits to give them exposure to grantees and community issues directly that they otherwise might not see. Often staff will suggest ideas, but sometimes board members have specific things they want to see, such as environmental impacts on a community or how our work is affecting a particular neighborhood. We love putting on these visits because they're helpful for board members and really welcomed by grantees.

THE ENDOWMENTS' EQUITY WORK

The culture at the Heinz Endowments is rooted in deep engagement with important issues of equity—embodied by both the board and staff. That family ethic is being made more explicit now as the third generation and staff engage proactively at board meetings in these equity-related conversations.

GRANT: We have a mandate here that started with André's dad, Senator John Heinz, which is to use Pittsburgh as a laboratory for issues that are national in scope. Although we are a regional foundation, we try to stay closely plugged into national and global conversations and make our work relevant to them.

What I've seen with successive generations of the Heinz family is that they've really looked in a thoughtful way at how to build on the foundation's original intent but to keep making it relevant to current issues and the family values as they embrace them today.

ANDRÉ: The importance of equity is part of everyone's moral compass. There's an understanding that this theme is woven throughout much of our work. However, as a board, I do think we could engage in an even more systematic, rigorous analysis as to how our society is equitable or not—take an agnostic look at the data and see where it leads us. Obviously I don't think our society is very equitable, and I think that's a discussion that we need to keep having because it touches on everything we do. But we inherit so many structures—mental structures, institutions, traditions, mythologies that blind us to some



The importance of equity is part of everyone's moral compass. There's an understanding that this theme is woven throughout much of our work

inequities—and we need to keep challenging them. Coming up with an even more disciplined approach to identify areas of inequity relevant to our work would serve us well.

GRANT: We're at an interesting change point in the organization that his generation is helping to bring about, where we are making equity even more explicit now as a guiding light for the foundation.

There is a culture in this foundation around courage and outspokenness. As an institution, we are not afraid to speak out. I think that sort of culture is a really important thing when you think about leadership in a foundation context. The culture of the Heinz Endowments has always been to push the staff really hard but also to trust them to take on leadership positions in the community and in our work. I believe you can't do equity work in any other way.

LESSONS TO SHARE: ATTENTIVENESS TO FAMILY DYNAMICS

To optimize the effectiveness of board conversations, the Heinz family participated in a facilitated session focused on family dynamics.

ANDRÉ: My brothers and I, with Grant, did an offsite workshop where we sat with a facilitator who has experience with family office, family foundation, and family company dynamics, who gave us insights about how to approach each other in the board context.

It was really useful because it allowed us to explore the uncomfortable, which is very common, I think, in families. It allowed us to formalize, through verbal commitments and acknowledgments, what we must be aware of. When you're inheriting, effectively, the right to work in any kind of organization, it also raises the chance of taking things for granted. It was very useful to find a process by which you can be very explicit in what you want to achieve and how you want to achieve it.



THE MCKNIGHT FOUNDATION

The McKnight Foundation, a Minnesota-based family foundation, seeks to improve the quality of life for present and future generations. We use all our resources to attend, unite, and empower those we serve.

Assets: \$2.2 billion; **Giving:** \$87 million (2016)

Location: Minneapolis, MN

Founded: 1953 by William L. McKnight and Maude L. McKnight

We spoke with President Kate Wolford and Board Chair Meghan Binger Brown, a fourth generation descendant of William L. McKnight and Maude L. McKnight.

As the fourth generation of family members transitioned onto The McKnight Foundation’s board, the board led a governance review to ensure that it was well-prepared for the future and was more intentional about introducing board service to family members.

The resulting board governance structure affirmed the importance of both family and community board member roles, clarified their nomination, and reinforced strong ties to legacy, foundation staff, and the Minnesota community.

THE MCKNIGHT FOUNDATION BOARD

10 board members; three are McKnight family members

Fourth generation on the board

Seven eligible for board service, family members

All board members: three-year terms with a three-term limit

Family board members: nomination of family and non-family board members to board, opportunity to return to the board before initial nine-year term

THE FOUNDATION’S BOARD STRUCTURE

Because of their small eligible family size, the foundation board has multiple "classes" of board members, nominated by family branches. One class is made up entirely of non-family board members, while others can be mixed, balancing family and non-family engagement and control. The McKnight family is quite small compared to those of many third and fourth generation family foundations. Its governance reflects a continued commitment to opportunities for family members to participate in board governance as their time and circumstances permit.

MEGHAN: We have three different classes of board members, one class for each branch of the family, and a third class, which is a community member class. Each class has four seats. Each family branch has one voting member that they nominate. Then the voting members together approve bylaw changes and election of nominated or recommended family and non-family board members.

KATE: Through the family classes, family members can nominate family and non-family members to the board, whereas the community director seats are nominated through the governance committee to provide additional skills, perspectives, and experience. This formal structure allows strong family engagement and control, particularly over seats, and a healthy collaboration with the governance committee. Family members think about what’s best for the whole foundation when bringing forward a name, whether it’s family or non-family.

By the time anyone is formally nominated to the board, there’s been conversation back and forth and a lot of vetting of candidates. And you’ll have family voting members and the board all affirming the nomination before election by the board.

MEGHAN: Once members are on the board we want to make sure that everyone on the board feels like they have an equal voice and an equal vote.



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THE MCKNIGHT FAMILY’S GENERATIONAL TRANSITIONS

When the fourth generation of family joined the board, they led an intentional process of governance review to increase family member engagement. They used an external facilitator and trusted non-family staff and board members to collaborate on a plan for the fiduciary, governance, and operational responsibilities of the next generation of foundation work while preserving the legacy of previous family generations.

KATE: As their parents transitioned, Meghan’s generation led a governance process, looking ahead for the foundation and determining governance practices.

MEGHAN: Knowing the foundation was going to fall into the hands of our generation, we wanted to make sure we



Knowing the foundation was going to fall into the hands of our generation, we wanted to make sure we were prepared to handle this and make appropriate decisions.

were prepared to handle this and make appropriate decisions. We wanted other areas of expertise that we didn't necessarily have from family members. We knew that maintaining the family aspect of the foundation was important, but it might look different.

Our generation said, partly because of the family size, "We think we need more non-family members. There are real benefits to having that broader base of thought and governance."

MEGHAN: We had planning meetings with the family and a consultant who was a family friend and had worked in philanthropy previously and is currently a board member. Kate was part of our meetings, as well as another non-family board member, who knew the family and board very well, and the vice president of programs at the time. With that strong group, our generation formed a plan.

KATE: Having an external facilitator who was someone that the family already knew and trusted, with strong organizational development skills, was incredibly helpful to keep the conversation going forward. It freed the rest of us to focus on the content. The generational transition is a really challenging time, and true to this family's values, the fourth generation wanted to honor the legacy of their parents and earlier generations.

The mantra was, "How do we find a way to make foundation board service meaningful for family engagement and manageable to accomplish the fiduciary, governance, and operational responsibilities of the foundation?"

The outcome allowed us to keep the family identity and incorporate more community members, and it provided a transparent roadmap for foundation governance.

MEGHAN: As a result, we've seen phenomenal benefits for this generation and its engagement, as well as its interactions with a more diverse board.

PLANNING ENGAGEMENT OF FUTURE GENERATIONS

When the fifth generation joins the board, the McKnight Foundation's leadership hopes that they will spend time reflecting on the role of the family foundation and the most important issues for their community.

MEGHAN: As I look at the fourth generation's governance process, I hope that when we get the next generation, the board will engage in that thoughtful, intentional, and very empowering process again. Reflecting on, "Are

we committed to continuing to self-identify as a family foundation going forward? What does that mean for us and for how we govern and manage a complex organization?"

KATE: There has been an understanding as each generation has handed over the reins to the next generation that it is their responsibility to think about what the most critical issues of the day are for the community, and how to keep this foundation relevant and impactful.

BOARD MEMBER ORIENTATION

To provide new board members with a thoughtful orientation, the foundation developed a robust process, including an overview of the expectations of board service and meetings with senior leadership staff.

MEGHAN: When we were growing up, the foundation was something that we just heard our parents talk about. We knew they went to meetings and vaguely what they did. When we graduated from college, it was assumed that we would go on the board. I wasn't sure if this was something I wanted to do until I went and sat through a board meeting. The work the foundation does was so impactful that I wanted to be a part of it. One of the things that the fourth generation wanted to be more thoughtful about was bringing in and introducing family members to the foundation.

There's now a much more involved and robust orientation for family and non-family community members. We implemented practices where all could be involved in some way, such as updates throughout the year or site visits, so that our children are able to learn what the foundation is about before they're eligible members.

KATE: There's orientation about the role and expectations of an individual board member and about how the board operates, its role, and the culture of decision making. Additionally, senior leadership staff meet with each incoming board member and give at least a high-level overview of the programs and operations—their goals and strategies, performance, and where the board enters into their main areas of work. There's an informal buddy system, too, where usually a member of the governance committee will make sure to check in or help answer their questions. I also make sure I check in with new board members after the first meetings.

EVOLUTION OF WORK ACROSS GENERATIONS

A commitment to the interests of the foundation's benefactors remains present in the foundation's work, but a desire to maximize impact influenced an evolution in the types of work over time.

MEGHAN: The foundation started with what we would refer to now as human services. We got to a point where we were questioning whether we were making as big of an impact as we could. As the foundation grew, we developed a variety of program areas, each with goals and strategies that we review periodically.

KATE: Going back to Virginia Binger, the daughter of the founder who led the early work of the foundation, there's a very longstanding commitment to place-based work in Minnesota; even our international work is place based. Through various programs, we focus on strengthening socially, economically, and environmentally sustainable communities. In recent years, we have become more explicit and intentional about inclusion and equity. The core commitments have not changed tremendously. The "what" is still focused on people, place, and possibility. But the "how" has definitely changed.

INGREDIENTS FOR IMPACT

To create impact in community and issue areas, the board and staff work together to deploy a variety of tools, including grantmaking and impact investing.

MEGHAN: As board members, we know that it's our job to make sure that the founding values of helping people and bettering the community are upheld.

KATE: This foundation has an incredibly robust set of tools that we use: impact investing, multiple forms of grantmaking, and the freedom that our programs can be structured very differently from one another. Even if the strategies change, we have strong staying power, which has been really important as we work on systems change and big, complex issues.

MEGHAN: For our generation, and as new generations come on, it's really important for us to have the opportunity to engage our amazing staff in a purposeful way. We are so appreciative of the expertise that they have and the opportunity to have conversations with them and hear their opinions and their suggestions. All of this has helped the board grow in its knowledge and work.

LESSONS TO SHARE

When describing lessons other foundations might want to consider, the McKnight Foundation's leaders describe the importance of board member evaluations and regular review of board member expectations.

MEGHAN: We take board surveys, and when renewing board members, we have evaluations. The other board members have the opportunity to check in and make sure that everyone on the board is still upholding their

responsibilities. The checks and balances that we placed on the board as board members are important evaluation tools that we use.

KATE: We have a simple one-page board member agreement that spells out the responsibilities and expectations for each board member. Every board member reviews and signs it annually. It includes a statement that, "If you no longer feel that you can fulfill these responsibilities, it's OK to say so." That's a really powerful and transparent reminder about expectations. Additionally, the board and governance committee chairs meet with each board member before they re-up for a term.

THE DAVID AND LUCILE PACKARD FOUNDATION

The David and Lucile Packard Foundation is a family foundation that is guided by the enduring business philosophy and personal values of Lucile and David, who helped found one of the world's leading technology companies. The foundation works on issues their founders cared about most: improving the lives of children, enabling the creative pursuit of science, advancing reproductive health, and conserving and restoring the earth's natural systems.

Assets: \$6.7 billion; **Giving:** \$307 million (2015)

Location: Los Altos, CA

Founded: 1964 by David and Lucile Packard

We spoke with President and CEO Carol Larson and Board Chair Susan Packard Orr, daughter of David and Lucile Packard.

With a relatively small number of eligible family members, including children of the founders, the Packard Foundation's board has carefully planned for current and future family engagement while incorporating the important contributions of general (non-family) trustees. Regular site visits, work groups, and early board observation help family members stay connected to the full work of the foundation.



THE PACKARD FOUNDATION BOARD

16 board members; eight are family trustees; eight are non-family, or "general" trustees (including the CEO). In addition, there are four family members who serve as "Members of the Corporation" (authorized to go up to seven) who have authority to control bylaws and appoint family trustees.

Both second and third generation family members serve on the board

Three-year term limits, renewable indefinitely for family members; general trustees serve up to three terms, with waivers for fourth or fifth terms by unanimous consent by the Members of the Corporation.

22 family members, including spouses, are eligible for the board

ENGAGING THE FAMILY THROUGH CAREFUL PLANNING

The David and Lucile Packard Foundation involves direct descendants of the founders by maintaining formal and informal processes to involve and engage prospective family board members.

SUSAN: We don't have a formal process for how family members are invited onto the board. If a family member, particularly a direct descendant, wants to serve on the foundation board, the board will make a place for them. Currently, we've accommodated everybody who's interested. What we haven't been able to do is set a hard line for the older generation. At some point, the older generation will have to step aside and rotate off the board.... I am also going to step down as chair, in order to have a next-generation chair.

Ten years ago, the board established a special category of board member called the "next-generation trustee." To be eligible for this two-year term, you completed a one-year board fellowship in which you came to all the board meetings and got to know the programs and the staff program directors.... It was a chance to see whether this is something you were interested in doing in the longer run, and for the rest of the board to see how that family member functions in the board room and understand whether they'd be a good trustee.

CAROL: Ten of the third generation, including direct descendants and spouses, went through this process

of board fellowship and/or terms as "next-generation trustees." After that, they either expressed interest in being appointed as a family trustee or didn't.... Currently, all next-generation direct descendants who indicated interest are serving on the board. However, in an effort to keep the board at a functioning size, we don't currently have any spouses serving on the board. While spouses are eligible to be on the board in the future, the priority goes to interested direct descendants.

SUSAN: We really believe in family foundations, and we want the family to have the ultimate control over the foundation. For example, the bylaws can't be changed without our permission or we could remove a non-family (general) trustee, but we have never exercised any of that. We really love having general trustees, and think they're very important.

We structured the bylaws so that the family has ultimate control, even if the family doesn't have a majority on the board.

We work very hard to have no distinction in the board room between family and general (non-family) trustees. We welcome everybody's input and opinions, and we



We really believe in family foundations, and we want the family to have the ultimate control over the foundation.

have wonderful general trustees who bring deep expertise to many of our program areas. However, when we are at the place of determining broad strategies, initiating new programs, or changing current program strategies, even when the board all has a vote, in the end I think the family does have a little more influence than the general (non-family) trustees.

CONNECTING BOARD MEMBERS TO ISSUES AND PROGRAMS

The Packard family maintains engagement with the foundation and its mission through the foundation's open culture, conversations with program staff, family retreats, program committees, and the expertise of its board members.

CAROL: The ethos of the foundation... is a culture of openness with our board members and family members. The family can call up a program officer if they are interested in a topic, and we let the board and interested family members know if there are key conferences, site visits, or convenings coming up that they could attend, as well. We also often form ad hoc work groups when we are revising a strategy or developing a new one. These are open to board members as well as to family members who aren't on the board.

Finally, we have program committees for each of our major programs. These meet quarterly at the time of our board meeting. We have spouses who aren't currently on the board who are very interested in specific programs and come to the program committee meetings and then the board dinner that evening.

SUSAN: Traveling and site visits, especially the bigger trips to see the foundation's work overseas, engages family members. We also have grantees and beneficiaries come to board meetings to talk with us directly.

CAROL: The family emphasizes stewardship of the foundation's money, though. Even though it's not legally required, the family members, whether they're on the board or not, reimburse the foundation for travel expenses in relationship to the board.

Our board is often very connected to nonprofit organizations and positions of leadership in the areas in which we work. We like to have people on our board who are deeply committed to institutions and issues, and who bring real interest, passion, and experience. For example, if you look at our oceans work, we have several trustees with deep experience. Julie Packard and Nancy Burnett are two family members who really know ocean issues and serve as staff or board members for ocean-related organizations. And general trustee Jane Lubchenco was previously head of the National Oceanic and Atmospheric Administration (NOAA).

MAINTAINING THE FOUNDERS' VALUES AND INTERESTS

The second generation articulated as guiding principles for the foundation a set of core values directly drawn from the beliefs and actions of their parents, David and Lucile Packard.

SUSAN: After my father died, we wrote down core values which we have stuck with all these years. Father was encouraged by his attorney to write a donor intent document before he died, but he didn't. He wanted the foundation to do what it wanted to in the future. However, our generation felt an obligation to write down what we thought our parents were thinking for the next generation, so that people did have an understanding of where the foundation's values and interests came from.

CAROL: Those values are like the Constitution: They must be interpreted in different situations and sometimes there are conflicts among them. But they communicate an orientation of the Packard family to the nonprofit sector, and they've provided a great orienting framework for all the staff that we hire and all the trustees who come onto the board.

The program areas stem from the founders and the early days of the foundation. For decades, we've been funding areas of fundamental basic science research—that came directly from Dave. We have also worked to improve the lives of young children and their families—that came directly from Lucile. Both of them were very committed to reproductive health and rights. Our oceans work and our climate work also were initiated with family interest. Finally, throughout our history the family has been committed to never abandoning the local community.

SUSAN: We've had a tradition of sticking with some of our same programs for the long run. I think it's fair to say that all of our programs from top to bottom are very much supported by all of the family trustees.

CONTINUING A FAMILY LEGACY OF FOCUS ON AN ARRAY OF PROGRAMMATIC INTERESTS

Beginning with David and Lucile Packard, the foundation continues to support work focused on social issues balanced with focus directly on science and the environment. As the foundation has evolved and the next generation becomes involved with the board, there is some increased emphasis on intersections across aspects of the foundation's work.

SUSAN: Although we haven't used the words "social justice," from the beginning, we focused on our local community... and the work was very much focused on what now you would call "social justice"—supporting

marginalized and low-income communities, giving children a better start, and working with people with disabilities.

CAROL: One of the areas of our work that stands out for people is reproductive health and rights: a belief that everyone should have access to sex education, to family planning, and to safe and legal abortion.

SUSAN: Father was a great believer in safe and legal abortion, and he actually wrote a public letter that said, even though he's a Republican, that he wouldn't support any candidate who was not pro-choice.

CAROL: Right from the beginning, though, there were also interests in science and the environment. In the minutes from 1964, '65, and '66, grants were made toward social issues but also to support good science, to protect natural resources, and to protect the environment. We don't run the whole foundation through a social purpose or social justice lens, but we have many areas that focus on those issues.

If you look at our current areas of work, there is an increasing emphasis on marginalized communities. For example, with deforestation in Indonesia, you really need to take into account and support the rights of small holders. You do because you care about the forests, but you also do so because you care about the people. Several of our next-generation board members are interested in this work and in human rights generally.

LESSONS TO SHARE

When describing lessons other foundations might want to consider, the Packard Foundation's leaders emphasize the importance of building relationships between program staff and board members, as well as the importance of having general trustees (non-family board members) to help navigate potentially difficult family dynamics

CAROL: Staff really value and respect the role of the trustee and the family voice. There are often ways for them to assist not only in providing overall governance and guidance, but also in implementation of our programs. For example, one of our next-generation family members is interested in climate. We are embracing that and working with him to talk to family members of other foundations around the globe about climate funding.

On the other side of that, our trustees respect and embrace staff. When trustees speak on behalf of the foundation, they always reinforce my leadership and our program directors as the programmatic leaders of the foundation.

SUSAN: The major piece of advice I give to other family foundations is to get some general trustees on your board from the beginning because it really helps with the family dynamics.



ROCKEFELLER BROTHERS FUND

The Rockefeller Brothers Fund advances social change that contributes to a more just, sustainable, and peaceful world.

Assets: \$832 million; **Giving:** \$36.3 million (2015)

Location: New York, NY

Founded: 1940 by John D. Rockefeller III, Nelson Rockefeller, Winthrop Rockefeller, Laurance Rockefeller, and David Rockefeller.

We spoke with President Stephen Heintz and Board Chair Valerie Rockefeller Wayne, a fifth generation descendant of John D. Rockefeller.

The Rockefeller Brothers Fund (RBF) board tenets include inquiry and education, as well as respectful questioning and evaluation. The board trips, site visits, and connections with grantees and fund staff aid the board in maintaining a strong tie to the fund’s founders’ values of citizenship, international understanding, and concern for the environment.

THE ROCKEFELLER BROTHERS FUND BOARD

17 board members;
nine are Rockefeller family members

Fourth and fifth
generations on the board

All board members: three-year
terms with a three-term limit

Family board members: chairmanship
position, opportunity to return to the board
after nine-year term

Approximately 280 family members, some of
whom are too young still for board service

THE ROLE OF FAMILY ON THE BOARD

The Rockefeller Brothers Fund board seeks to be as inclusive and equal between family and non-family board members as possible, and creates an environment where all feel open to participate in the selection of new board members.

VALERIE: We try in every way to keep everything as equal as possible. There are formal structures such as the committee chairs and others where the power lies in some way, but we try to bring as many decisions to the full board as possible, even in nominating. There’s never been an issue that split family and non-family members. We occasionally ask the non-family trustees how they feel about the balance and the board chair being a family member, and so far they’re all supportive and like the family engagement part of being an RBF board member.

STEPHEN: The fact that a family member is board chair is not a matter of the bylaws; it’s a tradition that everyone feels they want to preserve. As a non-family member and

an active participant in the nominating committee process, I have always found it quite remarkable how open and completely inclusive the process is. Non-family members are encouraged to express their views, even about family participation, and family members are very candid, both in discussing the merits of different family candidates very openly and wanting to get reactions from non-family members.



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PLANNING ENGAGEMENT OF FUTURE GENERATIONS

As the Rockefeller family looks to new generations of board members, the Rockefeller Brothers Fund uses a variety of outreach practices to identify potential candidates and preserve generational balance, including family meetings, looking at other philanthropic and nonprofit institutions related to the family, and seeking family members with experience in the fund’s issue areas.

VALERIE: I go to twice-annual family meetings, so that’s one way that family members who are interested in issues that we’re working on get to know the foundation.... Family members can also request to come observe a board meeting to have an opportunity to see the workings of the foundation. Stephen also does his own outreach, and I know family members feel perfectly comfortable contacting him.

We’ve been pretty aggressive in recruiting younger family members. We certainly keep in mind the balance between the different family branches. It’s important to keep a balance of people who have the historical perspective with the younger family members.

STEPHEN: One of the things that’s been wonderful to observe is the generational relationships within the board.... There is a nice way in which mentoring happens in both generations, the older generations providing their experience, wisdom, and perspective and the younger generation challenging them with new ideas, new approaches, and lots of good questions.

In the Rockefeller family, there are many other philanthropic and nonprofit institutions related to the family that have family members on their boards, and people who have

experienced working together. That is useful in identifying candidates, too. The Rockefeller Family Fund... is an entirely family board—one example of a place where family members get to observe how others work in philanthropy, how serious they are, and what issues really motivate them. This allows us to identify people who are carrying on the family traditions of excellence in philanthropy.

VALERIE: We look at people who've been involved in our issue areas and, ideally, who have been involved in some of the other family processes... showing interest in family legacy as well as issues.

JOINING THE FUND'S BOARD

Board orientation for both family and non-family board members consists of preparatory materials and in-person sessions with the Rockefeller Brothers Fund leadership.

STEPHEN: Two or three years ago, we started a more formal process of orientation. We send out a rather voluminous set of materials in electronic format and invite the new trustees to come in for orientation sessions where the key leadership of the foundation—both administrative and grantmaking—give overview presentations of their areas of responsibility. Valerie is there to give the family perspective on all the topics. The new trustees are finding the orientation very helpful.

VALERIE: It's the same orientation process for both family and non-family.

SOCIAL CHANGE

The Rockefeller Brothers Fund social change work is deeply rooted in the Rockefeller family values of rights and environmentalism. In the past few years, a notable aspect of the RBF work have been a collaborative program architecture, fossil fuel divestment, and an emphasis on transparency.

VALERIE: John D. Rockefeller, Sr.'s wife's family were abolitionists and his son, John D. Rockefeller, Jr., had a passion for nature. Civil rights and concern for the environment have been very strong threads through the family from the beginning.

STEPHEN: Looking at the foundation's history over time, an outside observer would attach the notion of social change to a lot of the work that the fund has supported throughout its history. We've been involved in money and politics, voting rights, and empowering marginalized communities to engage effectively in our democracy. In the early 2000s, the board and staff went through a very intense 360-degree review of all the foundation activities. We decided to be more focused both intellectually and geographically. That

led ultimately to the establishment of a new program architecture with three themes: strengthening democracy, promoting sustainable development, and peace building. But these three themes... have been present in and consistent throughout the foundation for 75 years.

VALERIE: We've been working on divestment from fossil fuels and then impact investments a lot recently. We kept hearing over and over, "This is so radical for the Rockefeller family to be doing." It kept underscoring for us that this divestment was entirely consistent with the family tradition.

Transparency and collaboration are really important parts of what we're doing, too. During the program review, Stephen and the board leaders found a lot of ways that the programs could enhance each other's work and really collaborate. Once you have defined yourself so clearly, you can find the areas of overlap and have more impact. There's a great deal more transparency, both in the board and how we work internally. Stephen always keeps the board informed of what's happening at the staff level, including institutional culture. He always meets with the entire staff after board meetings, so that everyone's getting the message at the same time of what happened, what the discussions and decisions were, and why.

STAYING CONNECTED TO THE FUND'S STAFF AND GRANTEES

The Rockefeller Brothers Fund's site visits and convenings at its Pocantico Center are valuable ways of staying connected to grantees and their work as well as building connections to the foundation's issue areas. Bringing staff members from all departments and levels of the foundation to board meetings has proven meaningful for both board and staff.

STEPHEN: It's a wonderful tradition in this foundation of a board that is really engaged in the work of the foundation itself. The board is essentially a learning environment; it is an ongoing process of inquiry and education for all of us. The staff is learning from the board; the board is learning from the staff, and we collectively are learning from the RBF's grantees.

VALERIE: We have some trustees who are grantees, and they have the experience of running nonprofits, as well as being on our board for governance. I think that's really important as a



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reality check for the rest of us who don't work in nonprofits on the ground. There are opportunities for trustees to have long, in-depth conversations with program staff, as well. Stephen started having non-program staff members at each board meeting. It's a nice opportunity for board members to see staff members who they wouldn't normally interact with.

STEPHEN: It has been really productive and valuable for us to have periodic trustee and staff trips to go out and see the work on the ground. That includes taking trustees to the Balkans, China, or the Middle East, or various places in the United States, like Washington, D.C., California, etc.

VALERIE: The trips... change the board experience pretty dramatically; the benefits are huge. When we come back to board meetings to discuss grants related to the region, people feel more passionately and more informed about the issues.

Because we have artists and artist residencies at our Pocantico Center, we have presentations and performances at our June board meetings. It allows us to get to know our grantees, see their work, and see how Pocantico is used.

LESSONS TO SHARE

When describing lessons other foundations might want to consider, the Rockefeller Brothers Fund's leaders stress the importance of streamlining board meetings to allow more time for strategic questions and engaging outside evaluators in a deep dive of program stakeholders to share a variety of perspectives with the board.

VALERIE: It is always a challenge with board meetings balancing how much to stay on schedule versus flexibility for conversation. We used to have four meetings. Now we have three a year. We have allowed more delegated authority grants that staff can make without board approval, so we spend less time going through grant-by-grant. We have a trustee portal on our website where trustees can go to do deep dives on the grant information. This has freed up time in the board meetings to focus on more strategic questions and allow for more conversation. In between board meetings, if there's going to be a grant that's particularly notable for some reason, we have trustee engagement opportunities where everyone is informed and given the background material.

STEPHEN: Periodically in each portfolio, we engage outside evaluators. At the March board meeting this year, we'll be discussing an evaluation of one of our portfolios in the democratic practice area. The evaluators interviewed different program area stakeholders, including grantees and others in the field, donors, and trustees. Board members will be receiving a document from the external team, a memo from the program director providing his

own reactions, and a set of recommendations that we should make going forward. We use these tools to make sure that we're connecting to the folks who benefit from what we're supporting.



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