



Global Trends and Strategic Time Horizons in Family Philanthropy 2020

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First published in 2020 by:

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ISBN: 978-1-9993399-3-7

Contents

1. INTRODUCTION	7
1.1 Methodology	8
1.2 Overview of participants	9
2. THE PHILANTHROPIC LANDSCAPE AMONG THE UHNW	11
3. STRATEGIC TIME HORIZONS IN PHILANTHROPY	17
3.1 Awareness and adoption of strategic time horizons	18
3.2 Reasons for adopting different strategic time horizons	19
3.3 Philanthropic strategy and time horizons	20
3.4 Perceived benefits of strategic time horizons	21
3.5 Philanthropic vehicles, motivations, causes, and the next generation through the time horizon lens	23
3.6 Implementation challenges	26
4. THE ROLE OF THE NEXT GENERATION	27
4.1 Family involvement in philanthropy	28
4.2 Engaging the next generation	29
4.3 Adopting strategic changes proposed by the next generation	30
5. DECISION-MAKING STRUCTURES	31
5.1 Control and oversight	32
5.2 Operations and management	32
5.3 Grantmaking versus operating activities	33
6. CONCLUSION	35
7. CASE STUDIES	37
7.1 The Jacobs Family Foundation	38
7.2 The Swades Foundation	41
7.3 The Robina Foundation	45
7.4 The Youth and Philanthropy Initiative	47
8. APPENDIX	51

Forewords



Dear Reader,

Across the globe, family philanthropy constitutes a rich and dynamic mosaic of legacies, giving cultures, approaches, motivations, and structures. And for each family, philanthropy is a passionate and personal journey. Families in the 21st century are engaging much earlier, and with much deeper involvement, in their commitment to improve lives, create opportunity, and protect the planet. To achieve this, family philanthropies around the world are seriously considering innovative practices, tools, and approaches to maximize the impact they seek. This includes thoughtful reflections on what time horizons—or giving timeframes—are best suited for their philanthropic mission and vision.

Driven by our mission to help donors around the world create thoughtful and effective philanthropy, Rockefeller Philanthropy Advisors partnered with Campden Wealth to conduct a one-of-a-kind exploration of the inner workings, trends, practices, and challenges of family philanthropy globally. As part of this research, we examined the many dimensions of strategic time horizons in family giving, which hold profound implications for approaches, operations, resource allocation, issue areas, and relationships with the greater ecosystem of beneficiaries and partners.

Through the findings and insights from this study, we hope to create resources for funders that advance the field and practice of philanthropy. We are grateful to The Atlantic Philanthropies for their continued support of and contributions to this work, and to our partners at Campden Wealth. We hope you will find this report illuminating and helpful for navigating the nuances of family giving, engaging in peer learning, and discovering new ideas, practices, and approaches that can help philanthropies around the world become more effective in building a better shared future for everyone.

Sincerely,

Melissa A. Berman, Ph.D.

President and CEO, Rockefeller Philanthropy Advisors

Melissa Berman



Dear Reader,

I am delighted to present the "Global Trends and Strategic Time Horizons in Family Philanthropy 2020" report.

During a time of heightened economic and geopolitical turbulence, which is also spurring calls to action about rising social inequality and deepening environmental problems, it is crucial to have information about the issues influential stakeholders are concerned about and the strategies they are adopting in order to tackle the related challenges.

The present study is based on information provided by 201 families of significant wealth that are engaged in philanthropic giving and that represent 28 countries across the globe. Some of these families' philanthropic legacies stretch back centuries, while others are relative newcomers to the practice. Collectively, their giving over the last 12 months totalled \$2.4 billion. Such giving can have considerable impact on society.

The study places a special focus on time horizons in philanthropy. Traditionally, families engage in philanthropy without setting an endpoint to their contributions. Increasingly, however, as this report uncovers, families have adopted a time-limited approach and concentrated their donations over shorter periods.

We hope that this report will help family philanthropists across the world evaluate their giving and the strategic approaches available to them. We also hope that it will help the wider giving community to uncover synergies and coordinate activities.

Many thanks to all the families and philanthropic staff who generously shared their insights, and to Rockefeller Philanthropy Advisors for partnering with us on this important study.

Yours faithfully,

Dominic Samuelson

Chief Executive Officer, Campden Wealth

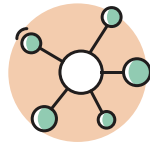
A handwritten signature in orange ink, consisting of stylized initials 'DS' followed by a long horizontal stroke.

Executive summary



Giving vehicles

The most popular vehicles for giving are family foundations (64%), followed by direct donations to nonprofit organizations/charities (45%), donor advised funds (16%), and corporate/business foundations (15%).



Reasons for giving

The most common reasons for giving included a desire to give back to society (75%), an interest in creating social change (55%), putting values into action (50%), and addressing social inequality (47%).



Causes supported

Education was the number one area families cited giving to globally, constituting 29% of the average philanthropic portfolio, followed by health (14%) and art, culture, and sports (10%).



Strategic time horizons in philanthropy: awareness and adoption

Generally, respondents were familiar with both the in-perpetuity (89%) and time-limited (84%) philanthropic timeframes. While the former model was twice as likely to be adopted (62%) as the latter one (32%), the popularity of the time-limited model is on the rise, with the number of those who have chosen it growing by nearly two-thirds since 2000.



Key drivers of strategic time horizon choice

The key motivations for adopting a time-limited approach are: a desire to see the impact of giving during a donor's lifetime (30%); to narrow philanthropic focus (23%); and to transfer more of a founding donor's wealth to good causes sooner rather than later (17%). The key motivations for adopting an in-perpetuity approach are related to its ability to: provide sustained and long-term support to address persistent challenges (71%); strengthen a family's purpose and values (56%); and have greater impact on beneficiaries over multiple generations (41%).



The next generation

It was common for the next generation to be involved in their family philanthropy, especially among those engaged in in-perpetuity giving. For those families, members of the next generation often served on boards (54%) or made site visits (34%). Families that adopted a time-limited strategy most often involved the next generation in grantmaking (28%).



Decision-making

Strategic decision-making power tended to lie with the family. Family heads or founders were noted as the key decision-makers in 60% of cases, followed by other family members (48%). Europe aligned with this global average, while in the United States, other family members tended to hold the most decision-making authority (65%), followed by founding donors (54%), and trustees (29%). In Asia-Pacific, family heads or founders dominated strategic decision-making (62%), followed by trustees (57%), and other family members (31%).

1. Introduction

1.1 Methodology

1.2 Overview of participants

1. Introduction

Transformations in technology, politics, the economy, and culture continue to present opportunities but also challenges. As globalization advances and economies grow, people are becoming more interconnected. However, we also see growing risks from climate change, financial downturns, rising inequality, populism, and nationalism.

In this context, it is not a coincidence that over the last three decades, philanthropic giving has expanded. As the global economy has grown, so has the number of ultra high-net-worth (UHNW) individuals, and many of them view philanthropy as a way to address acute social and environmental issues.

This report, produced by Rockefeller Philanthropy Advisors and Campden Wealth, is an attempt to capture current and emerging trends in the philanthropic giving of UHNW individuals and families. In particular, it aims to explore the reasons and channels through which they engage in philanthropy, with a focus on strategic time horizons in giving.

Definitions

Philanthropy:

The voluntary act of giving by an individual or a group to promote the common good. Philanthropic giving supports a variety of activities and causes, such as research, education, the arts, social justice, poverty alleviation, and climate change.

Strategic time horizons:

The period of time associated with the philanthropic activity. Some philanthropists adopt an in-perpetuity time horizon, whereas others engage in time-limited philanthropy.

In-perpetuity horizon:

Refers to the use of a vehicle, such as a foundation, which has no envisioned endpoint or is not subject to termination. Some in-perpetuity organizations might, however, implement specific time-limited projects or programs.

Time-limited horizon:

Refers to the completion of a philanthropic activity within a specific timeframe; also known as spend-down, spend-out, or "giving while living" approaches.

1.1 Methodology

Campden Wealth and Rockefeller Philanthropy Advisors carried out a mixed-method, quantitative and qualitative research study. Between February and June 2019, a total of 201 private/family philanthropists from 28 countries, each with a net wealth of at least \$100 million, took part in a survey. In addition, 29 semistructured interviews were conducted with UHNW philanthropists or their senior staff across the globe. Quotes from these interviews used within the main body of this report are anonymized in order to maintain the confidentiality of research participants. This report also features four case studies based on extended interviews. Here, the participants elected to disclose their identities to better describe the organizations they represent.

As this study is concerned solely with family philanthropy, various well-established foundations that fall beyond the scope of the research were not surveyed. Additionally, for the purpose of this research, the term "time-limited philanthropy" can apply to a foundation as a whole or major programs and initiatives.

Research limitations

Sampling: The geographic composition of the philanthropists surveyed is not wholly representative. This research received input from a greater number of participants from the United States, and to a lesser extent Europe and the Asia-Pacific region.

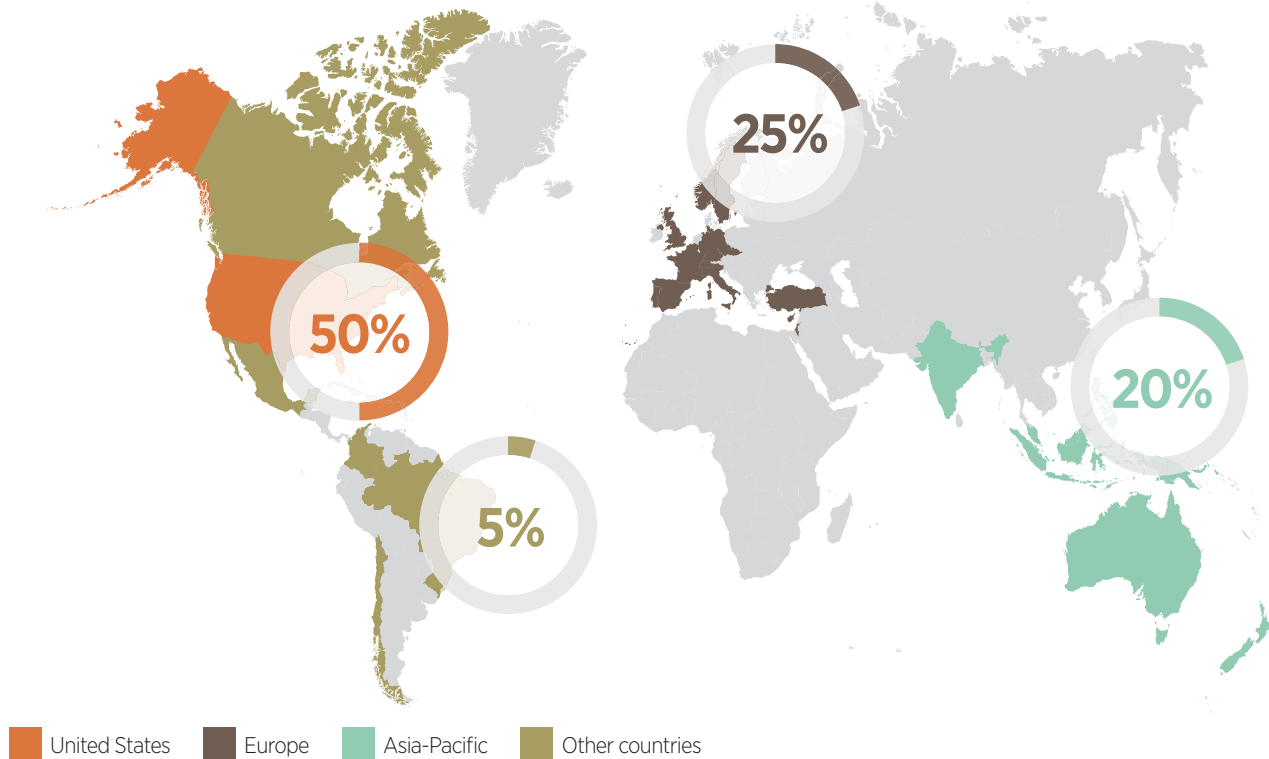
The samples for Asia-Pacific and Europe do not include all the countries within these regions, nor a representative mix of respondents amongst the countries included. For these reasons, the findings should be viewed as merely indicative of the philanthropic landscapes regionally.

Self-selection: The philanthropists who participated in the research did so on a voluntary basis, which created a self-selection bias likely favoring those in the community who are most engaged in philanthropy. Furthermore, since the focus of the research is on strategic time horizons in philanthropy, the results may be disproportionately representative of family philanthropists who are more knowledgeable about this topic. Consequently, the findings do not necessarily reflect the giving patterns for the wealth community as a whole.

1.2 Overview of participants

The largest proportion of participants in the survey came from the United States (50%), followed by Europe (25%), Asia-Pacific (20%), and six other countries across the world (5%) (figure 1.1).

Figure 1.1: Regional breakdown of family/private philanthropists



* At different points of our analysis we will focus on the Asia-Pacific region independently from the rest of the world. However, for the purpose of this study, the category "rest of the world" includes Asia-Pacific. Note: Figures may not sum to 100% due to rounding.

The average net wealth of the families and private philanthropists surveyed stood at \$1.2 billion, while the average assets under management (AUM) of the associated philanthropic organizations was \$155 million.

Over the last 12 months, the philanthropists gave an average of \$12 million each to various causes (figure 1.2).

Figure 1.2: Average family/private philanthropist net wealth (USD), average philanthropic organization's AUM (USD), and average giving in the last 12 months



2.

The Philanthropic Landscape Among the UHNW

2. The philanthropic landscape among the UHNW

New engagement in family philanthropy was at its height in the 1990s

While some of the families surveyed traced their philanthropic activities as far back as the 1500s, half of them first started giving within the last 30 years. The 1990s represented the height of new families engaging in philanthropy, accounting for 22% of the total sample, followed by the early 2000s at 17%. After 2010, the number of new givers dropped to equal that in the 1980s at 11%.

These results were largely driven by respondents from the United States and Europe, where the largest influx of new givers occurred during the 1990s. The Asia-Pacific region was the outlier, as there the largest influx of new givers came after 2010 (figure 2.1).

Family foundations were the most common vehicle for giving

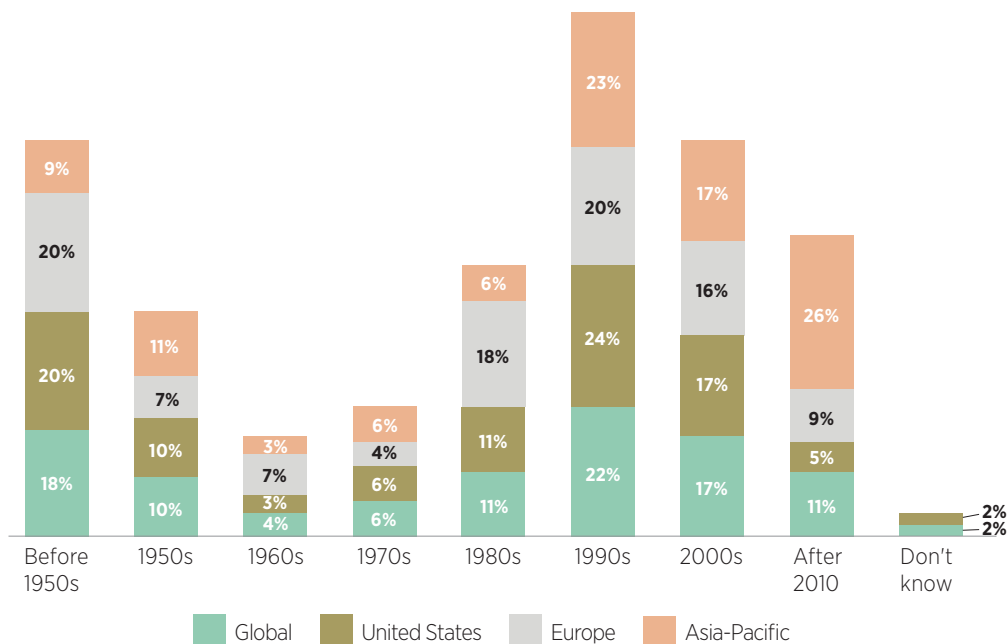
The majority of respondents, 64%, used family foundations for their philanthropic giving (figure 2.2). Furthermore, the average philanthropist surveyed directed over half of donations (53%) through family foundations.

Direct donations to nonprofit organizations/charities was the second most popular vehicle for giving (45%), accounting for an average of 19% of all donations. Donor advised funds (16%) and family business/corporate foundations (15%) followed in third and fourth place in popularity, transferring 7% of funds each.

In terms of regional differences, both the United States (64%) and Europe (68%) relied on family foundations as their primary route for giving, while in Asia-Pacific giving was evenly split between family foundations and direct donations (both 50%).

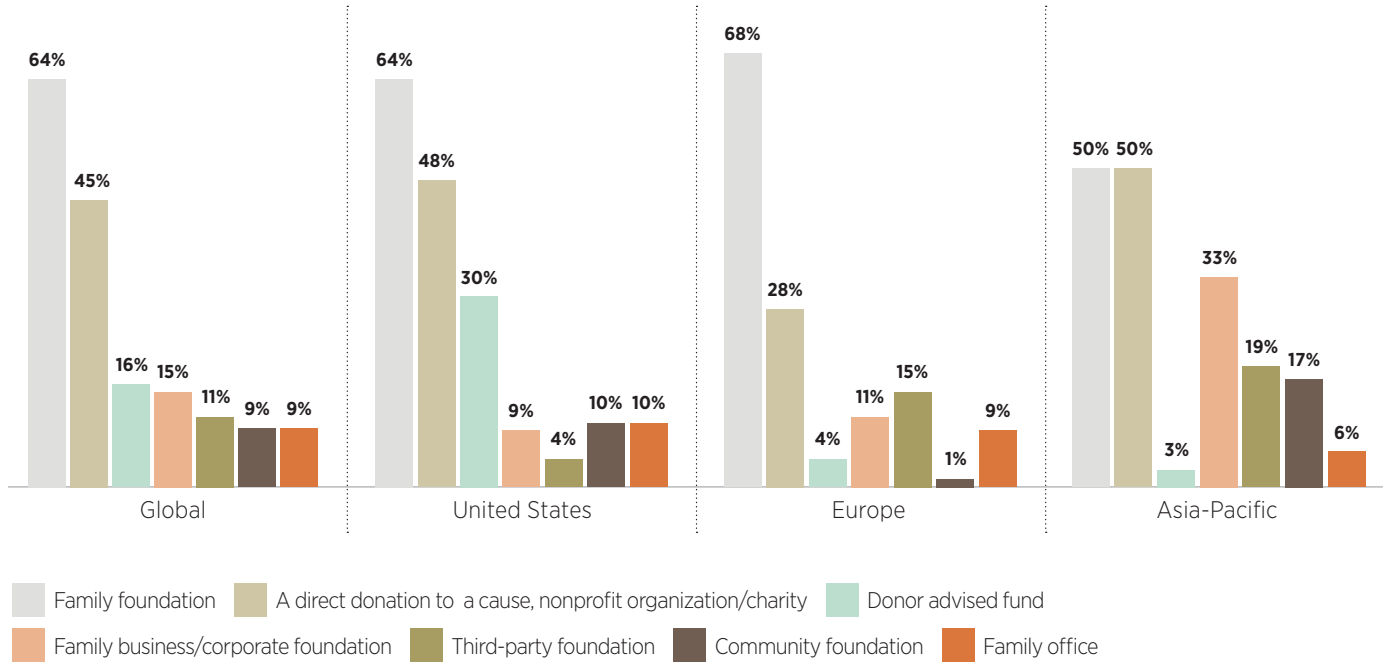
Also notable is that donor advised funds were far more popular in the United States (30%) than in either Europe (4%) or Asia-Pacific (3%), perhaps due to the unique legislative framework and philanthropic culture.

Figure 2.1: For each region, percentage of respondents who first engaged in philanthropy in each decade



Note: Figures may not sum to 100% due to rounding.

Figure 2.2: Preferred philanthropic vehicles, by region



Note: Figures need not sum to 100% because respondents could select multiple options.

Giving back to society was the top reason for giving

In terms of the motivations for giving, the majority of respondents globally reported a desire to give back to society (75%). This was followed by a desire to influence

social change (55%), put values into action (50%), and address social inequality (47%). Despite growing awareness about climate change, the need to address environmental concerns ranked in ninth place at 28% (figure 2.3).

Figure 2.3: Reasons for giving, by region

	Global	United States	Europe	Asia-Pacific
To give back to society	75%	76%	65%	83%
To influence social change	55%	45%	65%	64%
To put values into action	50%	53%	46%	48%
To address social inequality	47%	38%	50%	60%
To donate to specific causes due to personal family experience	38%	43%	33%	33%
Moral obligation	37%	34%	44%	36%
To engage the next generation	36%	40%	27%	36%
To leave a legacy	34%	43%	19%	31%
To address environmental concerns	28%	29%	27%	29%
Reputation management/improving public perception of family/organization	8%	7%	6%	12%
Legal responsibility	3%	1%	0%	12%
To promote religious values and organizations	2%	2%	2%	0%

Note: Figures need not sum to 100% because respondents could select multiple options.

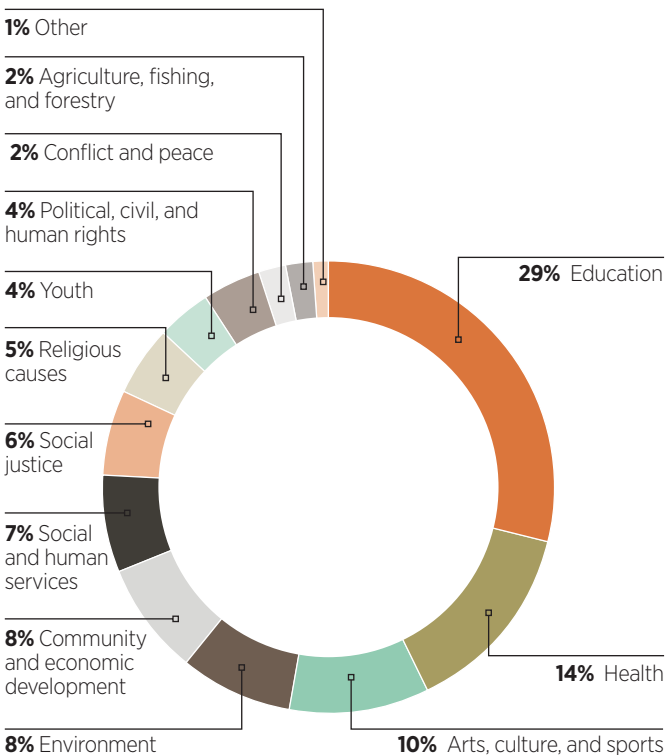
Looking across the regions, those in Asia-Pacific were the most likely to engage in philanthropy in order to give back to society (83%, versus 76% in the United States and 65% in Europe) and address social inequality (60%, versus 38% in the United States and 50% in Europe). In the United States, respondents were more likely than other regions motivated to give to put their values into action (53%, versus 46% in Europe and 48% in Asia-Pacific), leave a legacy (43%, versus 19% in Europe and 31% in Asia-Pacific), and engage the next generation (40%, versus 27% in Europe and 36% in Asia-Pacific). Meanwhile, those in Europe gave out of moral obligation more than their regional counterparts (44%, versus 34% in the United States and 36% in Asia-Pacific).

Europeans were the least likely to cite as motivations leaving a legacy, engaging the next generation, or giving back to society. Meanwhile, Americans were the least likely to give to address social inequality.

Education received the highest percentage of philanthropic dollars

Education received the highest percentage of philanthropic dollars, constituting 29% of the average philanthropic portfolio. Health ranked second at 14%, followed by the arts, culture, and sports at 10% (figure 2.4).

Figure 2.4: Causes supported, as percentage of portfolio



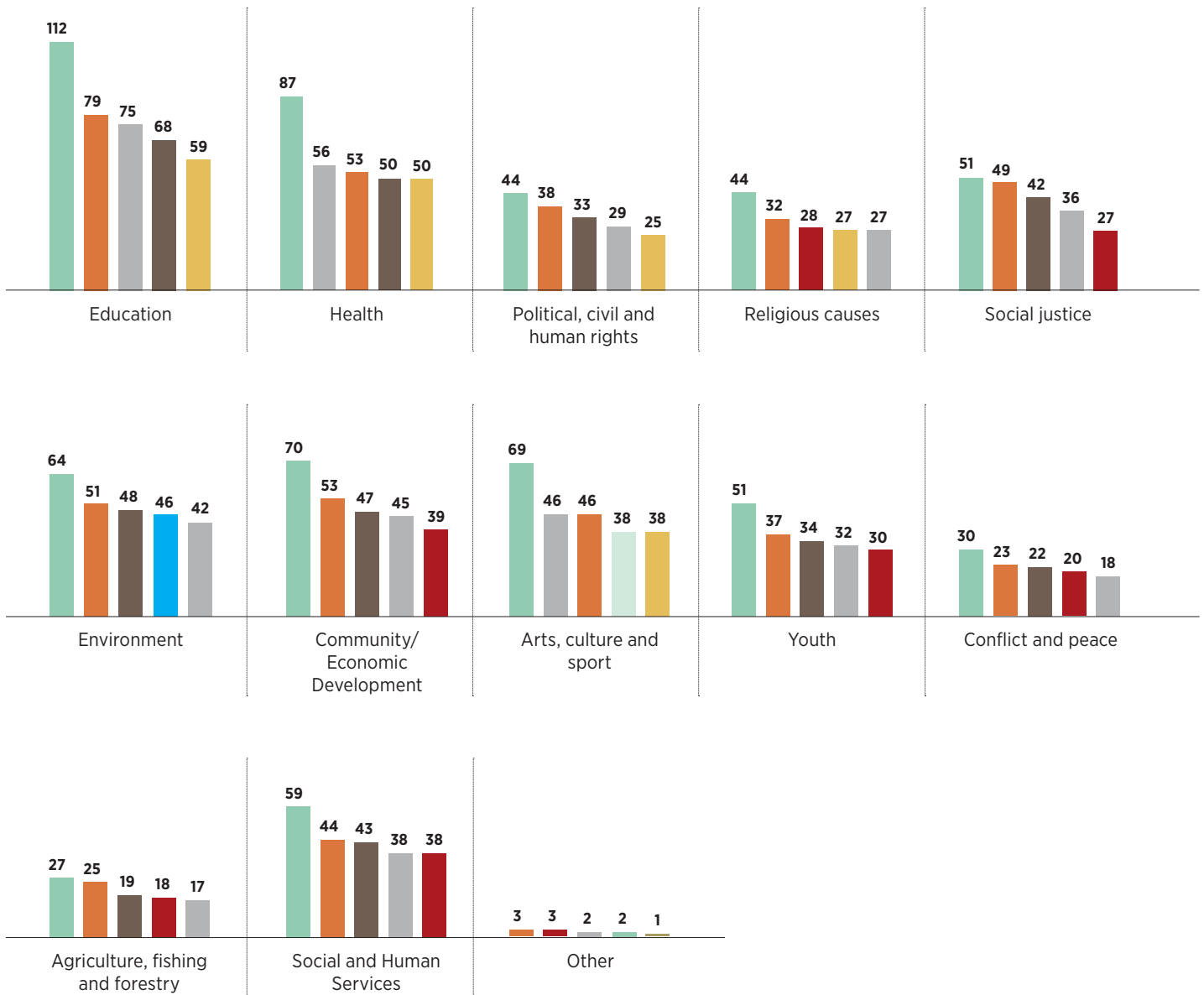
Note: Figures need not sum to 100% because respondents could select multiple options.

Regionally, families in Asia-Pacific tended to allocate more of their philanthropic portfolios to education (35%) than families in the United States (26%) and Europe (27%). Families in Europe allocated more of their portfolios to the arts, culture, and sports (14%) than families in the United States (10%) and Asia-Pacific (4%). Across all regions, respondents allocated similar amounts to health: 16% in Asia-Pacific, 15% in the United States, and 13% in Europe.

In terms of the relationship between the motivations to give and the causes supported, data suggests that families motivated by leaving a legacy allocated a greater share of their funds to education than those with other motivations: 32% versus, for example, 23% for addressing environmental concerns. Those motivated by leaving a legacy also allocated a greater share of their funds to the arts, culture, and sports than those with other motivations—12% versus, for example, 7% to addressing social inequality.

The allocation to the environment varied the most, with those motivated by addressing environmental concerns, naturally, allocating the greatest share (24%) and those motivated by personal experience (7%) allocating the least. Those motivated by personal experience placed greater weight on health as a cause—17% versus, for example, 11% of those motivated to influence social change (figure 2.5).

Figure 2.5: Top five motivations of donors by cause they gave to



MOTIVATIONS

- To give back to society
- To put values in action
- To leave a legacy
- To influence social change
- Moral obligation
- To address environmental concerns
- To address social inequality
- Personal experience has led the family to donate to specific causes

Note: Number of respondents, 190. Figures need not sum to 100% because respondents can select multiple options.

Giving was international

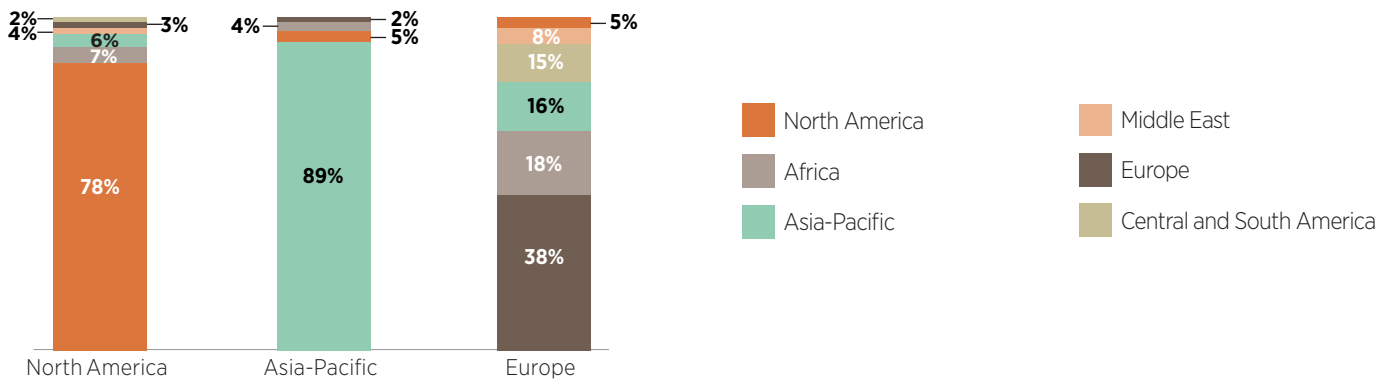
Overall, respondents were highly likely to fund activities within the region in which they were based. For example, 89% of Asia-Pacific respondents reported giving within their region, and 78% of North American respondents gave in North America. Countering this trend was the relatively low 38% of European respondents who indicated that they gave in Europe.

As these numbers imply, Europeans were the most likely to give outside their region, with 18%, 16%, and 15% giving to initiatives in Africa, Asia-Pacific, and Latin America respectively. North Americans gave a comparatively smaller amount to those regions, with 7% to Africa, 6% to Asia,

and a mere 2% to Latin America. North Americans were marginally more likely to fund initiatives in the Middle East (4%) and Europe (3%) than those of their southern regional neighbor. Of philanthropists based in Asia-Pacific, 5% gave to activities in North America, 4% in Africa, and 2% in Europe (figure 2.6).

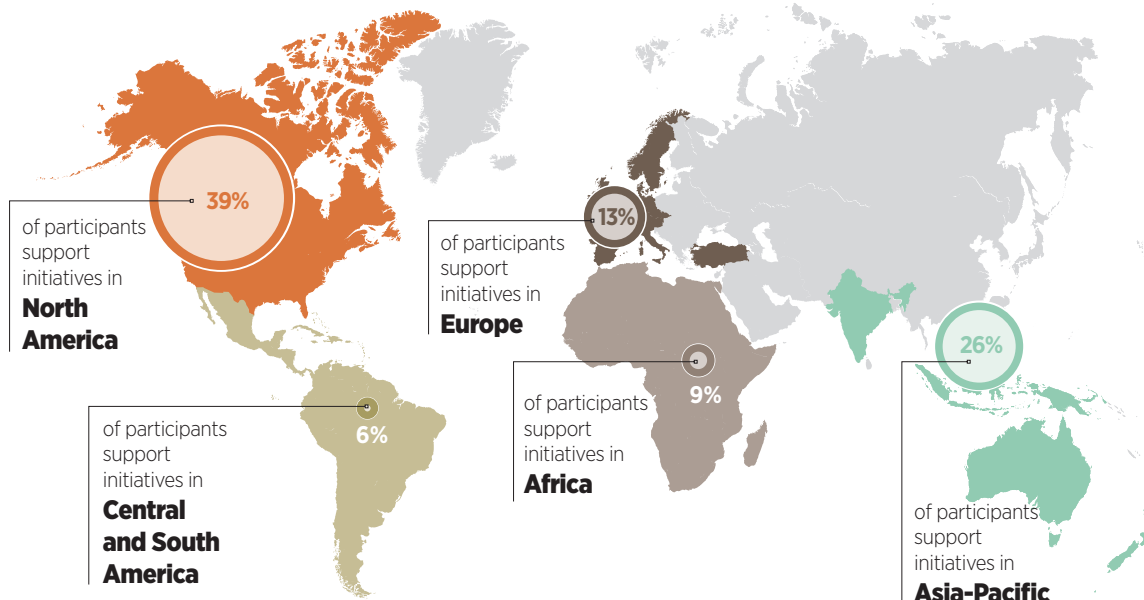
When comparing family locations and global giving trends, only Europe and North America had net negative philanthropic inflows. While 50% of respondents were located in North America, 39% of all respondents globally supported initiatives there. Similarly, while 25% of all respondents were European, 13% of global respondents funded initiatives in Europe (figure 2.7).

Figure 2.6: Flows of philanthropic dollars as percentage of portfolio, by region



Note: Figures may not sum to 100% due to rounding.

Figure 2.7: Regional breakdown of philanthropists (location of philanthropic operations)



Note: Figures may not sum to 100% due to rounding.

3. Strategic Time Horizons in Philanthropy

- 3.1 Awareness and adoption of strategic time horizons
- 3.2 Reasons for adopting different strategic time horizons
- 3.3 Philanthropic strategy and time horizons
- 3.4 Perceived benefits of strategic time horizons
- 3.5 Implementation challenges

3. Strategic time horizons in philanthropy

- The majority of respondents were familiar with the concepts of in-perpetuity (89%) and time-limited horizons (84%) in philanthropy. Approximately twice as many respondents noted adoption of the in-perpetuity model (62%) than the time-limited one (32%).
- The most common reasons for choosing the in-perpetuity model were that it enables sustained and long-term support to address persistent challenges (71%) and helps to strengthen a family’s purpose and values (56%).
- The most common reasons for choosing the time-limited model were that it can better support a founder’s desire to see an impact during his/her lifetime (30%) and can help to narrow philanthropic focus (23%).

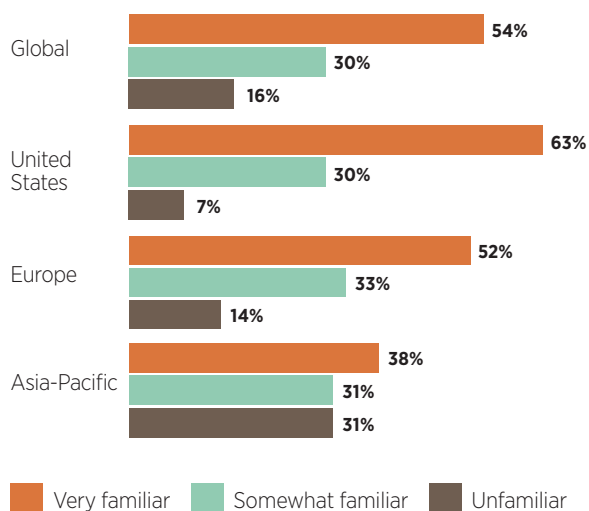
3.1 Awareness and adoption of strategic time horizons

Awareness of both models was high; adoption of a time-limited approach was nearly half of in-perpetuity

Globally, almost nine-in-ten respondents (89%) claimed to be either somewhat or very familiar with the in-perpetuity approach to philanthropy, while over eight-in-ten (84%) reported being somewhat or very familiar with the time-limited approach. Awareness was greatest in the United States, followed by Europe, with the newer philanthropic sector in Asia-Pacific having lower levels of familiarity with both concepts (figures 3.1 and 3.2).

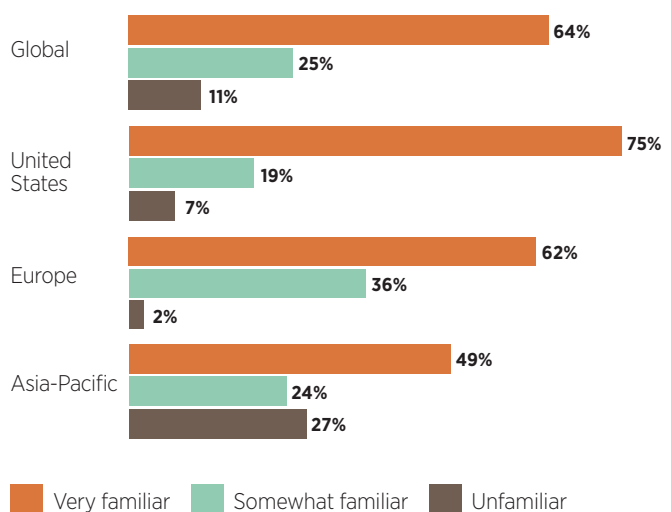
Beyond these high levels of awareness, 32% of those surveyed adopted the time-limited approach (currently or in the past), a proportion that is nearly half of the more traditional in-perpetuity model (62%).

Figure 3.1: Level of familiarity with time-limited philanthropy, by region



Note: Figures may not sum to 100% due to rounding.

Figure 3.2: Level of familiarity with in-perpetuity philanthropy by region



Note: Figures may not sum to 100% due to rounding.

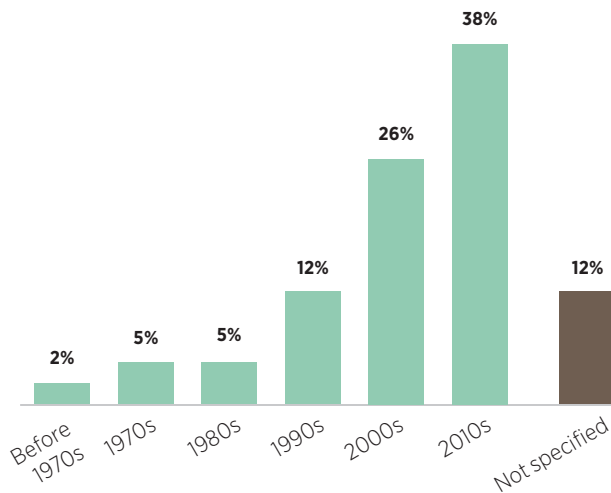
While awareness of time-limited philanthropy appears to be greatest in the United States (93%), these respondents predominantly adhered to the in-perpetuity model (75%), with 25% choosing time-limited approaches.

In Europe, more than half of respondents chose the in-perpetuity model (63%). However, European survey participants were also the most likely to adopt the time-limited approach, with approximately half of those who indicated awareness of the model using it in their giving strategy (39%, compared to 85%).

Time-limited philanthropy has surged in popularity since 2000

Although the in-perpetuity model remains dominant, there has been a growing interest in time-limited giving. Figure 3.3 reveals that nearly two-thirds of respondents who use the limited-life model (64%) adopted their time-limited approaches after 2000.

Figure 3.3: When did you first adopt a time-limited approach to your giving?



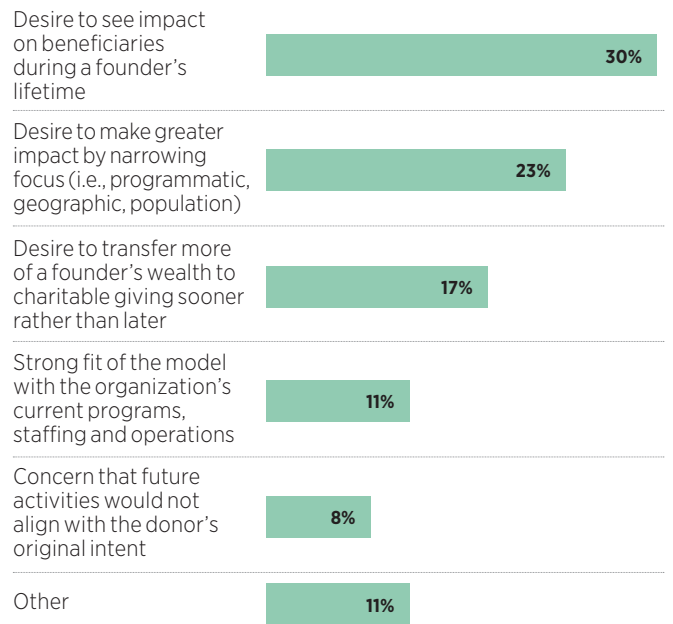
Note: Figures may not sum to 100% due to rounding.

3.2 Reasons for adopting different strategic time horizons

The leading reasons for choosing time-limited approaches

When it comes to the reasons for adopting a time-limited philanthropic horizon, close to one-third (30%) of respondents indicated that it supported their desire to see the impact on beneficiaries during founders' lifetimes, while nearly a quarter (23%) expressed that it allowed them to make a greater impact by narrowing their focus (figure 3.4).

Figure 3.4: Reasons for adopting a time-limited philanthropic horizon



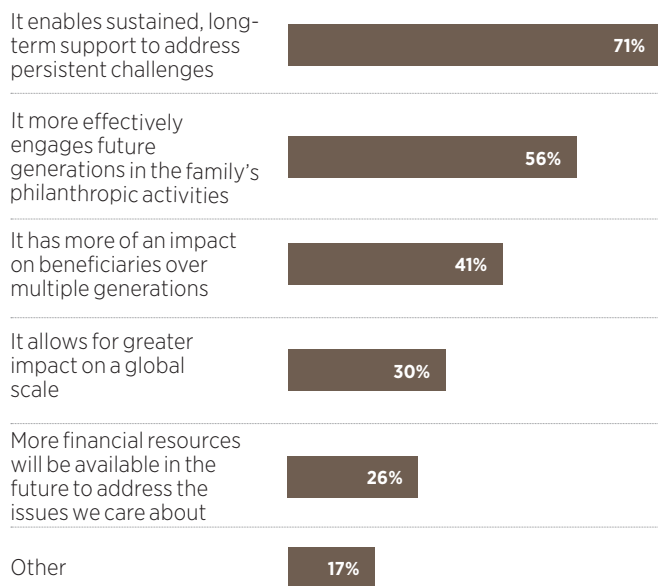
Note: Figures may not sum to 100% due to rounding.

The leading reasons for choosing in-perpetuity

The most common reason given for adopting the in-perpetuity approach was that it can enable sustained and long-term support to address persistent challenges, according to 71% of respondents. The second most common reason was the belief that it can help strengthen a family’s purpose and values (56%), followed by its ability to impact beneficiaries across multiple generations (41%) (figure 3.5). In the words of one respondent:

“We are trying to address issues that keep emerging and that, ultimately, cannot be permanently fixed. For instance, there will always be something to do when it comes to children’s health. We will be best prepared to tackle new challenges if we are around and viable in the long term. That model has worked well for our family for eight decades.” - Family Member and Board Member, Family Foundation, North America

Figure 3.5: Reasons for adopting an in-perpetuity philanthropic horizon



Note: Figures need not sum to 100% because respondents could select multiple options.

3.3 Philanthropic strategy and time horizons

Philanthropists often reviewed their strategies yearly

On the whole, respondents who employ a time-limited approach seemed to review their strategy more often than those using the in-perpetuity model.

Among time-limited participants, 59% said they reviewed their strategy annually, compared with 50% of their in-perpetuity peers. A small portion (7%) of the time-limited philanthropists reviewed their strategy when necessary, compared with 4% of the in-perpetuity respondents. Conversely, nearly twice as many families using the in-perpetuity approach (28%) versus a time-limited approach (15%) reviewed their strategy every three to five years (figure 3.6).

Interestingly, 7% of the time-limited respondents indicated they rarely or never review their strategy, compared with 3% of those who use the in-perpetuity approach.

Figure 3.6: Timeframes associated with reviewing giving strategies

	Giving in perpetuity	Time-limited giving
Yearly	50%	59%
Every three to five years	28%	15%
Every two years	12%	7%
When necessary	4%	7%
Rarely/never	3%	7%
Will review for the first time	1%	0%
Other	4%	2%

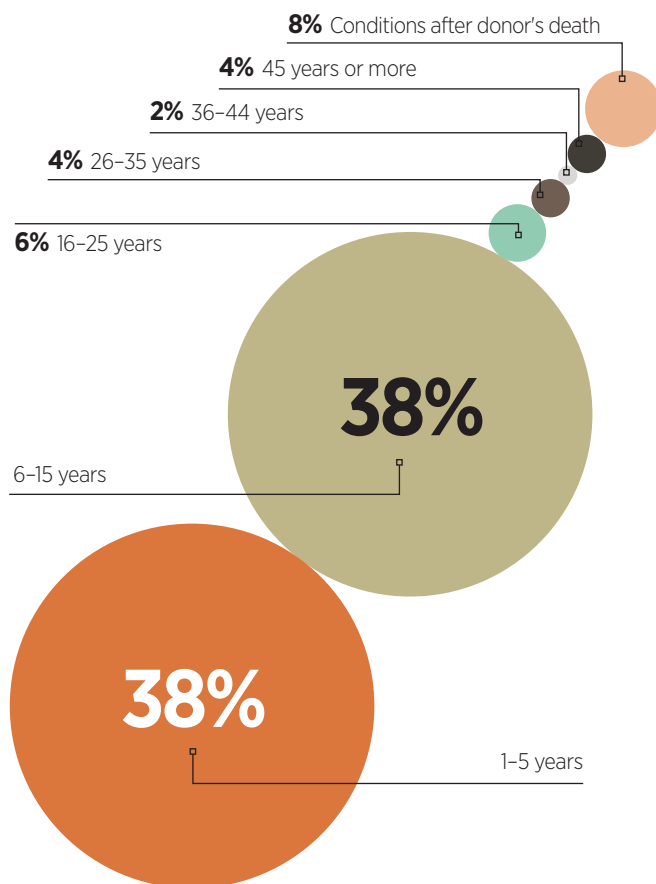
Note: Figures may not sum to 100% due to rounding.

Among the relevant respondents, 38% stated that their initiatives were designed to run between one and five years, while the same proportion set timeframes of six to 15 years, and 24% specified time frames that were 16 years or longer (figure 3.7).

These longer timeframes likely include some ramp-up and predetermined wind-down time to help facilitate successful exits. As one respondent explained:

“Time-limited initiatives often need a couple of extra years at the start than is typically envisioned in order to allow for strategic planning. They also often need an extra year at the end to evaluate the programs and allow partners and beneficiaries to adapt to their new situation once the foundation is gone.” - Deputy Chief Executive Officer, Private Foundation, Europe

Figure 3.7: Assigning an endpoint: timeframes in time-limited philanthropy



Note: Figures may not sum to 100% due to rounding.

3.4 Perceived benefits of strategic time horizons

In-perpetuity giving

Respondents were asked their level of agreement with general statements about different approaches to giving.

In terms of the perceived benefits of the perpetual model, 48% agreed that in-perpetuity giving can strengthen a family's purpose and values (13% disagreed).

In terms of challenges, respondents more often agreed than disagreed that an endowment model, which is classically used in perpetual operations, can limit the amount of capital available for a cause (43% agreed, 19% disagreed), and that the in-perpetuity approach can lead to a loss of interest and/or momentum (34% agreed; 25% disagreed).

Additionally, a slightly higher proportion agreed (31%) than disagreed (28%) that in-perpetuity philanthropy provides less value for money year-by-year than time-limited giving. However, the result reverses when only in-perpetuity responses are considered, with more survey participants disagreeing (35%) with this statement than agreeing (26%).

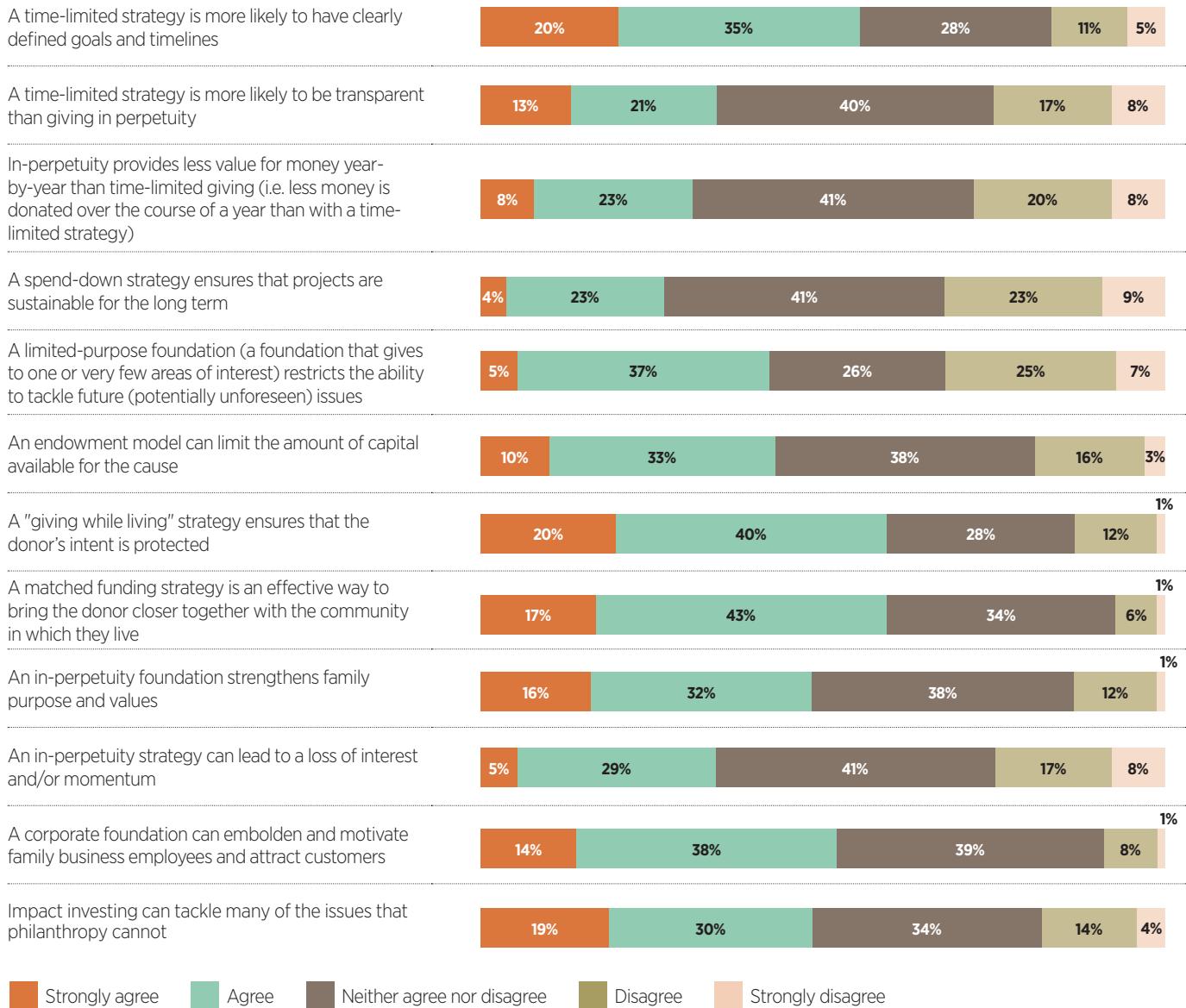
Time-limited giving

When weighing the perceived benefits of a time-limited model, 55% of all respondents agreed that the approach is more likely to have clearly defined goals and timelines (figure 3.8). Adherents to this approach were far more likely to agree with this statement (72%) than their in-perpetuity counterparts (45%) (see Appendix).

The majority of all respondents (60%) also agreed that a "giving while living" philanthropic approach ensures that a donor's intent is protected. Time-limited respondents were more likely to agree with this statement (66%) than in-perpetuity philanthropists (54%).

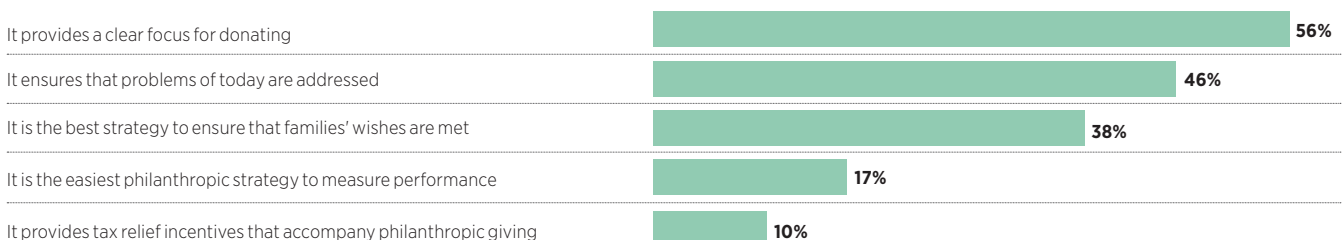
When those engaged in time-limited giving were asked to indicate the "best reasons to engage in time-limited philanthropy," 56% reported that it provides a clear focus for donating, while 46% said the approach ensures that "problems of today" are addressed, and 38% said that "it is the best strategy to ensure that families' wishes are met," (figure 3.9).

Figure 3.8: Time-limited versus in-perpetuity philanthropy: mapping the debate



Note: Figures may not sum to 100% due to rounding.

Figure 3.9: Perceived benefits of a time-limited philanthropic approach



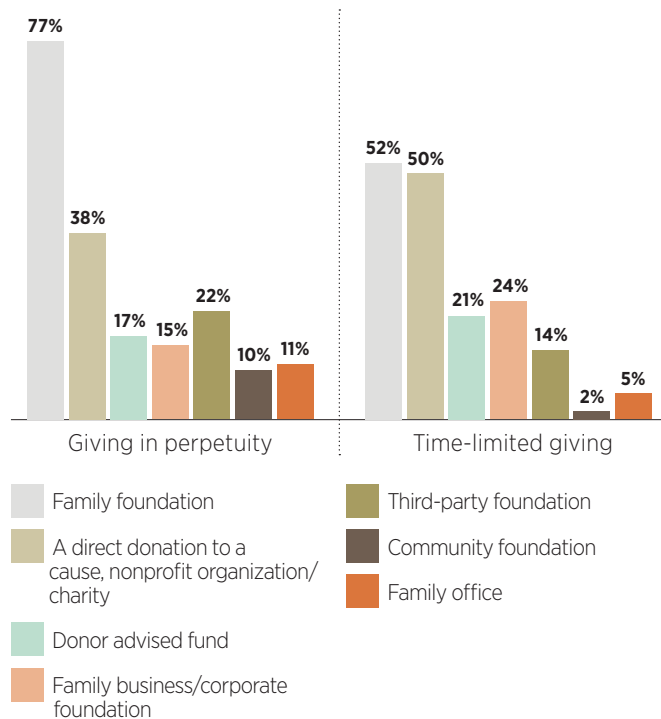
Note: Figures need not sum to 100% because respondents could select multiple options.

3.5 Philanthropic vehicles, motivations, causes, and the next generation through the time horizon lens

Vehicles for giving

When viewed by time horizon, the majority of respondents in both in-perpetuity and time-limited models preferred family foundations for their philanthropic giving, at 77% and 52%, respectively (figure 3.10). Direct donations to causes or nonprofit organizations was the second most popular vehicle for both models. Interestingly, time-limited respondents had a much stronger preference for direct donations (50%) than their in-perpetuity counterparts (38%). Donor advised funds were the third most preferred vehicle for both in-perpetuity respondents (17%) and time-limited ones (21%).

Figure 3.10: Preferred philanthropic vehicles, by strategic time horizon



Note: Figures need not sum to 100% because respondents could select multiple options.

Motivations and causes

Viewed through the strategic time horizon lens, key similarities emerged between the in-perpetuity and time-limited models. For both sets of respondents, giving back to society, influencing social change, putting values into action, and addressing social inequality were specified as the top reasons for giving (figure 3.11). However, the two groups diverged on the fifth leading reason, which for in-perpetuity respondents was to leave a legacy (38%) and for time-limited participants was to donate to specific causes due to personal experience (32%).

A similar alignment was observed vis-à-vis causes supported by the surveyed families. The top five causes were education, health, the arts, culture and sports, the environment, and community and economic development (figure 3.12). There was also significant alignment in terms of the percentage of portfolios allocated to these causes between the models, with education coming in at 29%, environment at 9%, and social and human services at 7% for both sets of respondents. There was little variance in the percentage of portfolios allocated to other leading causes.

Figure 3.11: Reasons for giving, by time horizon strategy

	Global	Giving in perpetuity	Time-limited giving
To give back to society	75%	80%	67%
To influence social change	55%	58%	57%
To put values into action	50%	56%	38%
To address social inequality	47%	47%	45%
To donate to specific causes due to personal family experience	38%	36%	32%
Moral obligation	37%	42%	30%
To engage the next generation	36%	41%	30%
To leave a legacy	28%	38%	23%
To address environmental concerns	8%	33%	27%
Reputation management/improving public perception of family/organization	3%	11%	8%
Legal responsibility	2%	3%	8%
To promote religious values and organizations	1%	2%	2%
To share	1%	0%	2%
To promote young leaders	1%	2%	0%
Other	3%	2%	5%

Note: Figures need not sum to 100% because respondents could select multiple options.

Figure 3.12: Causes supported as percentage of portfolio, by time-horizon strategy

	Global	Giving in perpetuity	Time-limited giving
Education	29%	29%	29%
Health	14%	15%	13%
Arts, culture, and sports	10%	9%	9%
Environment	8%	9%	8%
Community and economic development	8%	8%	9%
Social and human services	7%	7%	7%
Social justice	6%	7%	6%
Religious causes	5%	4%	4%
Youth	4%	3%	6%
Political, civil, and human rights	3%	3%	4%
Conflict and peace	2%	2%	1%
Agriculture, fishing, and forestry	2%	1%	2%
Other	1%	1%	1%

Note: Figures need not sum to 100% because respondents could select multiple options.

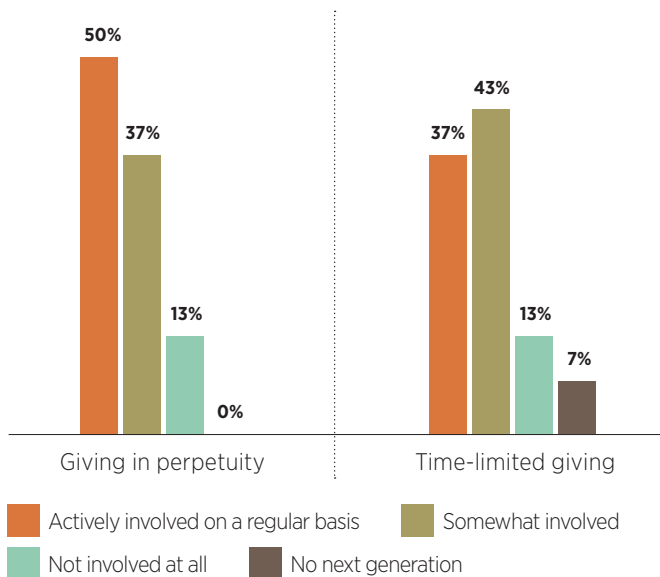
Next generation involvement

The level of next generation involvement differed marginally between families engaged in time-limited giving and those using the in-perpetuity model (figure 3.13). Among the in-perpetuity respondents, 87% reported that the next generation is either actively involved (50%) or somewhat involved (37%), with only 13% reporting a complete lack of involvement. The next generation was slightly less active in time-limited family philanthropies, with 80% being actively (37%) or somewhat (43%) involved and 13% completely unininvolved. A very small segment of respondents (7%) did not have a next generation in their family.

While the in-perpetuity model is typically more accommodating to the involvement of multiple generations, some adopters of the approach can still find it challenging to maintain family members' involvement further down the generational chain. In the words of one respondent who has worked to engage the next generation:

“The second generation is very involved; they are trustees and they visit sites periodically. With the third generation, the focus is on capturing their interest and trying to get them into the field at least once a year. I would call their involvement at this point minimal.” - Managing Director, Family Office/Family Foundation, North America

Figure 3.13: Level of involvement of the next generation, by strategic time horizon

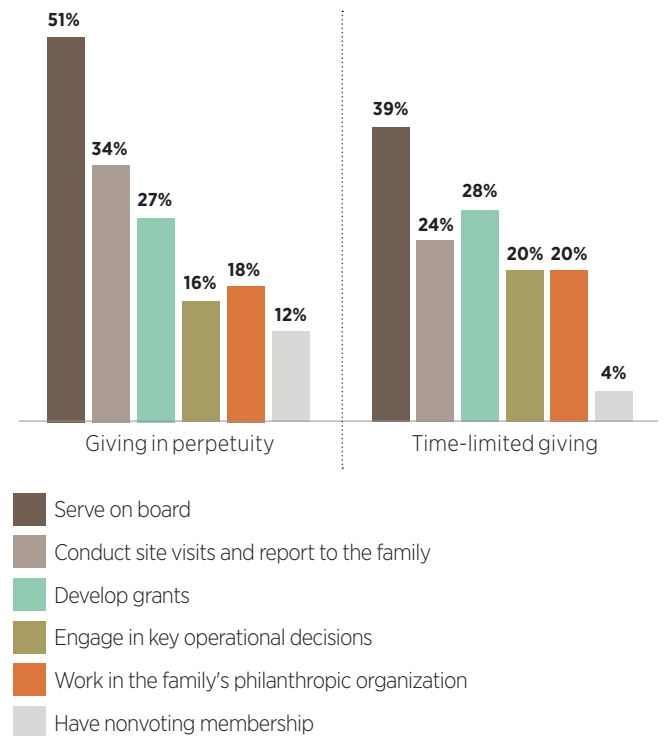


Note: The global figure for those who responded “Not involved at all” is higher than the regional figures, as it includes “rest of world” data from participants in countries outside the United States, Europe, and Asia-Pacific.

Next generation roles

Those employing the time-limited model were more likely to involve next generation representation in key operational decisions (20% versus 16%), while those using the in-perpetuity model were more likely to engage them in board service (51% versus 39%) and conducting site visits (34% versus 24%) (figure 3.14). Interview evidence suggests that members of perpetual organizations can view such board positions as fruitful for engaging family members through the generations.

Figure 3.14: Next generation roles in family philanthropies, by strategic time horizon



Note: Figures need not sum to 100% because respondents could select multiple options.

3.6 Implementation challenges

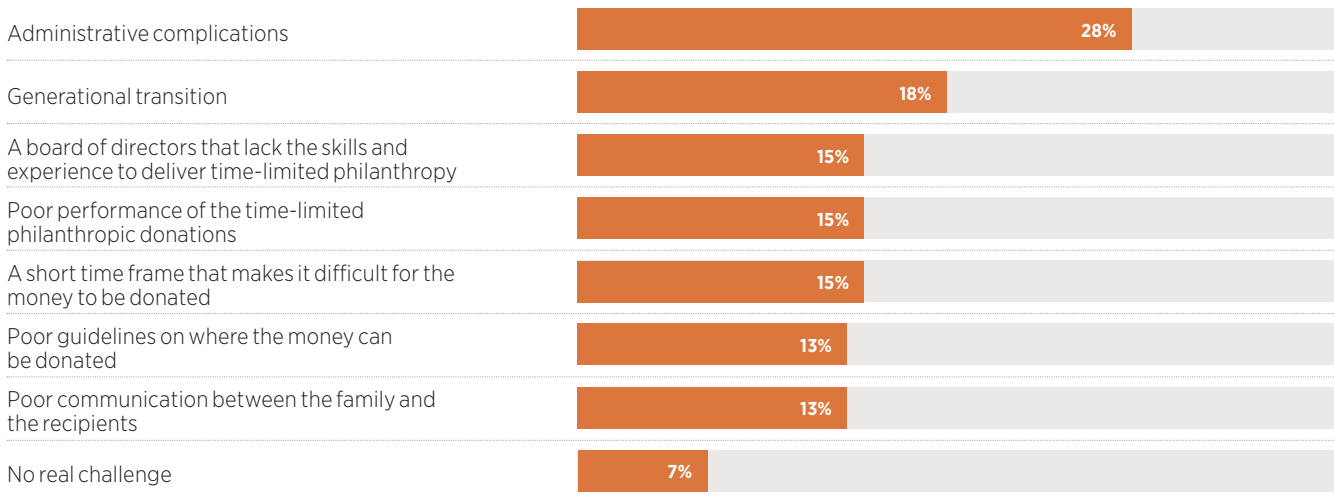
The in-perpetuity approach

Several interviewees named restricted fund dispersal levels as one of the challenges of the in-perpetuity model. The fact that traditional endowments allocate only 3% to 10% of their funds at any given time, these respondents said, limits the impact of their initiatives and reduces the ability to tackle significant and current problems. This suggests that some philanthropists believe that a lack of agility, and of a diverse set of financial tools and approaches, can hold philanthropy back.

The time-limited approach

When implementing a time-limited approach, the two main challenges named by respondents were administrative complications (28%) and general issues related to transitioning to a new model (18%). These were followed by inexperienced board members, poor performance of philanthropic initiatives, and short time frames which can make it difficult to donate funds (each 15%) (figure 3.15).

Figure 3.15: Challenges associated with the adoption of a time-limited philanthropic time horizon



Note: Figures need not sum to 100% because respondents could select multiple options.

4.

The Role of the Next Generation

4.1 Family involvement in philanthropy

4.2 Engaging the next generation

4.3 Adopting strategic changes proposed by the next generation

4. The role of the next generation

- The large majority of the next generation were either actively involved (42%) or somewhat involved (39%) in their families' philanthropic activities.
- The most common activities they participate in were serving on boards (45%), visiting sites (28%), and developing grants (24%).
- The most popular strategy families cited to engage younger family members in philanthropy was to instill in them a sense of moral responsibility and philanthropic values (65%).

4.1 Family involvement in philanthropy

The majority of founding donors were still alive

Given that half of the families surveyed first began to give philanthropically at some point in the last few decades, it is unsurprising that 60% of respondents reported that the founding donors of their philanthropic endeavors were still alive (figure 4.1).

More founding donors were alive in time-limited entities (70%), as opposed to in-perpetuity ones (53%), as time-limited organizations are generally younger and more closely tied with the founders' desire to create impact in their lifetimes.

Figure 4.1: Are the founding donors alive?

	Global	United States	Europe	Asia-Pacific	Giving in perpetuity	Time-limited giving
Yes	59%	53%	58%	64%	54%	70%
No	41%	47%	42%	36%	46%	30%

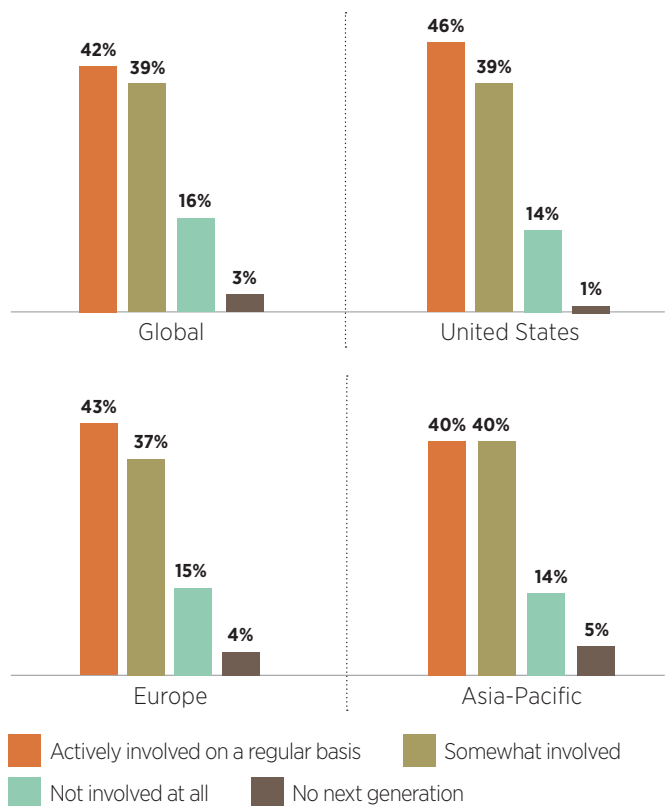
Note: Figures may not sum to 100% due to rounding.

Next generation was actively involved

The next generation of wealth holders was often engaged in family philanthropy, with 81% of respondents indicating they were either actively involved (42%) or somewhat involved (39%) (figure 4.2).

Regional analysis of the data shows the highest involvement of this cohort in the United States (46%), followed by Europe (43%) and Asia-Pacific (40%). There was minimal regional variation among next generation members who were somewhat involved (ranging between 37% in Europe and 40% Asia-Pacific) and those who were not involved (ranging between 14% each in the United States and Europe, and 15% in Asia-Pacific).

Figure 4.2: Level of involvement of the next generation, by region



Note: The global figure for those who responded "Not involved at all" is higher than the regional figures, as it includes "rest of world" data from participants in countries outside the United States, Europe, and Asia-Pacific.

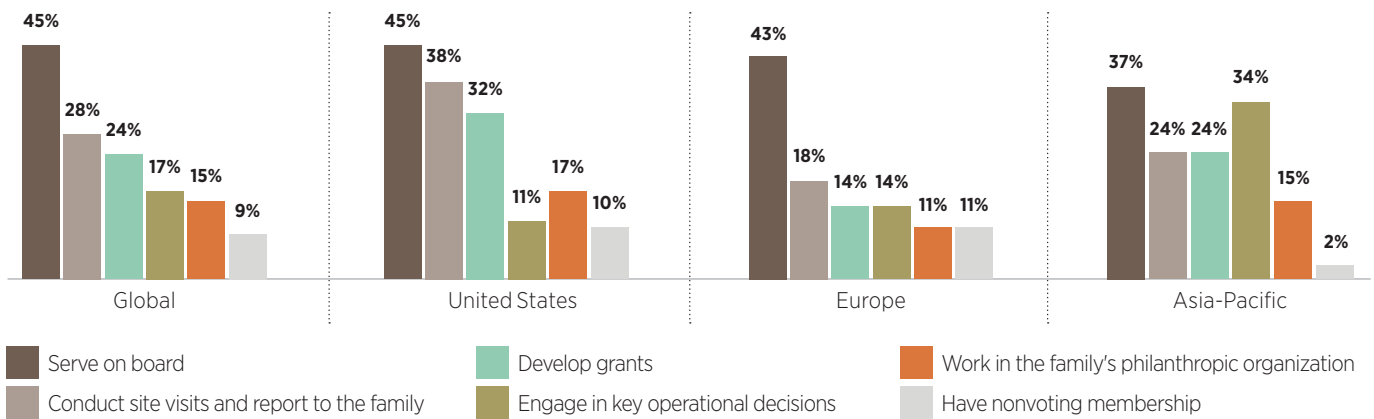
Roles played by the next generation

Globally, the next generation most often engaged in their families' philanthropy by serving on boards (45%), conducting site visits (28%), and developing grants (24%) (figure 4.3).

In terms of regional differences, next generation representatives were more likely to participate in board service in the United States (45%) and Europe (43%) than

they were in Asia-Pacific (37%). They were also more likely to conduct site visits and play an active role in grantmaking in the United States (38% and 32%, respectively) than in either Europe (18% and 14%, respectively) or Asia-Pacific (24% and 24%, respectively). Conversely, next-generation representatives in Asia-Pacific were more often included in key operational decisions (34%) than their counterparts in the United States (11%) and Europe (14%).

Figure 4.3: Next generation roles in family philanthropies, by region



Note: Figures need not sum to 100% because respondents could select multiple options.

4.2 Engaging the next generation

Across all regions and time horizon approaches, the majority of respondents (65%) stated that instilling philanthropic values and a sense of moral responsibility is the top strategy families use for engaging the next generation. This was followed by more concrete actions, such as involving the next generation in philanthropic work (55%) and creating meaningful roles for them in philanthropic entities (38%) (figure 4.4).

In-perpetuity philanthropies were more likely than time-limited ones to adopt a variety of approaches to increase engagement. These ranged from creating meaningful roles to facilitating the transfer of knowledge and experience between generations.

Respondents from Asia-Pacific tended to rely more heavily on instilling philanthropic values and a sense of moral responsibility (70%) and active philanthropic engagement (59%), while those in the United States relied more heavily on creating meaningful roles (41%) and opportunities to transfer knowledge and experience (38%).

Figure 4.4: Strategies for engaging the next generation, by region and strategic time horizon

	Global	United States	Europe	Asia-Pacific	Giving in perpetuity	Time-limited giving
Instilling philanthropic values and a sense of moral responsibility	65%	68%	55%	70%	67%	67%
Actively engaging them in the organization's philanthropic work	55%	56%	38%	59%	60%	46%
Creating meaningful roles for them	38%	41%	33%	37%	42%	35%
Creating opportunities to transfer knowledge and experience	32%	38%	26%	30%	35%	33%
Opening their eyes to current problems in the world	31%	26%	33%	46%	29%	27%
Listening to their priorities	1%	1%	0%	0%	1%	0%

Note: Figures need not sum to 100% because respondents could select multiple options.

4.3 Adopting strategic changes proposed by the next generation

The next generation's involvement in philanthropy can be a rich source of fresh ideas. However, it can also be a source of tension, stemming, for example, from misaligned visions about the purpose of the organization.

Asked how they would respond if the next generation proposed a change to the existing philanthropic strategy, respondents, on the whole, indicated they would take a collaborative approach. The majority of the surveyed philanthropists (76%) stated that they would listen to the next generation's plans before making an informed decision. Respondents in Asia-Pacific were more likely to select this option (83%) than those in Europe (69%) or the United States (66%) (figure 4.5). The second most popular approach was to work on reaching a compromise that would take the next generation's views into account (29%).

Here again, those in Asia-Pacific were most likely to engage in this manner (33%), followed by Europe (24%) and the United States (16%).

Some respondents, however, stated that the philanthropic organization would likely continue with its existing strategy (18%) or give the next generation funds to set up a separate organization (18%).

These findings remain relatively consistent across the time-limited and in-perpetuity models, with listening to the next generation's plans prior to making a decision, working to reach a compromise, and continuing with the existing strategy remaining the top approaches. The only subtle differences were that time-limited respondents were somewhat less likely than their in-perpetuity peers to select the first option.

Figure 4.5: Adopting strategic changes proposed by the next generation, by region and strategic time horizon

	Global	United States	Europe	Asia-Pacific	Giving in perpetuity	Time-limited giving
We are listening to their plans and making an informed decision based on their proposal	76%	66%	69%	83%	71%	61%
We are working on reaching a compromise that takes into account the views of the next generation	29%	16%	24%	33%	42%	31%
We are continuing with the existing strategy	18%	11%	14%	19%	21%	17%
We are giving them funds to set up a separate philanthropic organization	18%	11%	12%	14%	14%	17%
We are trying to convince them that the existing philanthropic timeline is optimal	4%	6%	7%	6%	5%	7%
We have not thought about it yet	6%	4%	0%	6%	4%	2%
We are asking them to stand down from any position they have	0%	1%	2%	0%	1%	2%
All generations have the same weight	0%	1%	0%	3%	1%	2%
The next generation is aligned with the strategy	0%	2%	0%	0%	1%	2%
N/A	4%	0%	2%	0%	0%	4%

Note: Figures need not sum to 100% because respondents could select multiple options.

5.

Decision-Making Structures

5.1 Control and oversight

5.2 Operations and management

5.3 Grantmaking versus operating activities

5.

Decision-making structures

- Heads of the family wielded the most power in family philanthropy.
- More than half of the respondents noted that nonfamily members were responsible for the day-to-day oversight of philanthropy.
- Globally, 41% of respondents primarily provided grants while 17% implemented their own programs. A further 38% operated using a hybrid of these approaches.

5.1 Control and oversight

Families were heavily involved in decision-making

Globally, the majority of respondents (60%) indicated that key decision-makers in family philanthropy were the head of the family or the founder. The second and third most influential figures were other, less senior, family members (48%) and trustees (27%) (figure 5.1).

It was common for the head of the family or the founder to be a key decision-maker across all the regions, but particularly so in Europe (74%) and Asia-Pacific (62%), as

opposed to the United States (54%). Other family members were more likely to be key decision-makers in the United States (65%), with a significantly lower likelihood in Asia-Pacific (31%) and Europe (30%). One notable regional difference was that external advisors were counted among key decision-makers more often in Europe (17%) than in Asia-Pacific (5%) and the United States (2%).

Notable differences in decision-making also emerged across strategic time horizons. Survey respondents said the head of the family or founder was the key decision-maker for 70% of the time-limited family philanthropies, whereas the same was true for 55% of in-perpetuity ones. This correlates with the survey's earlier finding that the main motivation for adopting the time-limited approach was to see an impact during the founder's lifetime.

5.2 Operations and management

Family members exercised operational control in half the philanthropic entities

According to our survey data, family members performed the day-to-day management of 49% of the philanthropies.

Figure 5.1: Key decision-makers in family philanthropy, by region and strategic time horizon

	Global	United States	Europe	Asia-Pacific	Giving in perpetuity	Time-limited giving
Head of family or founder	60%	54%	74%	62%	55%	70%
Other family members	48%	65%	30%	31%	50%	40%
Trustees	27%	29%	28%	57%	37%	17%
Family office executives	11%	11%	11%	7%	13%	5%
Nonfamily head of the foundation	10%	12%	6%	10%	13%	7%
External advisers	6%	2%	17%	5%	6%	5%
Board	3%	2%	4%	5%	4%	8%
Family council	2%	0%	0%	5%	2%	0%
Communities/beneficiaries	1%	0%	2%	0%	0%	3%

Note: Figures need not sum to 100% because respondents could select multiple options.

In 27% of the cases, day-to-day management was entrusted to dedicated philanthropic staff and in 21% to (nonfamily) family office staff (figure 5.2).

Regional analysis showed similar distributions of everyday managerial responsibilities. However, while 21% of participants in the United States indicated that such responsibilities were held by dedicated philanthropic staff or external advisors, 38% in Europe said the same.

In terms of strategic time horizons, management by family was more common among time-limited philanthropies (53%) than in-perpetuity ones (42%). Conversely, dedicated philanthropic staff or external advisors were more often used by in-perpetuity respondents (33%) than time-limited ones (23%).

Our qualitative analysis showed a consistent pattern in larger perpetual organizations, where it was common for the family to be in relative or full control of strategic decisions but for dedicated philanthropic staff, led by experts, to be in charge of day-to-day management. One interviewee remarked:

“Our board, which consists mainly of family members, is in charge of shaping the mission of the foundation. It makes the strategic decisions. Then, there is a professional team which takes care of the daily decisions and management of each program.” - General Manager, Family Foundation, Europe

This finding reflects that larger perpetual foundations tend to be more complex and have been, on average, in operation for longer periods. Even if newer generations are engaged in the philanthropic activities, their interests and skill sets might differ from those of the founding donors, and they might delegate these operations to professional staff.

Time-limited vehicles tend to have smaller professional teams, which support family members through both strategic and operational decisions. One interviewee from a time-limited foundation explained:

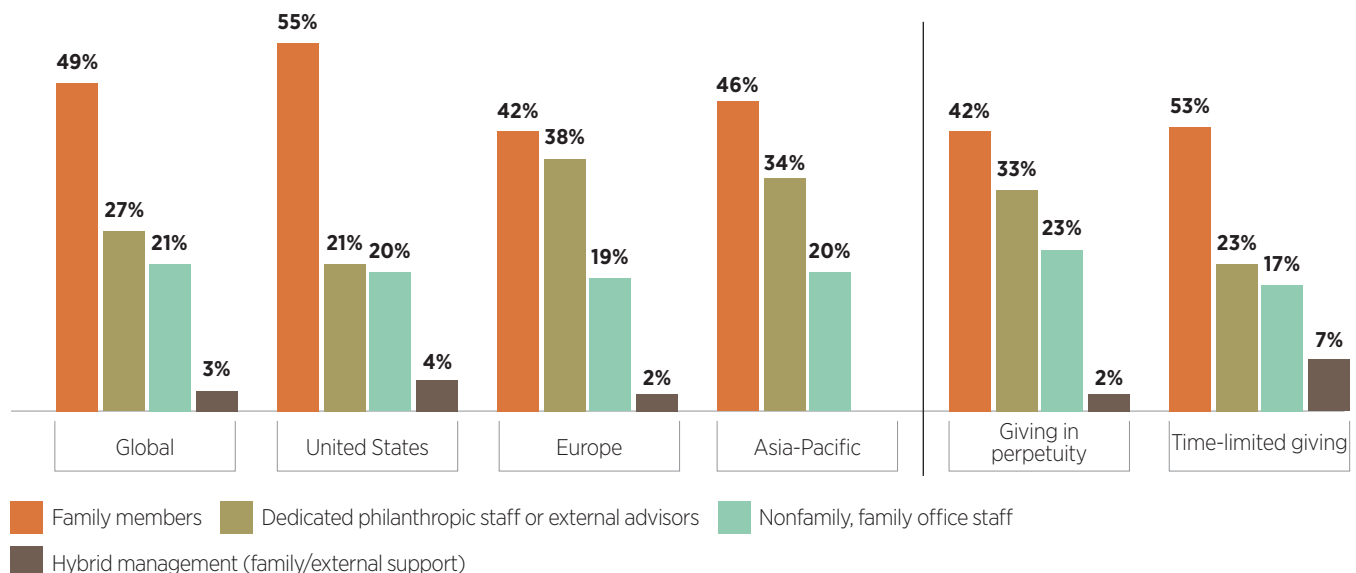
“If you are starting an initiative, sometimes it is better to have very minimal staff and rely on external advisors. If you set up a foundation and it grows too much, part of the funds and effort goes to maintaining the organization itself. Then you can lose focus and forget the purpose for which you are funded.” - CEO, Private Foundation, Europe

5.3 Grantmaking versus operating activities

Grantmaking was the most common approach

Globally, 41% of family philanthropies engaged in grantmaking, 17% designed and implemented their own programs, and 38% used hybrid approaches combining grantmaking and operating activities (figure 5.3).

Figure 5.2: Day-to-day management of philanthropic entities, by region

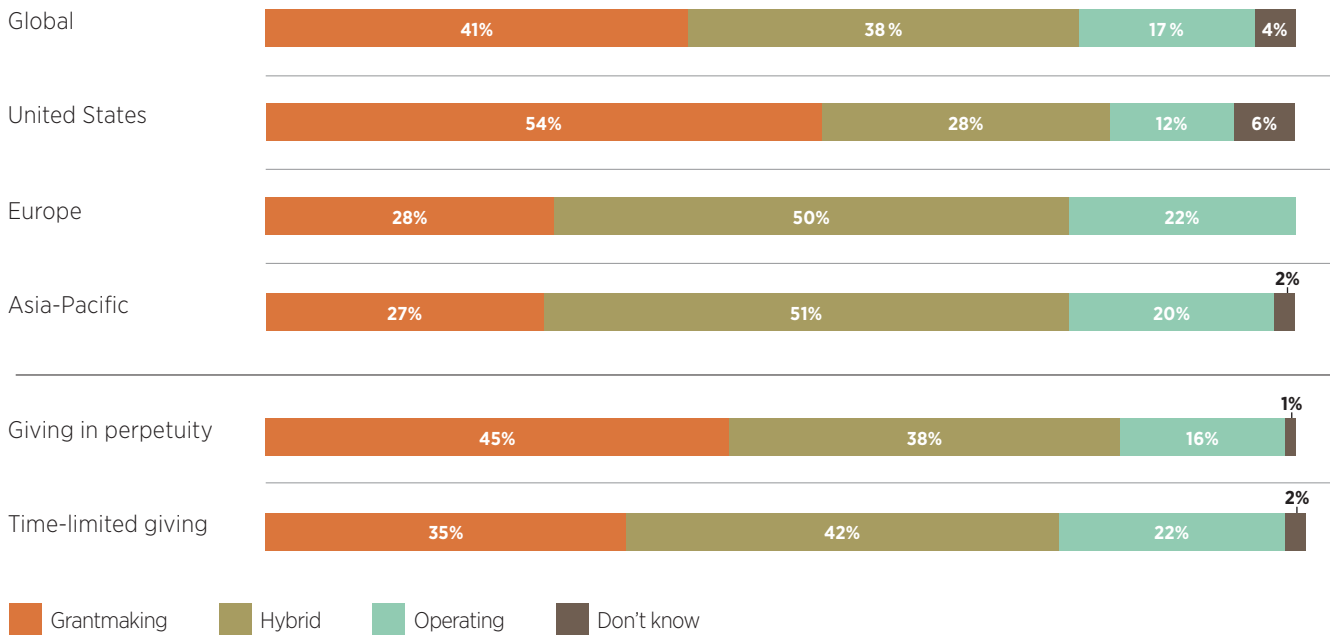


Note: Figures may not sum to 100% due to rounding.

In terms of regional differences, families from the United States were more likely to engage primarily in grantmaking (54%), while those in Asia-Pacific and Europe most often used a hybrid model (51% and 50%, respectively). The operating foundation model of designing and implementing one’s own programs was also more popular in Asia-Pacific (20%) and Europe (22%) than it is in the United States (12%).

There were also differences among adopters of different strategic time horizons. The majority of time-limited respondents preferred a hybrid model (42%), followed by grantmaking (35%) and operating (22%) approaches. Adopters of in-perpetuity philanthropy preferred grantmaking (45%), followed by the hybrid (38%) and operating (16%) approaches.

Figure 5.3: Family philanthropy, by approach and time horizon



Note: Figures may not sum to 100% due to rounding.

6.

Conclusion

6.

Conclusion

This report aims to capture trends in family philanthropy, particularly as they relate to strategic time horizons in giving. The results suggest that, broadly speaking, philanthropic activity within the global wealth community has been growing over the last three decades, with one in two respondents first engaging in philanthropy at some point over this period.

In parallel, time-limited philanthropy has grown in popularity over recent decades, challenging the in-perpetuity model that currently dominates globally. In fact, a considerable portion (three-quarters) of those currently engaging in time-limited philanthropy adopted it in the 1990s or later.

As established players mature and new ones come into the fold, philanthropists will need to engage in thoughtful analysis of which giving strategies are best suited to their vision, goals, and available resources. Before settling on the optimal approach, activities and structure, families should carefully consider a number of questions in order to most effectively position their philanthropic efforts:

- What is your motivation for engaging in philanthropic giving?
- What issues does your family care about most?
- Do you want to support causes locally, regionally, or globally?
- What percentage of the family wealth are you willing to give?
- What outcome and impact are you hoping to achieve?
- What philanthropic timeline are you envisioning for giving?
- What philanthropic role, if any, should the next generation play in the family's philanthropy?

It is important to remember that no two families will arrive at the same answer to these questions. As our global survey results demonstrate, one size does not fit all when it comes

to family philanthropy and strategic time horizons, and there are no right or wrong answers to these questions.

Several key observations and trends emerged from this study which could be helpful to philanthropists as they seek to hone their giving strategies and explore new approaches. These include:

- Time-limited philanthropy is a growing trend that is here to stay.
- Many models can work and bring satisfaction. It is key to determine what works best for the family's specific motivations and vision.
- No matter what the chosen time horizon is, whether it's in-perpetuity or limited-life, philanthropic timeframes should be a regular topic of discussion at all levels of family philanthropy. This is crucial for crystalizing, validating and adjusting the current strategic course, and achieving greater impact.

We hope our research will inform and enrich the practice of family philanthropy and assist donors across the globe in their search for the best ways to deliver the greatest possible benefit to society.

7.

Case Studies

7.1 The Jacobs Family Foundation

7.2 The Swades Foundation

7.3 The Robina Foundation

7.4 The Youth and Philanthropy Initiative

7. Case studies

7.1 The Jacobs Family Foundation

- **Year of founding:** 1988
- **Location:** San Diego, California, United States
- **Date of Decision to Spend Down:** 1988
- **Closure Date:** 2030
- **Number of staff:** Nine

Foundation history and guiding principles

From its inception in 1988, the California-based Jacobs Family Foundation was designed to have an endpoint based on the founder's personal experience, philosophy, and desire to see an impact during his lifetime.

The founder, the late Dr. Joseph Jacobs, also known as Joe, grew up in poverty, often eating a french fry sandwich as his meal. However, as recounted by his daughter Valerie Jacobs, the current vice chair of the foundation, "He worked his way through school and went the whole nine yards." He earned a PhD in chemical engineering, and established the construction company Jacobs Engineering Group. When the company went public in the 1970s, the Jacobs family came into significant wealth. Thereupon, they started to reflect on issues of purpose and legacy.

After discussing it with his wife, Violet, Joe gathered his family and said, "You guys are set up. You do not have to worry about money, so we are planning to give the rest away." Joe's family shared his commitment to giving and offered to help. He established the foundation, and his family became board members.

In terms of the purpose, Joe, a resident of Pasadena, felt grateful for the opportunities the city had given him. Since his daughters lived and worked in San Diego, he also wanted to support the development of the city's Diamond neighborhoods, which had suffered from underinvestment and faced long-term economic challenges. His guiding principle, according to Valerie Jacobs, was "a hand up, not a handout." Joe believed that "charity was demeaning and that the best thing you can do for somebody is to provide them with a living-wage job, so that they can support their family."

Counter to common practice at the time, Joe established a time-limited foundation. He did so for several reasons: he wanted to see the impact of his giving in his lifetime; he wished to avoid the problems faced by some in-perpetuity organizations which, over time, saw the original intentions of their founders fade away; and he believed that families tended to lose appreciation over the generations for how the wealth was originally created.



"The best thing you can do for somebody is to provide them with a living-wage job, so that they can support their family."

DR. JOSEPH JACOBS, FOUNDER,
THE JACOBS FAMILY FOUNDATION

Above: Valerie Jacobs,
vice chair of the Jacobs
Family Foundation

Giving back to the community

One of the main objectives of the Jacobs Family Foundation was to develop 65 acres of land to support the socio-economic development of the Diamond neighborhoods. The family wanted to involve the community in the decisions about how to develop the land, so they recruited a team of community leaders to solicit input from 600 residents. The bulk of the residents wanted to build a commercial and cultural center, which was green-lit and later named Market Creek Plaza.

The plaza opened its doors in 2004, and the foundation launched a first-of-its-kind community initial public offering (IPO) of shares in the plaza in 2007. Nearly 500 residents collectively purchased 20% of the shares².

Today, Market Creek Plaza sits at the heart of the community, hosting small- and medium-sized businesses, community-led art exhibition rooms, and art performance spaces. The foundation also trains local residents in career and business development there, with a special focus on women, youth, and non-English speakers.

The end goal for the family, Ms. Jacobs says, was “to build assets, make sure that all debt is covered, and ensure that there is a surplus in revenue,” meaning that they wanted the development to be not only economically sustainable but also commercially prosperous. “Then, at some point during the next five years, we are going to turn over all of the assets to the community” through a nonprofit organization controlled by the community.

Preparing to exit

As the Jacobs Family Foundation prepares to cease its operations in the course of the next decade, it is time to plan what kind of organization will replace the foundation. This is still a work in progress, however, Ms. Jacobs envisions “a nonprofit organization led by people from both inside and outside the community. There will be residents but also experts needed to help with the management of the assets and the redistribution of wealth across the community.”

At this stage, the Jacobs Family Foundation has established a team of financial and community building experts. They are discussing what form the future organization will adopt, including the forthcoming roles of employees. “Our current staff have a huge passion for their work. Moreover, after the transition to a community nonprofit, the organization will need staff. Therefore, we are trying to grow their leadership skills to help facilitate a successful transition.”

"At some point during the next five years, we are going to turn over all of the assets to the community."

VALERIE JACOBS, VICE CHAIR,
THE JACOBS FAMILY FOUNDATION

Below: Market Creek Plaza



² https://ssir.org/articles/entry/the_peoples_ipo#

Challenges and lessons learned

The philanthropic journey of the Jacobs Family Foundation is unique in many respects. In Ms. Jacobs' words, "Our journey as a foundation can be compared to navigating in uncharted waters." Not only was it rare to establish a time-limited family foundation in the 1980s, Market Creek Plaza is arguably the first project of its kind in the United States to be built and owned by community members.

Over 2,000 local residents were involved in the planning and design of the plaza, and Ms. Jacobs explains that involving the community in this way, and particularly in the original decision-making process, has had a significant impact on both the foundation and the residents.

After an open recruitment and application process, three residents were appointed to the foundation's board and, Ms. Jacobs explains, "They have the pulse of the community, and they bring it into the boardroom, which was never possible before." They have also helped the community to understand the "inner workings of our foundation," creating a reciprocal positive impact. Lastly, and significantly, as the end goal is to transfer the assets to the community, having local leaders on the board has been critical to the development of leadership skills which will be needed after the transition.

In terms of the challenges associated with charting new territory, the family has had to learn some things through trial and error. For example, Ms. Jacobs points out that at one point, the foundation had more employees than was necessary or sustainable for a time-limited foundation, and at another, it faced numerous legal hurdles when trying to sell shares of Market Creek Plaza.

However, as the family sees it, taking risks and failing along the way are important keys to long-term success, and had they followed a traditional philanthropic route, the end result would not have aligned with Joseph Jacobs' original vision. Despite the challenges they have faced, the Jacobs family is confident that its foundation is on the right track. ■

"Our journey as a foundation can be compared to navigating in uncharted waters."

VALERIE JACOBS, VICE CHAIR,
THE JACOBS FAMILY FOUNDATION



7.2 The Swades Foundation

- **Year of founding:** 2013 (known as SHARE 1983–2013; renamed the Swades Foundation in 2013)
- **Location:** Mumbai, India
- **Duration of time-limited program (Dream Villages):** Approximately seven years
- **Number of staff:** Approximately 300 staff and 1,000 volunteers

Foundation history and guiding principles

When Ronnie and Zarina Screwvala sold their telecommunications and entertainment business to Disney in 2012, they found themselves in the privileged position of being able to try to fulfill their dream of, as Ms. Screwvala notes, “lifting one million people out of poverty every five years in rural India.” To do so, they decided on a holistic 360-degree rural development model for the Swades Foundation. The founders’ philanthropic activities had started decades earlier, supporting health, water, and sanitation projects in Mumbai and other parts of the state of Maharashtra, in western India. The foundation, earlier known as Society to Heal, Aid, Restore, and Educate (SHARE) had been in operation since 1983. In 2013, the Screwvalas renamed the organization the Swades Foundation.

Expanding the reach of their giving and developing a holistic model at Swades was a culmination of a long journey. The Screwvalas’ involvement in rural philanthropy made them realize that they had much to learn about rural India. As a result, they embarked on a year-long trip across the country, visiting communities and meeting with NGOs, government officials, and local philanthropists.

The Screwvalas observed that the communities they visited shared a common feature: the NGOs that operated there had existed for decades, with no intention of exiting. Their belief that this was stifling the communities’ self-empowerment inspired their time-limited approach, which gave programs a seven-year time horizon. The Screwvalas also thought the NGOs’ remits were too narrowly focused on single issues and failed to address the communities’ full breadth of needs, thereby limiting their ability to emerge from poverty.

“[Our dream is] to lift one million people out of poverty every five years in rural India.”

ZARINA SCREWVALA, CO-FOUNDER,
THE SWADES FOUNDATION
(Pictured below)





The Dream Village program

To address these issues, the Screwvalas introduced the Dream Village program, which was founded on a holistic 360-degree rural development model in 2013. Today, having benefited more than half a million people, the program operates in 2,500 villages and hamlets in the Riagad district of the state of Maharashtra. The program currently has approximately 1,000 community volunteers and 300 staff.

Using a 360-degree strategy, the program is time-limited in approach and based on three guiding principles: (1) empower rural communities to shape and implement their own development projects; (2) employ a holistic approach to community development that covers health, education, economic development, and water/sanitation; and (3) install an exit plan that ensures that communities are self-sufficient upon the foundation's departure.

To date, the program has benefited 135,000 children through its engagement with over 1,300 rural schools, awarded 4,000 scholarships to students, and trained an equal number of teachers/principals. As a result of its work, tens of thousands of homes have been provided with potable water taps and toilet facilities. More than 10,000 entrepreneurs in animal husbandry have been nurtured, and nearly 15,000 cataract surgeries have been performed.

The foundation uses what Ms. Screwvala refers to as a “4E” strategy, which stands for engage, empower, execute, exit. She explains, “We involve a community from the start by building up a relationship with its members, so as to really understand them before we execute programs which will impact them. As these programs unfold, we build up community members’ skill sets and the know-how needed to maintain the programs after our departure. Finally, when we exit, we monitor the communities’ progress, stepping in where needed to help them become competent owners of the programs.”

“We involve a community from the start by building up a relationship with its members, so as to really understand them before we execute programs which will impact them.”

ZARINA SCREWVALA, CO-FOUNDER,
THE SWADES FOUNDATION

Above: Economic Development — Farmers harvesting vegetables (second crop) through drip irrigation supported by the foundation

Scaling up and scaling down: the role of government and local partners

The Dream Village program can be flexibly adapted to different scales. Government bodies can roll out the program on a large scale, and local partners can implement it on a smaller scale.

To illustrate, from an early stage, the government of Maharashtra has praised the Dream Village program as a powerful example of rural development. As a result, the foundation has signed a memorandum of understanding with the state government to create 1,000 Dream Villages within the next five years.

On a smaller scale, the foundation has also partnered with multiple NGOs to create synergies, making use of their capabilities and on-the-ground experience. “We don’t do anything on the ground that another NGO can do better,” remarks Ms. Screwvala. “We invite them in, take utmost care in selecting them, supervise them heavily, and pay for the service they provide. We have had some excellent experiences working in this way. Currently we have approximately 17 partners across the board.”

Challenges faced, lessons learned

Like any other large initiative, the foundation has faced its share of challenges. To begin with, “it was, and continues to be, a challenge to convince people of the merits of a 360-degree development strategy,” notes Ms. Screwvala. “My peers have told me to do one thing but do it well, as they have believed that a full-circle approach would not work. The real challenge here has been to change people’s mindsets, so as to drive the program forward. Physical factors are not really a problem; the main barriers are always mental.” Through achieving one success after another, however, the foundation has been proving the effectiveness of its approach one step at a time, changing minds along the way.

Identifying and implementing an effective sequence for projects’ work streams was another challenge. Basing the foundation’s work on a limited time horizon “has given us a sense of urgency and purpose,” notes Ms. Screwvala. “However, we have learned not to be in a hurry. The first Dream Villages we rolled out were rushed. We were still in the planning stage for projects while rolling them out, and this created confusion and delay. It also left the community uncertain about how to carry forward projects after our exit. In the second wave of Dream Villages, we took our time with planning, using the first six months of the project to speak with communities and ask them about their aspirations and priorities. Projects were implemented later, but they ultimately progressed faster and the exits will be cleaner. In other words, if you want to go fast, you first need to go slow and start small.”

A third (and current) challenge the foundation is facing concerns how best to exit some of its trickier projects. The foundation’s earliest programs, launched in 2013, were given a seven-year time horizon for exiting. In preparation for this hand-over, the foundation learned that its health and education projects are more difficult to exit than its water, sanitation, and economic development projects. For instance,



Top: Ronnie and Zarina Screwvala conducting a poll with the Gathemal village community

Below: Education — Girls enjoy reading a variety of books at the foundation’s libraries



"If you want to go fast, you first need to go slow and start small."

ZARINA SCREWVALA, CO-FOUNDER,
THE SWADES FOUNDATION



water and sanitation works have been well established, so local groups will readily assume ownership of them. However, as Ms. Screwvala puts it, “How does one exit—and what does it mean to exit—the health and education areas? Whom do we hand over to? Do we hand over to the government? If so, will it continue to operate the program properly?” To address the issue, the foundation has been working with the community and state government to implement a longer-term strategy, such as it has with the Maharashtra government. It has also made itself available to offer post-exit support to ensure a smooth and effective transition.

The Swades Foundation is still forging its path as an innovator in full-circle philanthropy in rural India. With many successes under its belt, the foundation is gaining new experience and wisdom with each new village it impacts, embracing the philosophy of “nothing ventured, nothing gained.” ■

Top, left: Zarina and Ronnie Screwvala visiting the marigold farm of one of Swades’ on-farm (drip irrigation) beneficiaries

Top, right: Water — The foundation believes in providing every household with a toilet, plus drinking water through a tap

7.3 The Robina Foundation

- **Year of founding:** 2004
- **Location:** Minneapolis, Minnesota, United States
- **Year it became a limited-life foundation:** 2004
- **Closure Date:** 2020
- **Number of staff:** Two part-time

Foundation history and guiding principles

James H. Binger was the CEO of Honeywell Corporation, a private investor, philanthropist, and community activist. In 2004, when he was 88 years old, Mr. Binger established the Robina Foundation as a time-limited entity and endowed it with approximately \$150 million to be spent down in the course of no more than 20 years. To oversee the allocation of these grants, Mr. Binger appointed a board of trustees which he deemed to possess “inquiring and critical minds and respect for unconventional ideas and notions of futurism.”

Before passing away, Mr. Binger studied the work of successful foundations in order to craft Robina’s bylaws, which describe not only his philanthropic vision for the foundation, but also the qualities board members should possess. Mr. Binger conveyed his philanthropic vision to the board of trustees and four beneficiary institutions to which he wanted to give back for positively impacting his life. He had studied at Yale University and the University of Minnesota Law School, and he was an active member of the Council on Foreign Relations. Mr. Binger and his wife had also received treatment at the Abbott Northwestern Hospital. Thus his wish was for his foundation to support these four organizations. For each of the four quite different designated grantees, Robina Foundation bylaws include broad guidelines describing the kinds of grants Binger felt would fulfill his vision for the foundation. He also stressed that the board should encourage innovation and creativity, and support forward-thinking, major projects and initiatives.

Focusing efforts to achieve greater impact

Following this vision, the trustees engaged directly with the four institutions, encouraging them to generate proposals for large-scale, original projects for funding from the foundation. The foundation did not have experts in all of the areas it supported but designated one trustee to be a liaison with each grantee institution. In addition, board members collectively were involved with each grantee and used external consultants to provide expert, in-depth analysis when needed.

Kathleen Blatz, chair of the Robina Foundation Board, explains, “If you have a small board that is active, you get to know your grantees. We visited them a lot over the years. We were actively involved, even with a small staff, and came to intimately know the facets of each proposal before making a decision concerning funding.”



“I think that big institutions are used to complying with complex bureaucratic rules to apply for funding. When you say that you want something innovative, they can feel like a fish out of water.”

KATHLEEN BLATZ, CHAIR,
THE ROBINA FOUNDATION BOARD
(Pictured above)

It was not always easy, however, to motivate grantees to come up with innovative proposals. Large institutions, such as the ones funded by Robina, are accustomed to mainstream ways of dealing with philanthropists. Ms. Blatz says, “I think that big institutions are used to complying with complex bureaucratic rules to apply for funding. When you say that you want something innovative, they can feel like a fish out of water. Grantees are used to presenting one idea to different potential funders, but we were looking for something different. In the end, it was a learning process for them and for us.”

Nonetheless, the Robina Foundation funded a number of successful projects across these institutions. For example, it supported the Abbott Northwestern Hospital in developing a new care model for patients suffering from Alzheimer’s disease, cancer, heart failure, and chronic illnesses. To expand the creation and production of new plays, the foundation provided funding for the launch of the Binger Center for New Theatre at Yale School of Drama, which commissions and fosters the development of new plays. To date, Binger Center commissions have supported the creation of 50 plays, 10 of which have had multiple productions in American theaters, including on Broadway. The University of Minnesota Law School received funding to develop the Binger Center for New Americans, which addresses the social and legal needs of immigrants. As Ms. Blatz proudly notes, “With the active involvement of law students, the Binger Center helped successfully litigate a case before the US Supreme Court that clarified the circumstances under which an immigrant may be deported for a drug conviction.” Finally, the Council on Foreign Relations was awarded a grant to launch the International Institutions and Global Governance Program, which, among other things, brings international think tanks and policy organizations together to tackle global challenges.

Challenges and lessons learned

The Robina Foundation’s directive to allocate a series of relatively large grants over a limited time period, with a small staff and board, was challenging. While grantees appreciated that the foundation imposed few bureaucratic demands, several grantee representatives expressed disappointment that some proposals requiring extensive time and effort to develop did not receive funding.

“The criticism you might hear is that we did not have specialists in our staff, so we did not fund a project because we did not have expertise in that particular area,” says Ms. Blatz. “However, our way of working goes against traditional models: big foundations, big staff, people who compartmentalize, specialize, etc. Doing that takes a lot of resources, and we were not trying to be that kind of foundation. Instead, we purposely were a hands-on board with a limited staff that drew on the expertise of consultants when appropriate.”

As a result, the Robina experience could prove valuable to donors who wish to create notable impact with small-to-medium-size endowments and staff.

As Ms. Blatz points out, “Many families do not have enough resources to put into a classic foundation. In my opinion, the Robina Foundation model could be used for a \$10 million fund. You could make the argument that it might make more sense for smaller foundations, with small staffs and boards, to be time-limited. You can punch above your weight, concentrating your resources on a limited number of beneficiaries and areas, with much more impact and influence than if you scattershot it.” ■

"You can punch above your weight, concentrating your resources on a limited number of beneficiaries and areas, with much more impact and influence than if you scattershot it."

KATHLEEN BLATZ, CHAIR,
THE ROBINA FOUNDATION BOARD

7.4 Youth and Philanthropy Initiative

- **Year of founding:** 2016 (spun off from a time-limited private family foundation, the Toskan Casale Foundation, founded in 2001)
- **Location:** Toronto, Ontario, Canada
- **Number of staff:** Five

Foundation history and guiding principles

In 2001, Julie Toskan, along with Frank Toskan and Victor Casale, established the Toskan Casale Foundation. This Canadian family had founded MAC Cosmetics, which it sold to Estée Lauder in 1998. The family foundation adopted a spend-down approach from the onset and embodied two key principles. First, that community members should make the granting decisions for the communities in which they live. Second, that the foundation should search for ways to encourage community members to engage with each other and discuss social issues. Between 2002 and 2016, the Toskan Casale Foundation spent down most of its assets while engaging nearly 300,000 students and reaching more than 2,700,000 people across Canada.

In 2002, the Toskan Casale Foundation launched its flagship program, the Youth and Philanthropy Initiative (YPI). The initiative focused on forming partnerships with high schools across Canada, and, to date, its foundational premise remains the same. In teams, students learn about social issues impacting their community; choose a charity that addresses one issue to research and visit; and then share with their peers what they learned, through a classroom presentation. The top presentations from the year advance to each school's YPI Final, where a youth-led panel of judges selects one team to win a CAD \$5,000 grant for the charity it represented.

Transition: from a spend-down family foundation to an in-perpetuity public foundation

As the Toskan Casale Foundation approached the end of its intended grantmaking, the demand from schools, pupils, parents, and other stakeholders was clear, as was the foundation's sense of commitment to the relationships built over more than a decade. The initiative needed to continue—and to grow. After a process of engaging with the communities and peers on the ground, the founding donor and senior management decided to transform YPI into an in-perpetuity public foundation.

During the transition, the Toskan Casale Foundation and new supporters provided funding to sustain the initiative while it engaged in fundraising. Over the course of 18 months, YPI completed the necessary paperwork to secure the transition, including its registration with Canadian tax authorities and recruiting a public board of directors. In July 2016, YPI Canada obtained charitable status and held its first board meeting in the autumn.



"Student groups do site visits to nonprofit organizations doing impactful work. They learn about the social issues affecting local communities and how professionals are attempting to tackle those issues."

HOLLY MCLELLAN, EXECUTIVE DIRECTOR, YOUTH AND PHILANTHROPY INITIATIVE
(Pictured above)



Left: YPI Final Presentation Assembly — Finalists prepare and deliver a presentation of their chosen charity and issue. The team with the most compelling presentation is awarded a \$5,000 grant to direct to their charity

Below: Teams select and further research the charity they believe best addresses their chosen issue

In its first year as a public foundation, YPI Canada operated in an office originally leased to the Toskan Casale Foundation and the ownership of equipment and furniture was transferred to the initiative. The initiative's staff was formally employed by the Toskan Casale Foundation until October 2016, after which it officially transferred to YPI, with all contracts honored and seniority and pay preserved. Currently Julie Toskan serves on the YPI Canada board, and the initiative is funded entirely by public and private sources unrelated to the Toskan-Casale family.



Successes and impact

According to Holly McLellan, the executive director of YPI, the now-public foundation continues to have a transformative effect on students and communities in Canada. “Student groups make site visits at local charities doing impactful work. They learn about the social issues affecting local communities and how people are working together to tackle those issues.”

The students then head back to the classroom and develop a presentation about how a CAD \$5,000 grant would support the organization's work, with a focus on changing attitudes and behaviors. They pitch for the investment, and the winning team secures the grant.

The YPI strategy has several advantages. One, it avoids the need to set up a large organization with many staff members. Two, the small awards are channeled through established organizations that are already implementing

successful projects. Three, the strategy empowers community members, NGOs, and schools, which are best informed about their own unique needs, to work together for a common purpose.

Over its 17 years of existence, YPI has partnered with hundreds of schools and helped transform their curricula and cultures. McLellan says, “Hundreds of thousands of young people have gone out and built new relationships and an awareness and understanding of organizations and issues of importance in their communities. They have challenged their own biases and exchanged ideas about how to make the changes that need to be made.”

In addition, as the initiative gained recognition in other countries, the foundation began to replicate it in the United States and the United Kingdom, allocating seed funding. This approach was in large part responsible for YPI’s success and gave it an advantage when it became an independent initiative. McLellan further explains that the founding donors did not anticipate the success and impact that the initiative ultimately had: “We are now a multi-award-winning program, recognized by the governor general in Canada.”

At the same time, the initiative’s success created a sense of responsibility “to make sure that we kept this going—even after the family foundation spent down.”

Lessons learned

Transitioning from a spend-down family foundation to an in-perpetuity public foundation comes with numerous challenges. Public foundations need to demonstrate meaningful impact to secure funding from donors. During the transition period, YPI staff became acutely aware of the importance of developing a rigorous monitoring and evaluation program that is evidence-driven and tied to leading research.

The transition is not a common one, and the YPI experience places its executive director in a strong position to advise peers on the time-limited and in-perpetuity approaches:

“I have learned not to be entrenched in either camp; there are pros and cons to both. The spend-down model has enabled us to take risks and develop a powerful program, and now we can continue to make a positive impact by inspiring endowed foundations to democratize some of their own grantmaking. I will add, however, that there can be a lack of urgency among big in-perpetuity foundations, especially regarding systemic inequality and the climate crisis. More and more funders are examining their practices, listening to people with lived experience, and shifting real power and funds directly into the hands of communities,” concludes McLellan. ■

"Hundreds of thousands of young people have gone out and built new relationships, and built an awareness and understanding of organizations and issues of importance in their communities."

HOLLY MCLELLAN, EXECUTIVE DIRECTOR, YOUTH AND PHILANTHROPY INITIATIVE

Below: Each year, YPI Canada grants hundreds of thousands of dollars to community-based social service charities, 100% decided by thousands of high school students in its school-based youth philanthropy project



8. Appendix

8.

Appendix

The survey produced for this research generated a great deal of useful data. Not all of it could be incorporated in the main body of this report. Some of the most interesting additional data is supplied here.

Figure 8.1: Decade the family first engaged in philanthropy, by current time horizon strategy

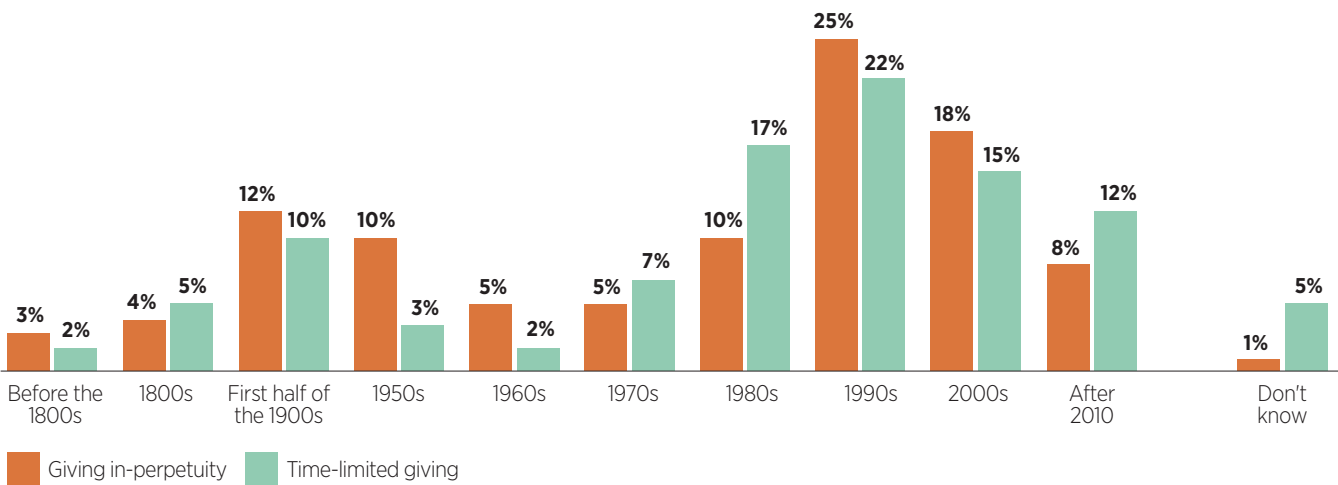
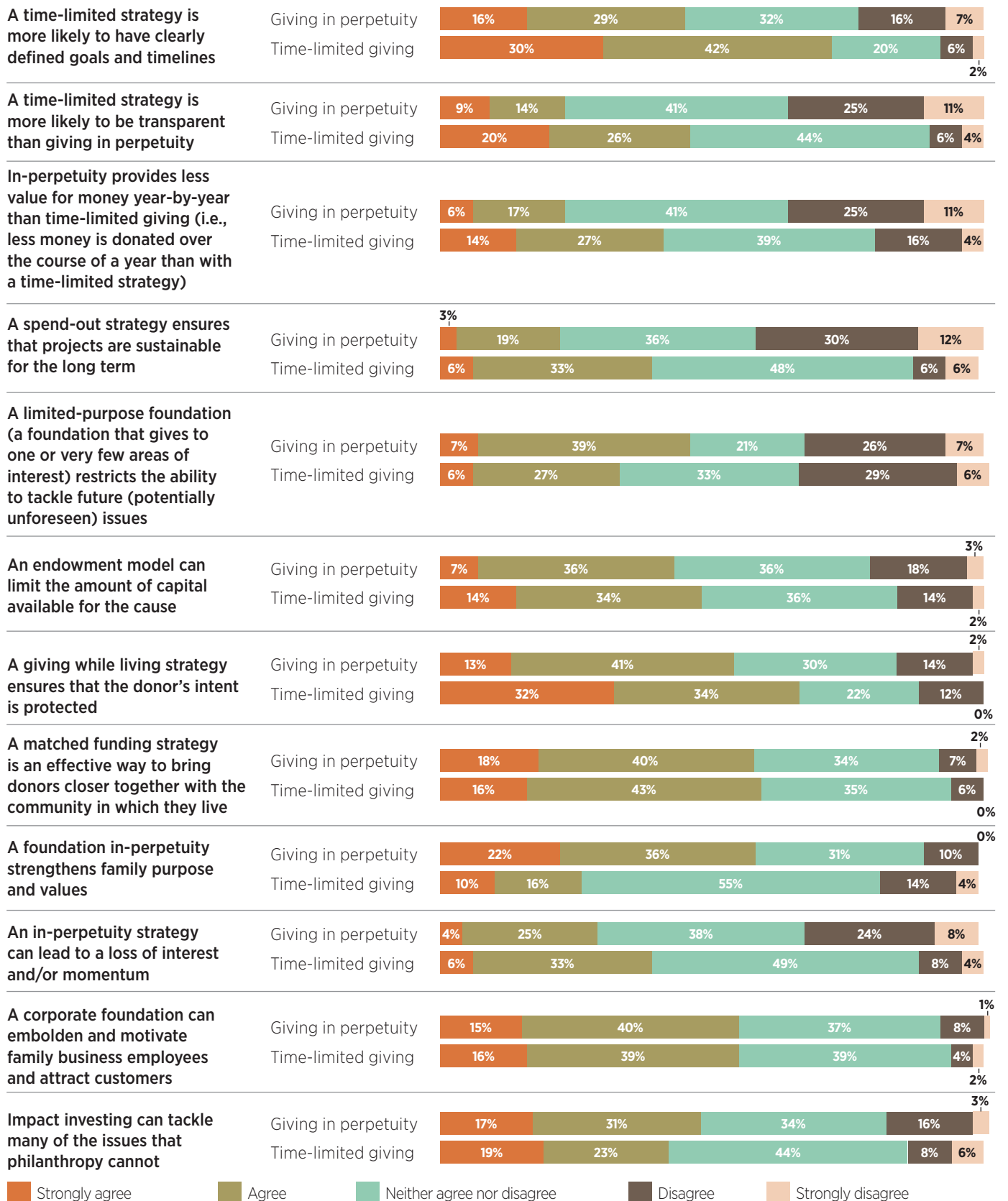


Figure 8.5: Time-limited versus in-perpetuity philanthropy: Agreement by current approach



Note: Figures may not sum to 100% due to rounding.

About

About Campden Wealth

Campden Wealth is a family-owned, global membership organisation providing education, research and networking opportunities to families of significant wealth, supporting their critical decisions, helping to achieve enduring success for their enterprises, family offices and safeguarding their family legacy.

The Campden Club is a private, qualified, invitation-only Members Club representing 1,400 multi-generational business owning families and family offices across 37 countries. The Club provides peer networking on a global scale, bespoke connectivity around aligned objectives, shared knowledge & best practices, co-investment opportunities with qualified liquid investors and support for the NXG. Campden Club Members also enjoy privileged access to generational education programmes held in collaboration with leading global universities.

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Rockefeller Philanthropy Advisors (RPA) is a nonprofit organization that currently advises on and manages more than \$200 million in annual giving by individuals, families, corporations, and major foundations. Continuing the Rockefeller family's legacy of thoughtful, effective philanthropy, RPA remains at the forefront of philanthropic growth and innovation, with a diverse team led by experienced grantmakers with significant depth of knowledge across the spectrum of issue areas. Founded in 2002, RPA has grown into one of the world's largest philanthropic service organizations and, as a whole, has facilitated more than \$3 billion in grantmaking to nearly 70 countries.

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• Acknowledgments

Melissa A. Berman
Donzelina Barroso
Brien Biondi
Susan Kemp
Ashwathi G. Athilat
Dominic Samuelson
Kylie Boyd
Sean Bennett

