



# Philanthropic Giving Guidelines

Over the last decade of working with multi-generational families, and helping them become more effective with their philanthropy, I have learned many lessons. Those in-field lessons have been enhanced by “best practices” developed by the strategic philanthropy field.

While philanthropy is highly individualized, there are some broadly applicable lessons. I’d like to offer you these seven guidelines:

## Look through two lenses

Look for an answer to these two questions: the first is externally focused — “What difference do we want to make in our community or beyond?” The second, looking internally, asks — “What difference do we want to make for ourselves?”

## Focus your giving

Develop a mission statement to use as a road map, focusing giving on a few carefully selected causes. It’s crucial to learn to say no to causes outside your mission statement and avoid the “peanut butter” approach to giving that spreads your resources too thinly over a broad area. My personal mission statement: “focus on efforts to unleash the full educational and economic power of half the people on the planet – women.”

## Support smaller, local nonprofits

Although large “household name” nonprofits often do great work, they are often well-funded and deeply endowed. Since small grass roots organizations often struggle for resources, gifts to them can make a huge difference. Moreover, giving locally enables you to become more engaged, with better opportunities to ask and listen to what the recipients need. There are also chances to volunteer, serve on boards, and get to know the leaders of the nonprofits working closest to the problems.

## Take risks with a portion of giving

Philanthropy is best viewed as “risk capital” with the potential to drive innovation. Solutions to society’s most challenging problems will require innovation involving risk. Dedicated to a purely social return on investment, philanthropic capital may well be the most effective and final stronghold for true risk-taking. Guided by your mission, be willing to take some “moonshots.”

## View philanthropic capital holistically

Money donated to a donor-advised fund has already left your balance sheet and is legally owned by a 501(c)(3) and cannot be reclaimed. Usually, a small percentage of this money goes to grants. The rest is usually invested for income – often without regard for its impact.

Bizarrely, such capital can be invested in companies that directly oppose your mission. A donor-advised fund devoted to girls’ empowerment might invest in companies that employ girls in foreign sweatshops.

Philanthropic capital should be invested not only to avoid contradiction with your mission, but also to help achieve that mission. Viewing such capital holistically, investing it for impact and financial return, can unleash billions of dollars toward improving the world.

## View philanthropy as a partnership

Rather than taking a “we’re here to solve your problems” approach, consider philanthropy as a partnership – a collaboration between you and the needs of the nonprofit. Organizations seeking support usually have great insights into strategies and solutions. A partnership approach – where both parties work as equals to achieve their missions – diminishes power dynamics and enhances outcomes.

## Have fun!

When the kids are getting older (and maybe having children of their own) it’s harder for many families to find the time and focus to work together on joint projects. Philanthropy provides an opportunity to come together to share values, solve problems, learn, have fun and enjoy this next phase of the family’s life.