



**CREATING  
CHANGE THROUGH  
FAMILY  
PHILANTHROPY**  
**THE NEXT GENERATION**

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THE NEXT GENERATION**

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**SECTION 1**

**FAMILY PHILANTHROPY  
AND SOCIAL CHANGE**

## INTRODUCTION

It's easy to come up with a list of reasons *not* to get involved in family philanthropy.

We are walking into organizations that were set up, in many cases, before we were even born. We are rarely given an orientation or the necessary information to be effective participants. When meetings are held across the country or in the middle of the week, it's hard to skip school or work to be there. Our family funds<sup>3</sup> may have priorities that we don't agree with. Plus, making decisions as a group of family members certainly isn't the most *efficient* way to give. Agreeing on what to fund—or what to have for lunch—can be a challenge.

On top of all this, family philanthropy grants us power and authority that can feel uncomfortable, or even misplaced. Incredibly experienced non-profit leaders have to prove to us they are deserving of grants. Our funding decisions can make the difference between whether an organization survives or has to shut its doors. Fancy board rooms and fundraisers can make us feel more like we've signed up for a social club than social change. Is this something we really want to be a part of?

### Why we need to get involved anyway

On the other hand, there's a big reason why it's *essential* for us to be involved: **As young people who have family funds, we can channel the money and power of family philanthropy toward social justice.**

Collectively family funds control over \$209 billion.<sup>4</sup> Yet currently only a tiny percentage of philanthropic resources support social change—one study estimates less than *3 percent* of all foundation giving.<sup>5</sup> As the “next generation,” we have the opportunity to dramatically increase that figure.

While the power that comes with getting more involved can feel awkward, it's exactly what makes our involvement imperative. Very few people are given this kind of access. This is our chance to use it for change.

### How to get started

Of course, the potential to create change doesn't erase any of the challenges. But with a strong analysis and solid tools, we can be truly effective. This book aims to give you everything you'll need to get started.

First, the focus is on theory. Section 1 begins by exploring how family philanthropy's history shapes the way funds run today and how we can use the concepts of social change philanthropy to frame our analysis. The bulk of the following chapters then examine why family funds' current practices hinder their ability to support social change.

Then it's on to Section 2 and taking action. Because family funds come in different shapes and sizes, you'll get a whole range of strategies. Whether your family's philanthropy is one generation old or five, whether the giving is in the thousands or the millions, there are many steps you can take.

The language of family philanthropy can be a confusing one filled with complicated jargon, mysterious acronyms, and strange terminology derived from tax code. If you're ever feeling lost, the Appendix has definitions, rules, and explanations.

## What is social change?

There isn't just one definition of social change. Social change encompasses many different issues from affordable housing to equal participation in the political process, from immigrant rights to dismantling racism. As a result, individuals and groups that are working for social change have many different visions for a better world. A common thread, though, is that social change activists address the *systems* that are creating inequalities rather than only ameliorating the symptoms.<sup>6</sup>

At RG, we define social change broadly to mean **creating a more just distribution of power and resources**. Currently, the top 10 percent of wealth holders in the United States have 70 percent of the wealth.<sup>7</sup> The world's wealthiest 500 individuals have a combined income greater than that of the poorest 416 million people.<sup>8</sup> These statistics don't require a lot of interpretation to demonstrate that the current state of affairs is unjust.

Creating change through family philanthropy requires tackling some difficult topics: money, power, privilege, politics, communication across generations, establishing respectful collaborations. But you don't need to take this on all alone. As you'll see in the stories shared throughout the book, there's a growing community of young people who are supporting and challenging each other to do this work.