

The Benefits of Family Philanthropy

Parents with significant wealth often are especially concerned about how their wealth will affect their children. The difficulty that parents face is how to communicate with their children about character, values and money. Most parents understand that simply telling children what their values ought to be will almost always fall on "deaf ears."

Parents and children generally do not spend a lot of time talking about issues that each think are important. This situation changes when parents and children engage in problem solving together. The focus of the conversation then moves from differences about priorities and values to a shared process of finding solutions.

Sharing that process—speaking frankly about things each considers important—and asking children to respond openly, creates the opportunity for a new kind of family dialogue. One of the places that families can share in this process is through making charitable gifts together.

To develop your children's involvement with philanthropy, it is important to give them opportunities to take ownership of the giving experience. For younger children, taking responsibility for charitable giving is not as important as seeing positive results from their participation in the family's philanthropy.

For adolescent children who are making the transition to young adulthood, having the freedom to choose the types of charitable projects that they wish to fund is crucial. In order to make this a genuine lesson in philanthropy and stewardship, children must also experience the accountability that comes with their freedom to choose.

Finally, for adult children, philanthropy makes an excellent place around which the family can gather to share values and interests, celebrate accomplishments and make a genuine difference in the world around them.

The core benefit of giving together is how it can transform the relationships within a family. In developing strategies to help parents involve their children in giving, important values and character-building traits are communicated to their children through the process. For example:

- **COMPETENCY**

Wealth can rob the recipient of the opportunity to develop critical skills and abilities. The act of making gifts provides family members a venue within which to cultivate skills such as problem solving, analysis, and management.

- **SELF-ESTEEM**

Self-esteem is derived from the conviction that one is a capable individual. It is our string of achievements and small successes that gives us the assurance that we will prevail against the challenges ahead. Successful outcomes from well-made gifts supply the giver with that string of accomplishments upon which one can assemble a sense of personal satisfaction and self-assurance.

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- **MOTIVATION**

Purpose plus vision supplies one with the essential elements with which to carve out a career. The exposure to a broad landscape of charities and purposes affords the giver with an opportunity to find both personal meaning and a mission upon which to base a life's work.

- **DISCIPLINE**

A key to discipline is the ability to set and maintain boundaries. These boundaries enable one to delay gratification in order to wait for the best rather than the immediate. The process of making gift distributions places boundaries on the giver because of limited funds available for an array of good programs from which to choose. This necessitates that the giver defers some programs over others. Once developed this skill that can be transferred into other areas of life.

- **JUDGMENT**

Wealth does not ensure wisdom, but experience can. The process of making gift distributions allows the giver to take well-reasoned risks on worthy causes. Accumulated experience with these risks creates a body of knowledge that the giver can apply to many life situations.

- **MATURITY**

Every parent's wish for his or her child is that he or she achieves the confidence and ability to lead a meaningful life of one's choosing. The cumulative skills that can be acquired through giving can provide that child with a full complement of hope, ability, and assurance from which to undertake his or her chosen journey.

- **INTEGRITY**

The combined strength of the traits above empower the giver to courageously deal in honesty with his or her self, family, friends, and organizations seeking support.

The strategies that can sustain these traits can be oriented to the various developmental needs of the children. But, to obtain this family-building benefit, you must proactively and thoughtfully create opportunities to involve your family in the giving process. Such opportunities include inviting the children to propose charitable recipients, participating in volunteer programs, making site visits, and managing the charitable entity.

Harris myCFO, Inc.'s Philanthropic Services assist individuals and families in capturing these important family benefits from the giving process. From suggesting programs to creating curriculum to facilitating meetings, our department is able to help you transform giving into a family event.