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KAROFF CENTER AT TPI LIBRARY SERIES: THE VENTURESOME DONOR

*Raising Children with  
Philanthropic Values*



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## About TPI

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The Philanthropic Initiative Inc. is a non-profit consulting firm that works with donors to support them in achieving engaged, high impact philanthropy. TPI provides research, planning, program design, and management services to individuals and families as well as corporate, private and community foundation funders. Founded in 1989, TPI has worked with over 250 donors and philanthropic institutions throughout the world.

A fundamental tenet of TPI's work is that giving, when targeted in smart and often innovative ways, can leverage constructive, sustainable change for individuals and their communities.

Giving, as we see it, is serious investing, driven by a donor's values, passions, imagination, skills and ever-growing understanding of the issues.

In addition to the consulting practice, TPI works to encourage the growth of more effective giving through research, educational programming and publications such as this and other monographs in The Venturesome Donor series.

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## Overview

All parents have hopes and dreams for their children. They hope to see their children create loving relationships, achieve success in satisfying careers and make productive contributions to society. For many parents with strong moral, religious or civic beliefs, it may be particularly important that their children grow up to become caring, generous adults with deeply-held philanthropic values.

Families with wealth may have more pronounced and complex reasons to promote philanthropy. Parents who themselves have been raised in a tradition of stewardship may want to extend this legacy into the next generation. Parents also may be concerned about the potential risks of wealth on their children's development, such as stunting their initiative, undermining their self-worth, or fostering a sense of entitlement, materialism, and isolation. Promoting appropriate and responsible philanthropy within the family is a wonderful way to surmount these challenges.

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parents very closely;  
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observing their  
behaviors.*

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## Determining philanthropic values

First, we must start with the most basic question: What are values? Values are your beliefs about what is important. Values define your view of the world and give meaning to your life. While we may not spend a great deal of time talking about our values, we know intuitively that our most important values are reflected not by our words, but by our priorities and actions, particularly when we are faced with tough choices. Sociologist Milton Rokeach has written, "A value represents a result that you believe is important, not just now, but in the long run."

### *How do children learn these values?*

People develop their values through observation, experiment, experience and feedback. For young children, parents play the most significant role. Children watch their parents very closely; they absorb their parents' values by observing their behaviors. By the time children are teenagers, they increasingly turn to others to help sort out their identity and define their value systems, comparing their observations in the world against what they have learned at home. Role models play a critical role at this stage and include friends, teachers, religious and civic leaders, employers, and, for better or worse, the media.

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## The parental role – shaping a child’s philanthropic values.

### *Develop an understanding of your own values, starting with your “money values.”*

We all have beliefs about money. Affluent parents may have more difficulty clarifying these values since there are so many choices they can make available to their children. Wealth counselors offer a variety of tools to help people articulate their money values and assess whether their behavior is consistent with these values. Keeping a money diary, identifying “money heroes,” or creating a priority ranking of “belief statements” about money can provide valuable insights. Your understanding of how philanthropy fits into your money values will determine the way you shape your children’s philanthropic values.

*(References to some good tools are included in the Resources Section).*

### *Model, communicate and cultivate your values.*

Your money values will be most powerfully communicated in how you acquire, manage and spend money. Talk about money with your children in a straightforward manner. Money is often a taboo subject for parents and children, yet many experts believe that a reflective conversation about money is an excellent way to communicate your beliefs. “What would you do if you suddenly won a million dollars?” is a fun way to start a conversation about money and philanthropic responsibility. Life also offers many “teachable moments” for these discussions; for example, when you watch a news program about the homeless or when you talk about allowances.

### *Expose your children to the wider world.*

One of the pitfalls of wealth is that your children may live in an isolated world of socioeconomic homogeneity and may not be exposed regularly to the “have not” segment of society. Our culture is replete with subtle and not-so-subtle messages about the “failures of the poor.” Sometimes our American spirit of individ-



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ual achievement and competition can be understood to mean that everyone gets a fair chance. Parents can debunk these stereotypes and take proactive steps to broaden their children's horizons. Encourage your child to join after-school activities with diverse groups of kids. Get involved as a family in community service projects. Use travel together as an opportunity to "unshelter" your children.

### *What are specific ways to encourage children to "give back"?*

Philanthropy is often defined as an effort to improve society, based on love of humankind. While philanthropy usually includes money, it is most meaningful when it comes from the heart and includes the contribution of time and talents. The following principles may help to guide your approach to philanthropy with your children:

- Take a cue from your children. Listen to them and support their interests.
- Talk reflectively and provide choices. Lecturing and forcing are ineffective. Serve as a resource to connect your children to opportunities.
- Be sensitive to your children's developmental needs. What may engage them at one age may be a turnoff when they get older.
- Don't worry! As long as you model your own philanthropic values, they will get the message. You may not see the results until later in life, when your children become parents themselves.

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## A LIFE ALTERING EVENT.

Eileen and John Gallo, a psychotherapist and estate planning attorney respectively, who have written extensively about psychological issues related to wealth, suggest that “values aren’t values unless they have emotional, intellectual and behavioral components.” This concept is amply illustrated by the story of Roger, an extraordinary young man:

WHEN ROGER WAS 14, HIS FAVORITE COUSIN CONTRACTED A LIFE-THREATENING DISEASE. THE EXISTING MEDICAL TREATMENTS WERE SPORADICALLY EFFECTIVE AT BEST AND, BECAUSE OF THEIR PROHIBITIVE EXPENSE, WERE AVAILABLE TO ONLY A MINORITY OF THE VICTIMS. ROGER WAS DEEPLY TROUBLED ABOUT HIS COUSIN AND OTHERS SUFFERING FROM THIS DEBILITATING MALADY. HE WAS HAPPY TO CONTRIBUTE HIS OWN SAVINGS FOR HIS COUSIN’S TREATMENT OR FOR THE MEDICAL RESEARCH ASSOCIATION, BUT HE KNEW THAT HIS MONEY WOULDN’T GO VERY FAR. SO ROGER TOOK ACTION. HE ORGANIZED A FUNDRAISING EVENT IN HIS HOMETOWN, ROGER’S RUN, TO DRAW ATTENTION TO THIS TERRIBLE DISEASE. OVER THE NEXT FEW YEARS, ROGER’S RUN BECAME AN ANNUAL FUNDRAISER, ATTRACTING TOP ATHLETES AS SPEAKERS, BRINGING A MEDIA SPOTLIGHT TO THE NEED FOR MORE MEDICAL RESEARCH, AND ULTIMATELY RAISING \$500,000 TO HELP MORE PEOPLE GAIN ACCESS TO TREATMENT.

Roger’s decision to organize an event expressed an important value, that it was more important to help many in need than to support only one person’s medical care. Researcher Paul Schervish calls this “establishing a wider community of care.” Not every kid will be a Roger, but many parents hope that their children will develop the values that promote caring for others and a desire to make a significant contribution.



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## Creative approaches for practicing philanthropy

Here are some creative approaches and activities that other parents have found successful in practicing and promoting philanthropy with their children. As you and your children get involved, you will probably invent new rituals that have special family meaning.

### *The 3-part allowance*

Many families find this practice useful for children of all ages. Divide your child's allowance among 3 "jars," for spending, saving and giving. This routine will reinforce the importance of saving and giving and also will provide early practice in money management. Once or twice a year, talk with your child about the "giving jar" and help identify possible recipients. If your child likes animals, visit the local animal shelter or do research together on the Internet for an appropriate charity. Some parents encourage their children to hand-deliver the gift, or to add volunteer time to their financial donation. Parents of older children can provide an added incentive by offering to "match" the contribution.

### *Family rituals around giving*

Rituals around holidays are especially meaningful when they include the value of giving. This can be as simple as donating a book to the library on each family member's birthday or delivering a turkey to a homeless shelter on Thanksgiving. Some families host an annual Christmas cookie party where everyone brings coats and warm clothing for global aid programs. Other families have created a Mother's Day tradition of doing a good deed for someone else's mother.



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### *Family community service projects*

Volunteering together as a family is an enjoyable way to share the philanthropic spirit. These projects may start in your neighborhood, by picking up trash at the local beach or building the new school playground. Other families take their generous spirit to the broader community, by chopping vegetables at a soup kitchen, or by spending weekends with their teenage children building a house in a low-income community. You may find a volunteer opportunity through your religious organization or local community center, or you can approach one of the 500 volunteer centers around the country that specialize in matching families to service projects.

### *Parent/child philanthropy club*

Mother/daughter book clubs have become a popular way to deepen family bonds through the preteen and adolescent years. These groups build a community of parents and children, and provide young people with the opportunity to practice leadership skills. Some of these clubs have expanded into philanthropy, with everyone pooling their funds, and giving the children a chance to learn about and practice charitable giving with their friends.

### *Schools, religious and community groups*

Parents can help their children become involved in their schools, community groups or religious institutions. In fact, a growing number of schools have started encouraging or requiring community service. Parents can play a key role in shaping those programs. Many religious institutions invite young people to participate on mission trips or service projects. There are many local and national agencies that offer diverse opportunities for hands-on community service and even to serve on non-profit boards.



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### *Volunteer vacations*

In recent years, a number of organizations have emerged to help families organize volunteer vacation trips. Opportunities range from building classrooms for street children in Brazil to radio-tracking wolves in Slovakia. Many of these programs accept children over the age of 12, when accompanied by an adult. In addition, there are an increasing number of global service-learning opportunities that your teens may pursue during their summer or school vacations.

### *Family funds*

Invite your children to participate in your charitable giving by creating an informal “family fund.” Encourage your children to nominate their favorite charities or causes and then hold an annual family meeting to discuss their ideas. When the children are younger, it may be helpful to offer a few specific ideas, such as buying toys for hospitalized children or supporting baby animals at the local zoo. As they mature, you can show your children how to research and evaluate their proposed charities for presentation at the family meeting. The Internet is a wonderful tool for the preliminary research, although nothing replaces the heartfelt experience of visiting organizations and seeing them in action.

### *Grandchildren funds*

Sometimes grandparents set up charitable giving funds with their grandchildren, individually or as a group. This approach is a wonderful way for grandparents to share their own philanthropic experience, learn about their grandchildren’s interests, and pass on a legacy. Some families find these funds to be especially helpful and emotionally satisfying in the teenage years, more so than a family fund composed of parents and teens. The grandparents may give the kids full discretion and simply ask them to present their choices, or they may elect to sit down with their grandchildren and discuss different funding ideas together.

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### *Family foundations*

A family foundation is an opportunity to work collaboratively on community or social issues of common concern. We believe that family foundations are excellent vehicles for bringing family members together to:

- express and test shared family values,
- make a significant difference in the community or on a selected issue;
- strengthen and pass on a legacy of giving;
- deepen connections to each other and the outside world through a sense of shared enterprise.

The family foundation is a legal structure that requires a modest amount of legal and financial infrastructure and maintenance. Other philanthropic vehicles include donor-advised funds at community foundations or commercial institutions, charitable lead trusts, and “virtual” family funds. There are different tax rules and benefits for each of these vehicles. Your family’s legal and financial advisor will help you select the one that is best suited to your situation and goals.

Your choice of philanthropic vehicle, as well as the way you involve your children in the giving process, should be consistent with your parenting and family goals. Are you simply hoping to encourage your children to be altruistic? If so, any vehicle will suffice as long as it gives the young person an opportunity to give according to their interests and passions. Do you want to establish a family legacy? If so, it might make sense to set up a family foundation in which family members work together to address focused social needs.



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## GROWING THE GENEROUS FAMILY

The following story about one family's approach to philanthropy illustrates the different ways that giving can be expressed over time, from childhood through the young adult years:

JOSEPH AND CHARLOTTE TYNER HAD THREE CHILDREN: DAVID, LYNDA AND STEPHEN. THE CHILDREN WERE VERY DIFFERENT FROM EACH OTHER: DAVID WAS STUDIOUS AND EXCELLED IN MATH, LYNDA WAS A NATURE LOVER WHO SPENT ALL HER FREE TIME OUTDOORS, AND STEPHEN WAS THE FAMILY ATHLETE, ALWAYS WITH A BALL IN HIS HANDS. THEIR DIFFERENCES WERE HIGHLIGHTED IN THE WAYS THEY SPENT THEIR ALLOWANCES. DAVID SPENT VERY LITTLE, LYNDA OFTEN BOUGHT SMALL TREASURES FOR HERSELF, AND STEPHEN WAS ALWAYS SAVING UP FOR A PIECE OF SPORTS EQUIPMENT. THE CHILDREN WERE ALLOWED TO SPEND THEIR ALLOWANCES AS THEY SAW FIT, EXCEPT FOR THE THIRD WHICH WAS RESERVED FOR A CHARITY OF THEIR CHOOSING. DAVID TITHED GENEROUSLY AT THE FAMILY'S CHURCH, LYNDA SAVED HER ALLOWANCE TO ADOPT AN ANIMAL AT THE ZOO, AND STEPHEN CONTRIBUTED HIS MONEY TO THE HOMELESS PEOPLE HE PASSED ON HIS WAY TO SCHOOL.

AS THE CHILDREN GREW OLDER, JOSEPH AND CHARLOTTE DECIDED TO EXTEND THE FAMILY'S PHILANTHROPIC EXPERIENCE. THEY INVITED THE CHILDREN TO PARTICIPATE IN MAKING THE FAMILY'S ANNUAL DONATIONS AND HELD A SPECIAL MEETING TO DISCUSS THEIR IDEAS. JOSEPH AND CHARLOTTE TALKED ABOUT THEIR TRADITIONAL ANNUAL GIFTS TO THE FAMILY'S FAVORITE MUSEUM AND TO THE SCHOLARSHIP FUNDS OF THE CHILDREN'S SCHOOLS. DAVID HAD GONE ON A SERVICE TRIP WITH HIS YOUTH GROUP AND WANTED THE FAMILY TO SUPPORT AFFORDABLE HOUSING FOR IMMIGRANT FAMILIES. LYNDA SPOKE IN FAVOR OF PROTECTING THE HABITATS OF WILD ANIMALS, AND STEPHEN DESCRIBED A YOUTH SOCCER LEAGUE IN THE INNER CITY THAT NEEDED SUPPORT. THE PARENTS WERE DELIGHTED BY THEIR CHILDREN'S THOUGHTFUL PRESENTATIONS AND WHOLEHEARTEDLY SUPPORTED THEIR CHILDREN'S INTERESTS. EACH CHILD ALSO WAS ASKED TO MAKE A MODEST FINANCIAL OR VOLUNTEER TIME CONTRIBUTION OF HIS OR HER OWN.

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AFTER THE CHILDREN GRADUATED FROM HIGH SCHOOL, JOSEPH AND CHARLOTTE SOLD THEIR BUSINESS AND DECIDED TO PURSUE PHILANTHROPY MORE FORMALLY BY CREATING A FAMILY FOUNDATION. ALTHOUGH THE CHILDREN STILL EXPRESSED INTEREST, THEIR LIVES WERE BUSY AND FULL, AWAY AT COLLEGE OR WORKING IN OTHER CITIES. TO KEEP THEIR CHILDREN INVOLVED, JOSEPH AND CHARLOTTE OFTEN INCLUDED NEWS ABOUT THE FOUNDATION'S ACTIVITIES IN THEIR FREQUENT E-MAIL EXCHANGES. THEY INVITED THE CHILDREN TO TAKE CHARGE OF 30% OF THE FOUNDATION'S GRANTS AND TO BRING THEIR FUNDING IDEAS TO THE FAMILY'S ANNUAL SUMMER REUNION. THE CHILDREN ALSO WERE ENCOURAGED TO SELECT ONE ORGANIZATION IN THEIR NEW COMMUNITIES FOR A FOUNDATION GRANT. CHARLOTTE AND JOSEPH HOPE THAT, AS TIME GOES ON, DAVID, LYNDA AND STEPHEN WILL TURN MORE OF THEIR ATTENTION TO THE FAMILY FOUNDATION. THEY ARE DETERMINED TO KEEP THAT INVITATION OPEN FOR THEIR CHILDREN, AS WELL AS FOR THE NEXT GENERATION OF GRANDCHILDREN.

The Tyners' story is just one example of a family approach to philanthropy. Any family can develop its own philanthropy program and craft the activities that will encourage a generous spirit in the next generation. Philanthropy, in all its many shapes and forms, is a wonderful way for parents to share their values with their children while making a meaningful contribution in the larger world.



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## Philanthropic behavior appropriate for children of different ages

When can we expect children to grasp the concept of income inequality? When is it realistic to expect our kids to select an after-school volunteer activity? When should we invite our children to participate in a family foundation? Sometimes it is hard to know what age is appropriate for certain conversations and to determine the right activity for each developmental stage. While the following provides some guidance, keep in mind that each child is unique and develops at a different rate.

### *Children age 3-5*

Children at this age are in the “initiative” stage of life. Given the support and freedom to initiate play, ask lots of questions, and persevere, children delight in their emerging skills and in their sense of accomplishment. Children also are beginning to develop compassion and a sense of what is right and wrong. However, their abstract skills are undeveloped, and they respond best to concrete suggestions and activities. Children may respond well to the idea of gathering their unused toys or buying new toys at holiday time for disadvantaged children. They also can be introduced to the idea of a “giving box.” There are a variety of good books for young children about giving and sharing. (See our Resources Section for a list of reading materials.)

### *Age 6-puberty*

This is the “industry” stage of life. Children want to feel useful and competent, at school and at play. As their social activities and friendships become more important, children often will compare themselves to others. Children are now developing values, picking up on their parents’ words and

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behaviors and exploring notions of right and wrong. There are many “teachable moments” at this stage since children will start asking questions about why someone has less or more than they do.

This is a good time to introduce allowances and to teach your children about saving, earning, and giving. Kids can be encouraged to raise funds through lemonade stands or bake sales. Children at this age also enjoy creating rituals for sharing the family’s philanthropic and community values. This may be the right moment to start a family fund. By the time children reach the age of 10 or 11, they are fully capable of identifying and researching organizations for your family fund to support. The key for children at this age is to help them develop internal motivation.

### *Adolescence*

At this stage, children are exploring their “identity,” figuring out who they are and sorting out potential social roles in life. They need their parents as guides, but they also need independence and their “own” place in life. This can be a very confusing time. The risk for affluent families is that children may believe that their identity and worth are tied to the family’s wealth. As a result, some adolescents will be more likely to resist ideas they perceive as imposed on them by family.

Engage your adolescent children in straightforward conversations about money. Stress the importance of measuring personal success in terms beyond dollars. At the same time, help them develop financial responsibility by asking them to develop budgets for their personal expenses and showing them how to research prices for their purchases.

Philanthropy and volunteering are good vehicles for young people to explore social roles and to balance the cynicism that often characterizes the adolescent years. Family service and philanthropy projects may still be appealing, but be sensitive to the possibility that your teenagers may prefer to volunteer with peer groups at school or with community or religious groups. Similarly, while this is an appropriate time to involve children in a family fund or foundation, many children are less interested in working with their parents during the teen years. Some families have kept their children involved by creating “mentor” programs that match aunts, uncles or trusted advisors with teens for discussions or activities related to the family philanthropy.



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### *Young Adults, Age 18 – 25*

It is important to acknowledge that your children are now adults, albeit young adults whose identities are still forming as they develop competencies and identify their roles in the world. Between school, work, and an independent circle of friends and other peer relationships, they are very busy.

At this stage, it is probably too late for the parents to begin the process of instilling philanthropic values. However, parents should provide their offspring with opportunities and invitations to become involved in family projects or funds, or to just listen in on family conversations and meetings about philanthropy.

Some family foundations establish “junior boards” of next generation members who, as a group, take responsibility for making a select number of charitable gifts. Others invite their young adult children to work as equal partners in determining the family’s contributions. Many parents have found that young adults can breathe fresh perspective and new ideas into the family’s giving patterns.



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## Resources/Further Reading

### *For parents:*

Susan Crites Price, The Giving Family – Raising our Children to Help Others, published by the Council on Foundations, Washington, D.C. 2001

Eileen and Jon Gallo, Silver Spoon Kids – How Successful Parents Raise Responsible Children, Contemporary Books, 2001

Lee Hausner, Children of Paradise – Successful Parenting for Prosperous Families, Jeremy P. Tarcher, Inc. 1990

### *For children:*

Barbara Cooney, Miss Rumphius, Scholastic, 1985  
(For children, ages 2-6)

Barbara Lewis, The Kid's Guide to Service Projects: Over 500 Ideas for Young People Who Want to Make a Difference, Free Spirit Publishing

Fred Rogers, The Giving Box, Running Press, 2000 – A toolkit for parents to use with children 9-12 to teach concepts of generosity and charity, including a storybook of international folktales

Shel Silverstein, The Giving Tree, HarperCollins Juvenile Books, 1964  
(for children, ages 2-6)

The Milwaukee Foundation, The Giving Book: A Young Person's Guide to Giving and Volunteering. Three volumes covering separate age groups 5-8, 9-12 and 13-17. Order by calling 414-290-7350







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