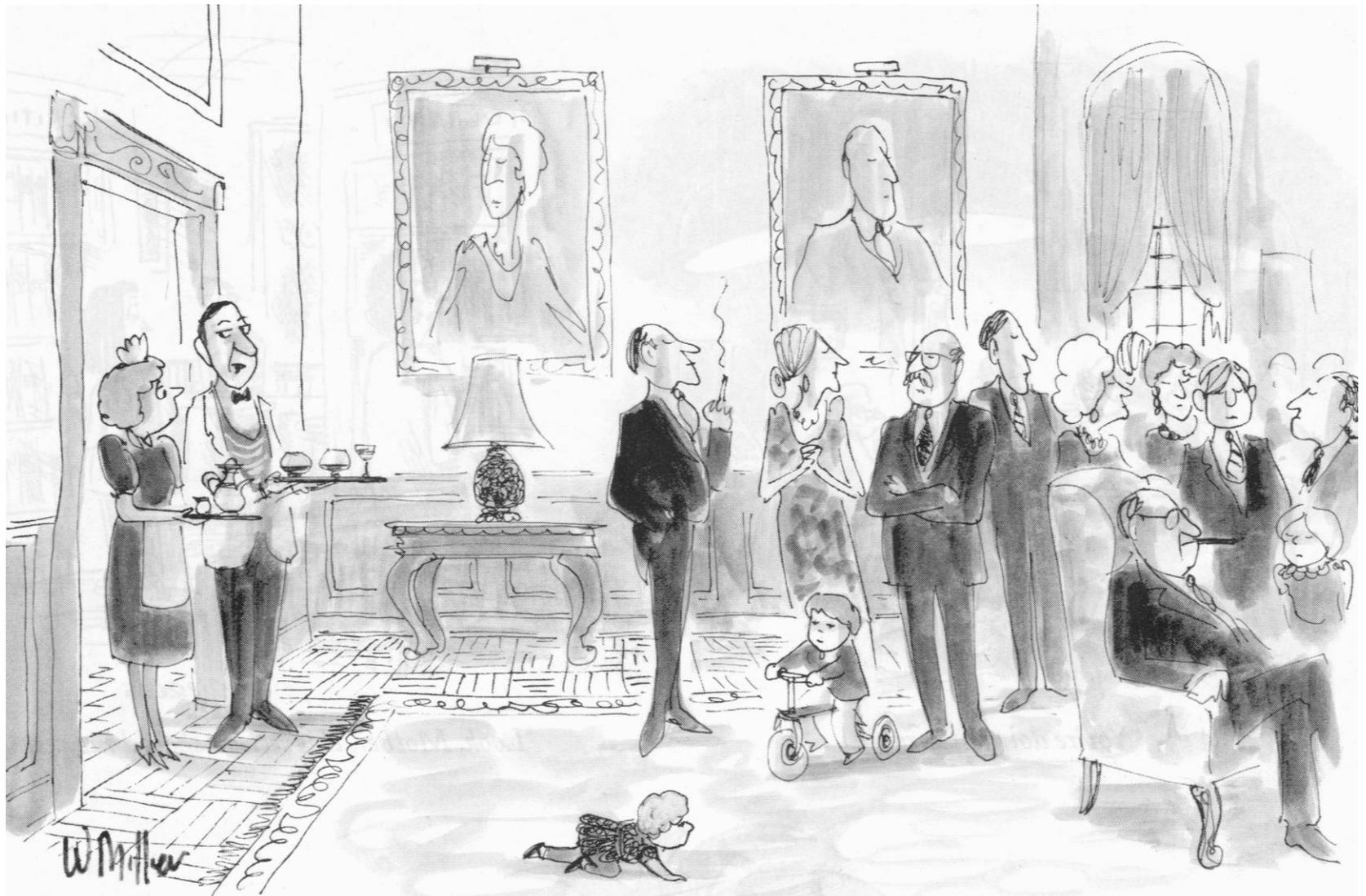


THE DEVELOPMENT OF MISSION AND VALUES STATEMENTS FOR FAMILY FOUNDATIONS



FAMILY FOUNDATIONS WEBINAR
Council on Foundations

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“Actually, it’s one giant organism connected by blood, genes, and a common source of old wealth.”

THE SERIOUS BUSINESS OF FAMILY FOUNDATIONS

Begins with Mission and Values

TODAY'S AGENDA:

- An overview of the development and use of Mission and Values statements
- Development of Mission statements for family foundations
- Development of Values statements for family foundations
- Applying Mission and Values statements
- Closing comments

(Time will be provided for questions and comments following each item on the agenda.)

OVERVIEW - Mission and Values

Statements Defined

Mission defined: The enduring purpose of an organization, its *raison d'être*

- Answers the question: “Who are we?”
- Statements are personal, direct and concise
- Can be redefined by each generation

Values defined: Standards that define what members of an organization hold to be most important and which guide group behaviors

- Accompanies and amplifies the Mission
- Statements usually feature key words defined in behavioral terms
- The basis for governing principles and policies

OVERVIEW – Importance to Families

- Most businesses – family-owned, closely-held and public – have Mission and Values statements, but family foundations have been slower to adopt such statements.
- Families who share assets – including their philanthropic assets – often share proud multi-generational legacies that define their family mission and shared values.
- Family philanthropy can provide a powerful statement of “who you are” as a family.
- Families would do well to take the business of their foundations as seriously as they do their operating and investment assets.

OVERVIEW – Application by Family Foundations

- The Family Foundation Mission and Values are statements of the family's enduring philanthropic purpose and the principles that can guide its charitable work as a family.
- Development of these statements provides opportunities to engage family members of multiple generations in defining the family's philanthropic legacy.
- These statements can serve as the basis for establishing structures for governing the family foundation, for defining long-range objectives, and for establishing grant making guidelines.

QUESTIONS, COMMENTS & RESPONSES

WHAT A FOUNDATION'S MISSION STATEMENT DOES

- Contributes to family unity by inviting commitment to its philanthropic objectives.
- Encourages the family to be strategic by clarifying the family's multi-generational philanthropic objectives.
- Serves as basis for focusing the family's work and for establishing grantmaking guidelines.
- Acknowledges the scope of the foundation's assets and the family's commitment to use these to benefit the communities they serve.
- Provides opportunities to engage family members in its philanthropic business.

FOUNDATION MISSION STATEMENTS: Potential Elements to Include

- The family's legacy, especially it's philanthropic history and relationship to the communities it has served
- The nature of the foundation, its origin, funding sources, etc.
- The family's multi-generational philanthropic objectives and what it intends to accomplish
- The field(s) of interest of the foundation or any specific programs the family intends to support continuously

DRAFTING THE FAMILY FOUNDATION'S MISSION

- The foundation's mission statement should be separate from but aligned with the Family Mission.
- Family foundation mission statements are not symbolic words; instead, they should be used to guide the family's philanthropic work.
- The process for developing the Family Foundation Mission Statement can be as important as the words that result.
- Ideally, multiple generations and branches will be represented in the development of the foundation's mission statement.

DRAFTING – SOME QUESTIONS

- Who will participate in drafting our family's philanthropic mission statement?
- How will we receive input from family members?
- How will we incorporate “donor intent” from founding and/or governing documents?
- Should other stakeholders – grantees, the community, etc. – be consulted?
- How will the draft Foundation Mission statement be reviewed and approved?
- How will the Foundation's Mission be communicated to family members?
- How will we hold ourselves accountable for faithfully carrying-out the Mission?

EXAMPLE #1

The Joseph P. Kennedy Jr. Foundation:

The mission of the Joseph P. Kennedy Jr. Foundation is to provide leadership in the field of mental retardation and service to persons with mental retardation, both those born and unborn, and their families.

EXAMPLE #2

The Mott Foundation:

The Charles Stewart Mott Foundation affirms our founder's vision that each of us "is in a partnership with the rest of the human race" – that each individual's quality of life is connected to the well-being of the community, both locally and globally.

EXAMPLE #3

A Slightly Different Approach

The (anonymous) Family Foundation:

We, the (anonymous) family, are grateful to Grandpa and Meme for providing us with the means for continuing their good work in serving those most in need in our local, national and global communities. We will be mindful of their example in serving the basic educational, housing and employment needs of the most vulnerable, especially those who are single heads of households. We will be good stewards of the funds given us to manage and will contribute our talents and other resources to benefit others as our ancestors did.

AN EXERCISE IN DRAFTING YOUR OWN MISSION STATEMENT

Take 5 minutes to write down words or phrases that respond to the following:

1. Who are we as a family? (May be taken from your Family Mission.)
2. Who/what is the origin of our family foundation and the source of funds?
3. What is the nature of the philanthropic legacy we have inherited?
4. Who do we intend to benefit from our philanthropic giving?
5. What outcomes do we hope to achieve over the next generation?

QUESTIONS, COMMENTS & RESPONSES

WHAT A FOUNDATION'S STATEMENT OF VALUES DOES

- Provides guidance on “how” family members are expected to act in carrying-out the foundation’s mission.
- Serves to motivate family members to act philanthropically through the foundation.
- Provides guidance for making decisions when faced with complex philanthropic issues.
- Guides the establishment of policies and setting of priorities for the Foundation.

DRAFTING VALUES STATEMENTS for Family Foundations

- If you have statements of Shared Family Values, examine them to determine which, if any, apply to your philanthropic work.
- If you have no statement of Family Values, consider your family's philanthropic legacy and identify any values that may have guided your ancestors in their charitable giving.
- How family members feel about money and about allocating a portion of their wealth to philanthropy is often a key question of values.
- Families should be expected to live out their values without being accused of hypocrisy.

DRAFTING – SOME SUGGESTIONS

1. Share stories among family members about the family's charitable giving in past generations.
2. At your next family meeting, engage multiple branches and generations in a facilitated discussion of what family members consider to be the importance of family philanthropy.
3. Use values cards – like those offered by Values Edge or 21/64 – as a family exercise in identifying key philanthropic values.
4. Invite feedback from previous grantees and the community about their understanding of your family's philanthropic values.

SOME EXAMPLES OF PHILANTHROPIC VALUES

We support the role of arts and culture in society.

Social Justice – We are committed to the principle that all people are created equal and that our social, economic and political structures should support the self-sufficiency of all individuals and families.

Our family is strongest when we work together to help others. Thus, we commit our time, talent and financial resources to serve those less fortunate than us.

OPERATING PRINCIPLES

One of the challenges faced by family foundations is to put their Philanthropic Values into action. A good way to do this is to develop Operating Principles for each of their foundation's Values.

An Operating Principle is a guideline, based on one or more of the foundation's Values, that establishes a specific practice to be followed by the family and the foundation's leadership. Operating Principles may take the form of governance practices, program guidelines or other foundation policies.

OPERATING PRINCIPLES – EXAMPLE #1

A family foundation whose Philanthropic Values include “innovation” established as an Operating Principle the following grant-making guideline:

At least 20% of the Foundation’s annual grants will be to organization’s conducting innovate programs designed to provide long-term solutions to meet enduring social needs.

OPERATING PRINCIPLES

EXAMPLE #2

One family foundation whose Philanthropic Values include “family” and “leadership” has the following Operating Principle:

The Foundation’s board will consist of at least one representative of each generation. Upon reaching their 21st birthday, each family member will be offered the opportunity to participate in Foundation programs, to attend conferences and access other leadership development programs to prepare them for potential leadership roles in the foundation.

QUESTIONS, COMMENTS & RESPONSES

APPLYING MISSION AND VALUES STATEMENTS

Process to develop Mission and Values:

- Best done at a full-day family meeting with a facilitator (to allow full participation)
- Background information and samples should be shared in advance via telecommunication
- Following meeting, small group of 2 or 3 can refine drafts and circulate for comment
- Final draft can be circulated for approval
- Family can affirm its approval at next family meeting
- Total time should be approximately 30 days

APPLYING STATEMENTS - 2

Opportunities to engage the family:

- Service on inter-generational governance structures of the foundation
- Service on the Allocations Committee, including site visits and grant recommendations
- Represent the family and foundation at community functions and nonprofit boards
- Identify potential initiatives in keeping with the foundation's mission
- Identify potential partners for program initiatives

APPLYING STATEMENTS - 3

Resources to consult:

1. *Splendid Legacy* – The guide to creating your family foundation, National Center for Family Philanthropy, 2002
2. *Organizational Vision, Values & Mission*, Scott, Jaffe and Tobe, Crisp Learning, 1993
3. Board Source, downloadable policy samples - Mission Statements; Values Statements, 2006
4. *Generations of Giving*, Gersick, et al, National Center for Family Philanthropy, 2006

YOUR QUESTIONS AND COMMENTS

THANK YOU