

YOUR  
PHILANTHROPY  
ROADMAP



ROCKEFELLER PHILANTHROPY ADVISORS

This brief guide is designed to introduce you to the world of thoughtful, effective philanthropy. It's a roadmap for donors—individuals, couples, families or groups. It offers an overview of issues that philanthropists may want to consider as they create their own giving strategies.

Here you will find pertinent questions to help you determine if philanthropy is a destination you want to put on your itinerary. Should you decide to learn more, the Rockefeller Philanthropy Advisors website [WWW.ROCKPA.ORG](http://WWW.ROCKPA.ORG) has additional references, resources and information that can assist as you create your own route to strategic giving.

Known as the “\$2 billion man” after selling Grey Goose Vodka to Bacardi, Sidney Frank was a marketing wizard. All his life, Sidney displayed enthusiasm, creativity, and the ability to spot potential—characteristics that drove his business success and defined his giving. He famously rebranded Jägermeister in the 1980s, and followed up this success with the launch of Grey Goose Vodka. By the time he sold the brand in 2004, he had established a strong financial foundation for his philanthropic endeavors.

Sidney's giving was tied closely to the events that shaped his life. As a young man in the 1930s, he left Brown University after only one year because he couldn't pay the tuition. In 2005, his Sidney E. Frank Foundation gave \$100 million to Brown to endow scholarships for the neediest students. After working at aircraft engine maker Pratt & Whitney during WWII, Sidney developed a personal appreciation for the role technical innovation played in the Allied victory. In addition to providing lead funding to rebuild the WWII historic site Bletchley Park in

London, he helped fund an exhibition at the London Science Museum honoring the engineer who designed the Spitfire airplane, a machine that many credit as the deciding factor in the Battle of Britain. He was also inspired by his heritage and the region in which he lived, and gave generously to Jewish causes and his local community. “My father believed one individual could change the world,” said Cathy Frank Halstead, Sidney's daughter, who is closely involved in his foundation. Sidney himself, who passed away in 2006, saw it this way: “I just love giving money away.”

“I just love giving money away.”



## FIVE MILESTONES

The object of this guide is to outline key milestones on your philanthropic journey and introduce you to a process that can help you develop your own giving plan.

Like any good planning tool, the Roadmap is a series of questions with options—not a set of answers. We recommend that emerging philanthropists consider working through these questions with their advisors—and their families where appropriate—as way to create not only a strategic framework, but an outline of how to operate their giving plan.



# WHY ARE YOU GIVING?

## MOTIVATIONS

People have many motivations for philanthropy, some of them apparently inconsistent.

Motivations for giving often change over time. They change with experience. But unless a giving program addresses the needs that drive these motivations, it's unlikely to be sustained or successful. And because some motivations may be mutually exclusive, or at least hard to integrate, they should be clearly articulated, so that decisions can be made about how to balance various priorities.

Many donors want their values to inform their philanthropy. Identifying motivations makes it easy to clearly include them in giving strategies and assessments.

Here is a list of categories—not exclusive by any means—to help you begin to think about your own motivations:

## HERITAGE

Ethnic or national identity can create a set of important values as well as an impetus to support and honor that heritage. “Diaspora” donors, who seek to help the communities and country from which their families emerged, are a global force moving billions of dollars. Other donors interpret their heritage in an historical context: they view themselves, for example, as immigrants who made good. They may then turn to supporting other immigrants through philanthropy—regardless of their specific background.

## FAMILY

Honoring and appreciating ancestors can be among the strongest of motivators. Our upbringing imprints upon us values and experiences which we often seek to reinforce through our giving. That is, unless we want to react against family traditions and established giving practices. Family is a major influencer, but sometimes new generations set out to break into new areas of giving with a fresh set of philanthropic principles.

## FAITH

Many donors center their giving around their spiritual beliefs and/or religious practice—supporting not only their house of worship but also organizations and causes that they learn about through their community of faith. Giving can also serve as a glue that binds the family together for a common purpose.

#### LEGACY

Those motivated by legacy seek to influence the future. Donors may want to be remembered for more than financial success. Their philanthropy is their public commitment to making a better world. Other legacy donors want to create a family culture of generosity and public service. They seek to pass down values as well as resources to the next generation. Having their family involved in philanthropy is deeply meaningful to them.

#### EXPERIENCE

Inspiration comes from an individual's own life. People who've benefited from scholarships, or see education as the foundation of their success, often wish to create that opportunity for others. Those who have faced a serious medical issue—or have seen a loved one suffer from medical problems—can be inspired to tackle that problem through philanthropy. Those who get deep joy from the arts may wish to provide others with the experience of beauty. People who travel widely, for business or pleasure, often confront challenging conditions; they also see opportunities to change them.

#### ANALYSIS

Analysis-driven donors deemphasize the personal in their articulation of philanthropic goals. Instead, they seek to look objectively at what the biggest needs are, or what issues can be successfully addressed with philanthropic resources. The terminology of investing or of the scientific method often frames how they define their motivations as well as their goals and strategies.

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#### GIVING WHILE LIVING

#### CHUCK FEENEY

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Chuck Feeney helped create Duty Free Shoppers Group (DFS), the world's largest luxury goods retailer. In 1984, he gave his 38 percent share in the company to his foundations, called the Atlantic Philanthropies. It was huge gift that grew bigger when DFS sold for \$2.5 billion in 1996. Feeney adopted the "giving while living" strategy and decided to give away all the money in the foundations by 2020 and keeping less than 1 percent of his wealth for himself. Through December 2009, grants totaled \$5 billion, including investments in Ireland that have led to the creation of 64 research institutes, centers and programs, and tens of millions of dollars that are transforming the health infrastructure in Vietnam. "I had one idea that never changed in my mind," said Feeney. "That you should use your wealth to help people."

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# WHAT DO YOU WANT TO ACHIEVE?

## YOUR GOALS

In our experience, donors make the most sustained and successful contributions when they focus on issues that connect directly to their motivations and convictions. We recommend a three-step process here.

### 1

#### FRAMING THE ISSUES

Different lenses on the world help us focus and sort what we see. Here are a few to get you thinking:

**BIG CHALLENGES** Examples might include poverty, disease, education, climate change, etc.

**SPECIFIC CHALLENGES** Most donors will drill down from the big challenge to further define their focus. For instance, someone interested in education might look closely at early childhood learning centers. Someone interested in children's health might look at nutrition programs to increase consumption of fresh organic produce by families.

**POPULATIONS** Some donors will concentrate on the types of communities whom they wish to support. Women, children, the elderly, youth, refugees, animals—the possibilities are many.

**PLACES** Place-based funders are often driven by heritage or experience. They may fund many different issues within a geography. And that geography can vary greatly—from a continent or region to a village or a neighborhood.

**INSTITUTIONS** Other funders will want to support organizations that achieve the goals they care about. They will want to help build institutions that make a difference. Examples, to name but a very few: think tanks, advocacy organizations, museums, ballets, orchestras, charter schools and academic institutions. The potential list is huge.

### 2

#### NARROWING THE FOCUS

Once you've identified the area(s) of concentration for your philanthropy, you'll probably have to narrow your focus. Broad fields like education and the environment are convenient categories, but are obviously too big for any donor to tackle. You'll want to look at the components of those fields—early learning; primary and secondary school; higher education. Even within those areas you'll probably need to move to a more specific focus—perhaps by topic within the area (teacher training for primary/secondary school), by region, or by type of educational institution.

#### A NARROW FOCUS DOESN'T HAVE TO MEAN A SINGLE FOCUS

For an enormous number of significant donors, the question is not which issue area to focus on. It's what combination of issue areas to support. Their interests may span more than one topic.

**JOINT DECISION-MAKING** The selection of issue areas can be very challenging when there are multiple philanthropic decision makers: a couple; a set of siblings; a parent with adult children; grandparents with adult children and teenage grandchildren. This decision-making process is best approached through a strategic planning process that allows each participant to explore and express his or her motivations, and choice of issue area(s). Once those ideas are on the table, many family members find themselves impressed and inspired by the views of others. Even so, some difficult decisions about priorities and proportions will need to be made.

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**DEFINING THE OUTCOME YOU SEEK**

Thoughtful philanthropy means not only having a clear focus on the challenge you want to tackle, but also having a clear vision of what change you want to see. Whether you call it a goal, an outcome or a solution, it's important to define the desired end result. For instance, there are many worthy nonprofits that address literacy issues: some run tutoring programs in community centers; others partner with school systems or social service agencies; still others try to figure out the best techniques to teach adults; and then there are groups that exist solely to advocate for funding. It's important to consider how an organization tries to solve a problem, not just which problem it tries to solve.

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**FINDING THE FOCUS**

**JON STRYKER**

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**J**on Stryker was already a significant donor. The grandson and heir of Dr. Homer Stryker, the orthopedist who founded Stryker Corporation, a prominent medical device maker, he gave to lesbian, gay, bisexual and transgender (LGBT) issues. But he was concerned he wasn't getting the results he wanted. So he hired professional staff to design a thoughtful planning process to determine how best to use his resources. The process helped him specify social justice (with a focus on LGBT rights) and conservation (with a focus on conserving the great apes and their habitat) as his giving goals. He then created the Arcus Foundation in 2000, which has awarded more than \$100 million in grants. Arcus is a leading funder in support of LGBT communities and the impetus behind the Arcus Center for Social Justice Leadership at Kalamazoo College. "I'm probably one of the wealthier gay men in this country, and I felt I had a big responsibility," said Stryker. "I'd never been involved with civil-rights work so directly before, and I just felt it was a calling."

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## HOW DO YOU THINK CHANGE WILL HAPPEN?

### YOUR APPROACH

Philanthropy allows the exploration of human potential. Of course, that includes the potential of the donor—not just in the capacity to give, but in the ability to think through how the philanthropy might achieve its stated goals.

The method by which you believe change will happen is variously called a strategy, a theory of change, a logic model, or an approach. The term you choose to use is of no particular importance. What is critical is to answer the “how” question:

## How will philanthropy help achieve the goal you have identified?

This is a weighty subject. And we deal with it in detail in other guides and on our website. For example, your goal may be to improve and protect a critical watershed area. You could choose among these approaches for your philanthropy:

**RESEARCH** studies to understand and define the impacts created by what is or might be discharged or built near the watershed

**AWARENESS** campaigns to raise public awareness of current or potential harm to the watershed area

**POLICY** efforts to shape the legal and regulatory framework protecting the watershed

**INNOVATION** projects that seek new technologies for activities that currently pose a threat to the watershed

**REMEDATION** programs that work to repair the harm that's occurred

**OTHER APPROACHES** of which there are many, including transactions that place critical parts of the land into conservation.

In many cases, though, the path will not be so clear. You may be faced with competing theories—all compelling, perhaps none of them proven. You'll have to make an informed choice—informed by the facts available, the thinking behind



various theories of what might work, and your own convictions and comfort level about what sort of investment you're willing to make.

Once you have settled on the approach to take to reach your goal, you can put some thought into tactics. What's your time horizon? How concentrated do you want to be—do you want to support five organizations or 50? Do you want to fund operating programs, or make capital grants?

Many philanthropists think beyond the traditional grant, and consider whether an investment is the right tool to achieve the change they seek. That investment might be an equity fund for social entrepreneurs or a loan to a nonprofit to launch an earned-income enterprise. The important question, for these funders, is the optimal way to use money. The field of mission investing, sometimes called impact investing, is blurring the boundaries between philanthropy and capital markets. That's a good thing. But like any strategy, such mission investing is not a panacea for every situation.

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DUAL MOTIVATION, SINGULAR APPROACH

LISA AND CHARLY KLEISSNER

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Lisa and Charly Kleissner invested in Silicon Valley tech startup companies. When the companies went public in 1999, the Kleissners benefited handsomely. They decided to create the KL Felicitas Foundation to do more investing, but this time “to enable social entrepreneurs and enterprises worldwide to develop and grow sustainably.” The foundation eventually chose to focus on rural communities and families. Lisa was inspired by the memory of her father's generosity. His business gave deep discounts on medical equipment to customers who couldn't pay. Charly's inspiration to philanthropy came, he says, from “a deep understanding of the issues of sustainability, and what role we need to play in making a positive contribution.” Over time, they hired advisors and worked out how much money they could devote to their philanthropy, deciding to allocate 65 percent of their giving to impact investing. This kind of philanthropy invests in socially responsible, sustainable businesses, rather than nonprofit organizations. The Kleissners also decided to share their

motivation with others. “It's very difficult,” says Lisa, “when you go out and speak to a group, to know who is going to walk away with a spark that's going to mean that they go to their investment advisor and change the way they do their investments. I'm glad to say that much of the feedback we've gotten has been amazing—investors are moving dollars into this space in part due to our work.”

“...investors are moving dollars into this space in part due to our work.”



## HOW WILL YOU ASSESS PROGRESS?

### ASSESSING YOUR PHILANTHROPY

When we invest in a business, we look for results at the company level. In the nonprofit sector, we also look at how the nonprofit organization can deliver programs that will bring about sustainable change in the community or even the world.

Assessing such societal change is difficult. Multiple variables make cause and effect hard to pinpoint. Other factors that make assessment difficult are the huge range in time horizons among philanthropic endeavors. Some vaccinations offer the prospect of simultaneous treatment and cure. However, medical research can take decades. Most social challenges—poverty, lack of human rights, ethnic conflict—have time horizons that in some cases may have no real endpoint.

All we can hope for is to make some progress in our lifetime. Does this mean that donors should walk away from thinking about impact at the system level? Not at all. Without considering

the broader context, donors run the risk of funding “successful” programs that make no real difference.

Various approaches to assessment include evaluation of results, evaluation of the work as it unfolds and even return on investment in regard to social entrepreneurship. Another guide in this series investigates these issues in greater depth. For now, it is important that you understand that assessment—while still an art and not a science—is an important part of the philanthropic endeavor. Regularly reviewing the results of our giving allows us to adjust our approach given that information.

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### EFFECTIVE GIVING—PHILANTHROPY YOU CAN USE

ANDREW CARNEGIE

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He's easily one of the best known businessmen and philanthropists in U.S. history. Many know of Andrew Carnegie's success in the steel industry and of his funding of libraries across the world—he built 2,509, including 1,679 in America. But few know he was an early champion of effective philanthropy. His way of assessing nonprofit work was straight-forward. He believed that “indiscriminate charity” is actually a detriment to society and that “the main consideration should be to help those who will help themselves...” In addition to “free” libraries, he supported the creation of public resources—parks, art galleries,

museums, concert halls; the founding and expansion of universities, medical institutions and laboratories and, under specific circumstances, churches. Using his business acumen, he sought to create impact by setting pre-conditions to some gifts. For example, he would not donate a library to a community without first establishing that there was sufficient community investment to ensure the library's financial sustainability.



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## WHO WILL JOIN YOU?

### INVOLVEMENT

Many people say that their work in philanthropy gives them great joy. They dive into their philanthropy, and it becomes their new vocation. But that role isn't natural for everyone.

Here are some questions to ask yourself, and again these are choices with no right answer. Your choices may change as your experience changes your perspective and as other factors in your life evolve.

**HOW ACTIVE DO YOU WANT TO BE, AND HOW MUCH TIME DO YOU WANT TO DEVOTE TO PHILANTHROPY?** Do you want to be personally involved in researching areas of giving, in meeting with other funders, in reviewing potential grantees, in reading proposals and structuring agreements, and in monitoring progress?

**HOW PUBLIC DO YOU WANT TO BE?** Some people are committed to anonymity. Others directly seek philanthropic partners and advocate for their causes, grantees and programs as part of an overall strategy. They are happy to lend their reputation, their connections and their powers of persuasion to their philanthropy.

### ARE THERE OTHER NONFINANCIAL RESOURCES YOU WANT TO BRING TO PHILANTHROPY, BEYOND YOUR PERSONAL CAPACITY?

Do you have access to relevant expertise, to products and services?

### DO YOU SEEK TO LEVERAGE YOUR FUNDS BY COLLABORATING WITH OTHERS?

One note of caution here: we frequently hear enthusiastic donors declaring an intent to collaborate, or to engage with partners. Often that means that they want other people to follow their lead and commit to what they have supported. This is called fundraising, and it's an honorable thing to do, but it's not the same as collaboration or partnership. Working in collaboration means that you'll give up some control to your funding partners. If that's not acceptable, recognize that you're fundraising.

**DO YOU WANT YOUR FAMILY TO BE INVOLVED?** For many donors, undertaking a philanthropy program with their family is an important way to share significant experiences, learn together, develop a legacy, and transmit values. In other cases, philanthropy becomes yet another battleground for control. For family philanthropy to succeed, it's critical that the ground rules are clear. If one person will be making all the decisions, don't pretend otherwise. Often, one person or one generation is calling the shots, while the next generation observes and learns. In some cases, the next generation sees no value in taking a backseat. The leader of the family may need to choose between a philanthropic goal and a family goal. To get real family participation, other family members may need a say in what issues and goals are pursued.

**WHAT WILL BE THE MECHANICS OF YOUR PHILANTHROPIC PROGRAM?** Will you use a foundation? A donor-advised fund? Direct giving? Some combination of these? If you're actively involved in business, how will your philanthropy be separate from or connected to your business?

**HOW WILL THINGS GET DONE?** How will regulatory and investment matters be handled and coordinated? Will you need staff? If so, do you prefer a fully staffed structure or a combination of core staff and consultants? Will you outsource the functions you don't want to handle?

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**WE ARE FAMILY  
THE KENNEDYS**

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**T**he Kennedys—not the ones you might be thinking of—were a large multi-generational family. They started a new foundation and began the planning process by interviewing all family members about their giving interests and desired level of involvement. The family had divergent interests and different ways of thinking about philanthropy. They decided that they would emphasize innovative projects that sought to strengthen families by helping them access education, job skills training, and mentoring. They designed their giving strategy to encourage participation by family members through program visits. They also sought suggestions from

family members on grants that fit in the broad categories. Once priorities were established, family members with the most interest joined the board. Family members with less time to offer could join the program committee. The result has been the opportunity to support innovative programs to strengthen families, while individual family members have been able to participate in ways that are meaningful to them and fit into their differing, busy lives.

# MOVING FORWARD

There is much to consider in building your own giving strategy and starting your own philanthropy. There is also great potential for life-enriching work.

Great philanthropists—like great business leaders—take inspiration from their intuition, personal insight and passion, but they build their good works on a foundation of planning and experienced advice.

In other words, you don't have to do this alone. In fact, we recommend that you involve your personal advisors and family from the beginning.

The other thing to remember is that thoughtful philanthropy is just that—thoughtful. And thinking takes time.

You might want to reflect on these points as you consider your next steps:

**MAKE AN EFFORT TO UNDERSTAND WHY YOU WANT TO GIVE** to allow your giving to be its most meaningful.

You have many options when it comes to choosing your issues and what approaches to use to achieve your desired outcomes.

**RESEARCH THOROUGHLY. THESE CHOICES WILL DETERMINE THE PARAMETERS OF YOUR PHILANTHROPY. THEY SHOULD BE INFORMED CHOICES.**

While making strategic choices is important, **IT IS ALSO CRITICAL TO PLAN FOR IMPLEMENTATION.**

Where decision making will be shared with others (spouse/partners; children/grandchildren; siblings), there should always be clarity and **THERE MUST USUALLY BE COMPROMISE.**

Enjoy the journey. **ASK YOURSELF THE QUESTION – IS IT POSSIBLE TO DESIGN DISCOVERY AND FUN INTO THE PROCESS OF GIVING?**

#### **ROCKEFELLER PHILANTHROPY ADVISORS**

is a nonprofit organization that currently advises on and manages more than \$200 million in annual giving. Headquartered in New York City, with offices in Chicago, Los Angeles and San Francisco, it traces its antecedents to John D. Rockefeller Sr., who in 1891 began to professionally manage his philanthropy “as if it were a business.” With thoughtful and effective philanthropy as its one and only mission, Rockefeller Philanthropy Advisors has grown into one of the world’s largest philanthropic service organizations, having overseen more than \$3 billion to date in grantmaking across the globe.

Rockefeller Philanthropy Advisors provides research and counsel on charitable giving, develops philanthropic programs and offers complete program, administrative and management services for foundations and trusts. It also operates a Charitable Giving Fund, through which clients can make gifts outside the United States, participate in funding consortia and operate nonprofit initiatives.

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