

# Strategic Family Philanthropy

*Maximizing Family Engagement & Social Impact*

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# *Housekeeping Q & A*

## **Can I ask questions during the webinar?**

- To speak aloud, use the “raise your hand” icon on the panel on the right-hand side of your screen and the organizer will call on you.
- You can also type and submit questions using the Questions box on the panel.

## **Will today’s webinar be recorded?**

- Audio will be available and will be archived on TCC’s website: [tccgrp.com](http://tccgrp.com).

## **Will this presentation be available?**

- We will email a copy of today’s presentation to all registrants.

# *About TCC Group*

- Founded in 1980, with offices in New York, Philadelphia, Chicago and San Francisco
- We work with foundations, nonprofits, and corporate citizenship programs
- Our services include planning, evaluation and grants program implementation
- Our services for family foundations include:
  - Planning: Strategic, governance, program design
  - Family foundation management

# Overview

1. What do we mean by “strategy”?
2. The importance of strategy in family philanthropy
3. Developing strategic family philanthropy
4. Tow Foundation Case Study
5. Questions
6. Wrap up

# *What is “strategic philanthropy?”*

- Based on a mission or core purpose
- Responds to a pressing need
- Specifies clear goals, strategies and outcomes
- Aligns resources with those outcomes
- ▶ **A decision-making framework for selecting investments and activities**

# How “strategic” should you be?

Less  
Strategic

More  
Strategic

## Charitable Bankers (25%)

- Vague foundation-wide goals
- Internally focused on history and process
- Reactive grantmaking
- No or little assessment

## Perpetual Adjusters (25%)

- Some defined goals and implicit strategies
- Decision-making framework mostly internally based
- Mostly responsive grantmaking
- Little assessment

## Partial Strategists (25%)

- Multiple goals and implicit planning
- Internal and external data to make decisions
- Mix of responsive and proactive grantmaking
- Assessment mostly at grant level

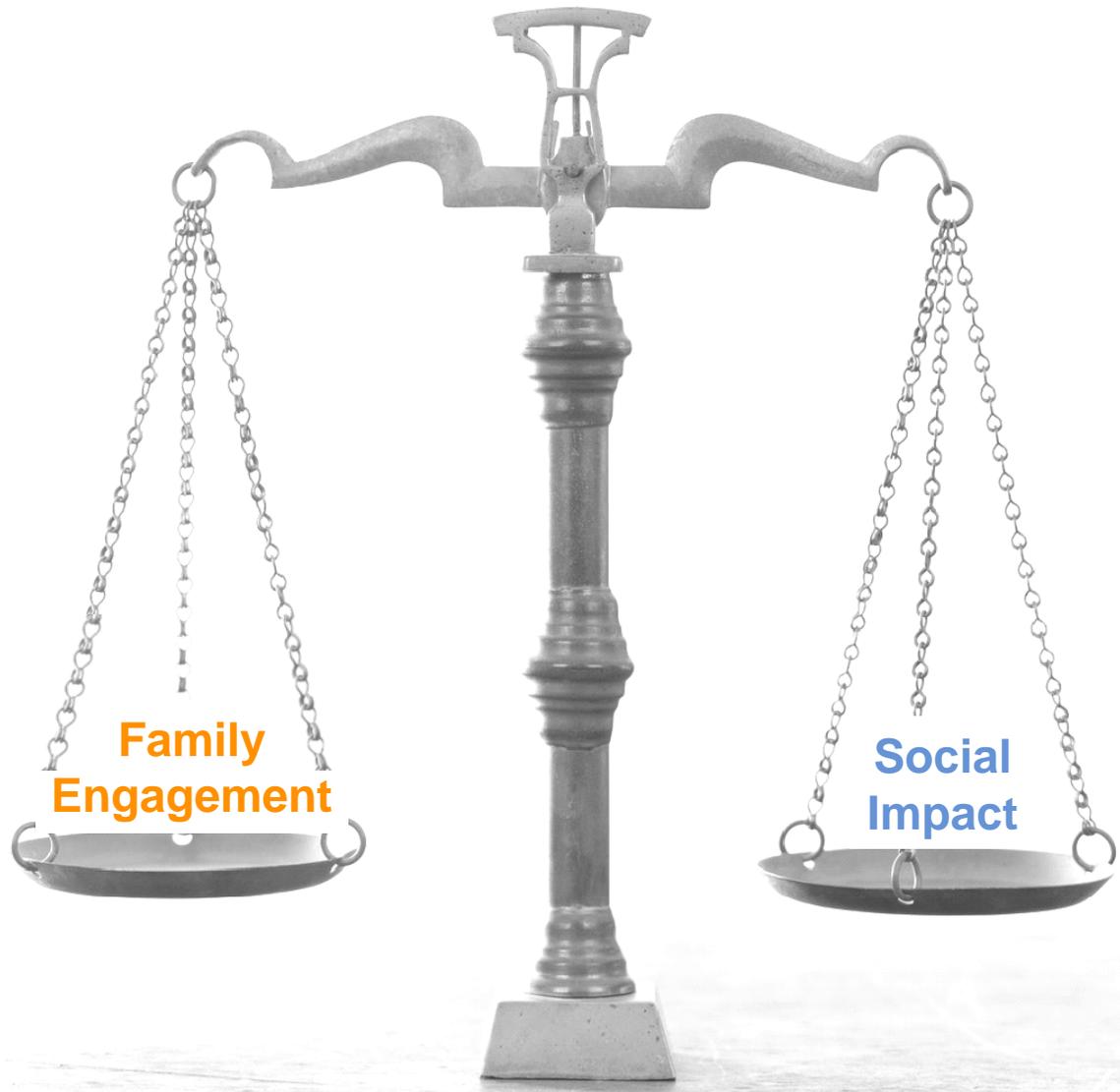
## Total Strategists (25%)

- Clear goals and explicit planning
- Externally focused, with lots of analysis and feedback loops
- Mostly proactive grantmaking strategies
- Ongoing assessment

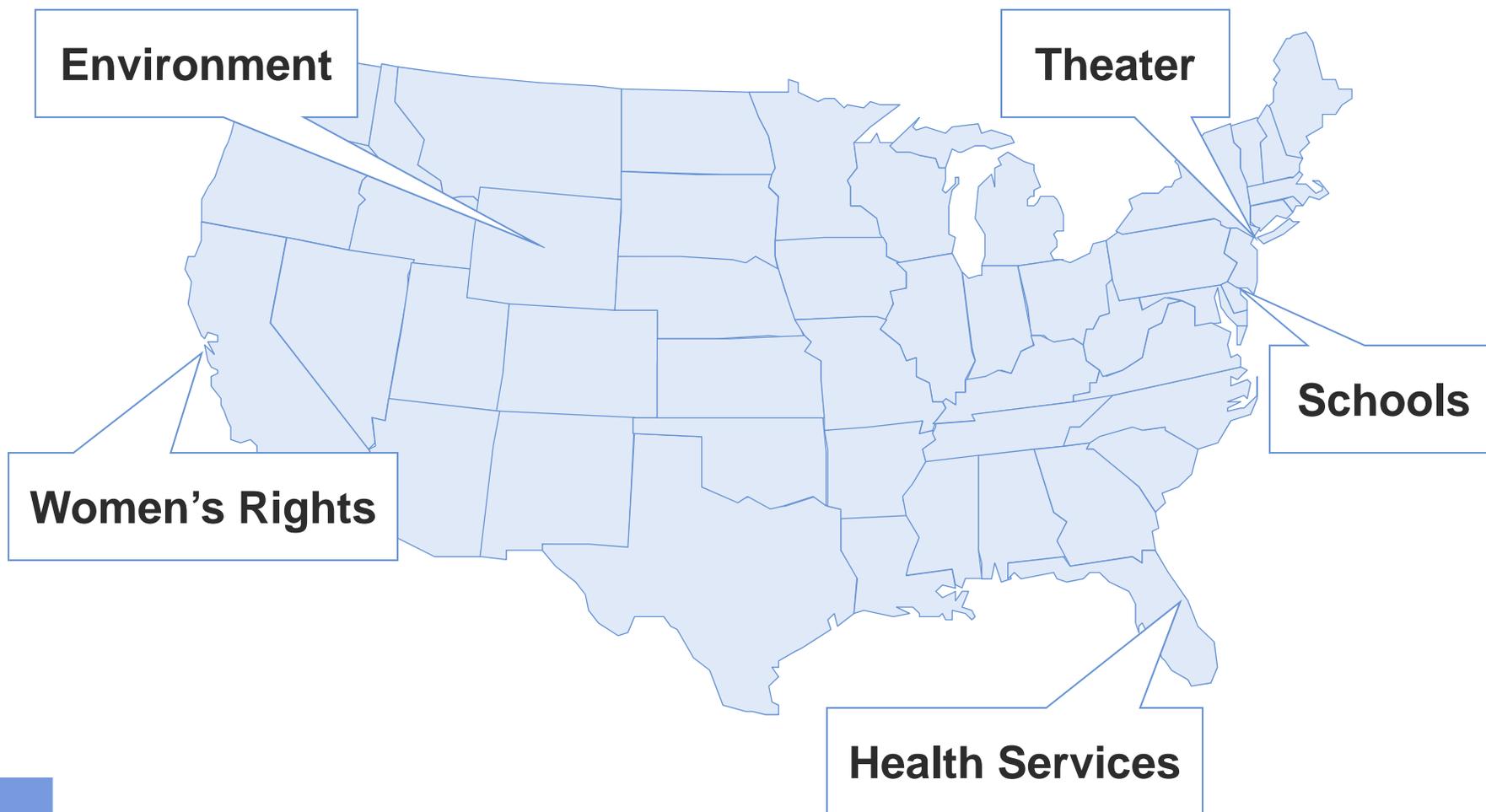
# *Strategic philanthropy can take different forms*

- Foundation-designed major initiative
- Open RFP process with clear goals and guidelines
- General operating grants to small community-based organizations
- Building the capacity of a cohort of organizations
- Funding an array of programs in a specific community
- ▶ **Being responsive to the field can be strategic**

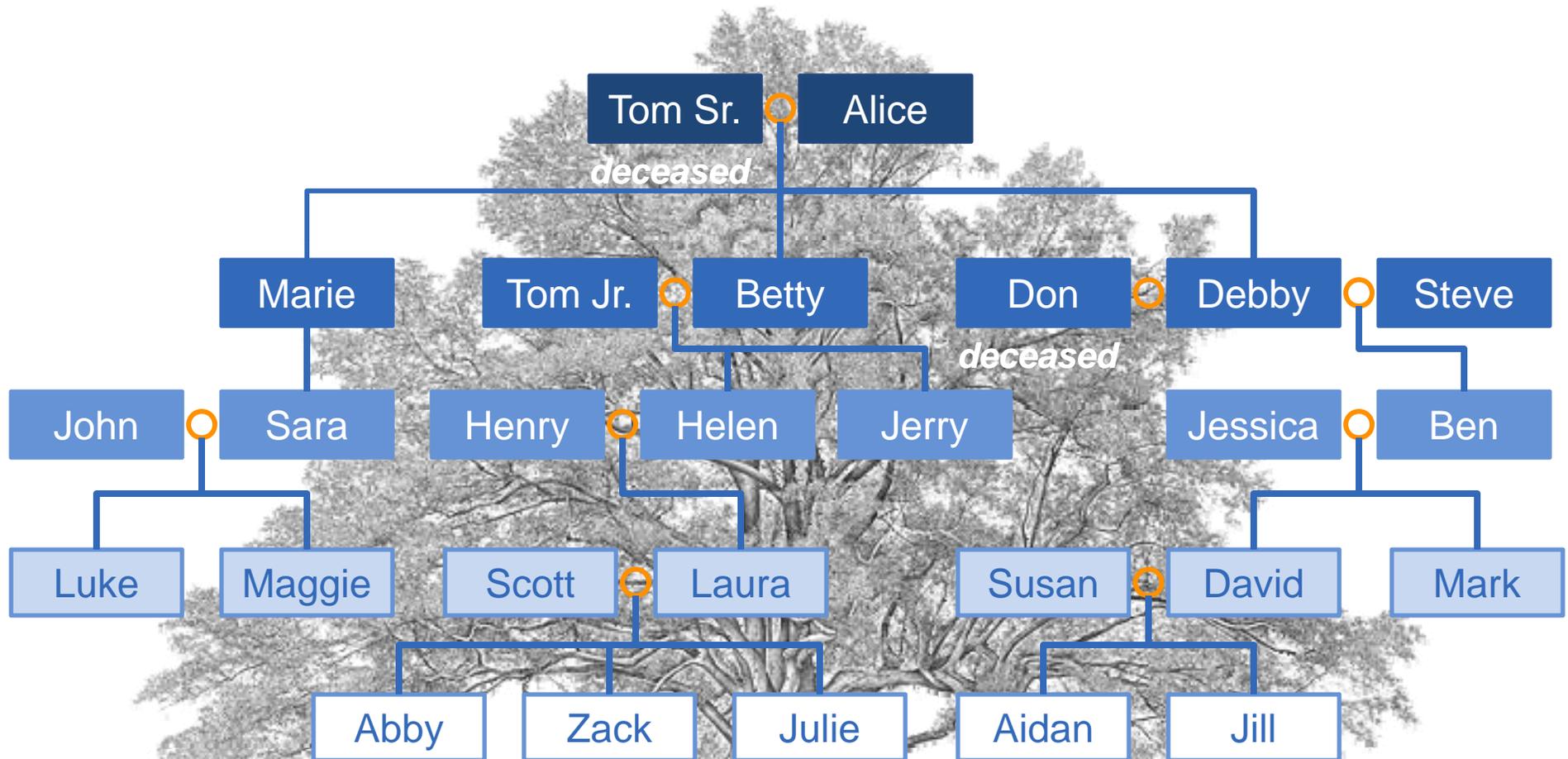
# *The dual missions of family foundations*



# *The pet project trap*



# Increasing involvement of future generations



# *Limited resources and growing demand*

## *Supply*

- 75,000 foundations
- 38,000 family foundations
- \$295 billion in assets
- 60% have assets under \$1 million
- \$18.5 billion in grants

## *Demand*

- 1.5 million nonprofits
- 500,000 formed in the past decade
- \$2 trillion+ in revenues

## *The benefits: social impact & family engagement*

**With more strategic philanthropy, you can have a greater social impact by:**

- Targeting resources to address a specific issue
- Utilizing more than just grant dollars to effect change

**As well as a positive impact on the family as you:**

- Learn together about an issue
- Share in your progress *together*
- Provide interesting, engaging roles for trustees

# *Developing a strategic focus*

## **Analyze past grantmaking history**

- What are the most *exciting/successful* grants?
- Which issues have received the most support, from a range of family members?

## **Develop criteria based on shared values**

- Which issues do family members care most about, and why? Where is there overlap?
- What are trustees' priorities in terms of geography, population, approach (e.g., research, advocacy, direct services, etc.)?

# *Developing a strategic focus (cont.)*

- **Conduct research**
  - Talk to experts and grantees
  - Scan the field
  - Make exploratory grants
- **Agree on a future direction**
- **Develop clear goals and strategies**
- **Continually reflect and refine**

## *Some tips for making progress*

- Find a board champion
- Find foundation peers
- Establish a designated fund for collective strategic giving
- Establish discretionary allotments for board members
- Get professional help

# *Case Study: The Tow Foundation*

- **Background**

- Family foundation established in 1988, based in Connecticut
- Executive Director is a family member

**THE TOW FOUNDATION**

- **Vision**

- Mission is to help vulnerable populations and individuals to become positive contributors to society for the benefit of themselves and others
- This is achieved by supporting nonprofit organizations and working to influence public policy and systems change

- **Strategy**

- Key strategic initiative on juvenile justice reform in the state of Connecticut
- Targeted funding of \$1-1.5 million per year since 1999

The background of the slide features a grayscale image of tree leaves and branches. A horizontal blue banner with a fine grid texture is positioned across the middle of the image. The word "Questions" is written in white, italicized font on this banner.

# *Questions*

## *Some things to consider*

- It requires letting go
- Its easier to accomplish during time of transition
- It takes time

“ Focusing our grantmaking in an area where there is so much to be done, and where there is so little private sector involvement, has provided us with the opportunity to see the effects of our work first hand. What has been so empowering is that we no longer rely solely on what affects us personally to energize our board of trustees. The driving force is now the knowledge that we are truly making a difference.

”

- Claire and Leonard Tow, The Tow Foundation



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