



*Foundation News & Commentary*

## **Family Philanthropy's Mad Hatter**

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*Professionals at family foundations wear many hats—administrator, mediator, confidant and sometimes even family therapist. Here are some helpful hints.*

**F**ew professional roles are more complicated—and less defined—than the family foundation professional. The explosion of foundations has greatly expanded the profession, but few in it have formal training. Instead, they may have been lawyers or accountants to the family, academics, business managers, teachers or spiritual leaders. They enter the field through personal relationships, work in the nonprofit world or other serendipitous paths. They are hired to be managers and organizers, sometimes in the role of chief executive officer, sometimes that of chief operating officer. But they quickly find that they have many more roles to play.

Through Family foundations, tens of billions of dollars are contributed annually to thousands of philanthropic causes affecting millions of lives. The challenge for the professional is to accomplish the foundation's important business, but to do so while accommodating the needs of a board made up primarily of family members.

Although family foundations are legal entities, they often function around the personalities of individuals. Strategic plans, mission statements, goals and objectives are based on the passions, spiritual and emotional characteristics of the people involved. Rules can be displaced by informal family dynamics. Sometimes family foundations are created as a vehicle to bring a family together. But few subjects are more difficult to discuss, negotiate and remain dispassionate about than money.

### **Four Levels of Involvement**

The professional must operate on four different levels and be able to cull from all of them as appropriate. The first is emotional. She must be able to connect to various members of the family and other trustees with a sense of safety, affection, caring and concern. Defining and maintaining appropriate boundaries can be challenging when working with a family foundation. On the one hand, the professional becomes almost like a part of the family. On the other hand, professionals may lose trust and credibility if they become *too much* a part of the family. Given this complex relationship, maintaining the emotional balance is critical.

The second level is intellectual. The professional must provide good ideas, communicate clearly, provide the lay of the land and offer options for foundation governance, management and grantmaking. Simultaneously, operating both within both the realm of emotion and intellect requires sophisticated interpersonal skills.

The third level is ethical/moral. Decisions are made in the context of right and wrong, good and bad, in addition to practical or political realities. The family foundation professional may need to serve as a compass.

The fourth level is spiritual. Naturally, board members—especially founding donors—think about mortality, the meaning of life and how to perform good deeds. Giving is a matter of the soul and the spirit, touching the deepest part of a human being. It can be very difficult for the family foundation professional to communicate on this level, regardless of the words spoken or the subject matter discussed, the spiritual level is a subtext more often than any other.

### **The Six Essential Qualities of Professionals**

The family foundation professional must be:

- **Honest and consistent.** He or she cannot tell one thing to one family member and something else to another. The professional must present all information with complete disclosure.
- **Candid and frank.** He or she must not be afraid to state his or her beliefs. The professional should be a strong moral compass, not a distorted mirror image of trustees' views and feelings.
- **Grounded in a set of values and beliefs.** He or she must know what is and is not important to them, and be aware of when compromise is not an option. The professional has to be willing to say no to a trustee sometimes.
- **Aligned with the family's beliefs and goals.** The professional can educate and lead, but cannot have an agenda that is dissonant with the family's agenda.
- **Willing to utilize outside help.** Sometimes consultants are needed to assess, review, and facilitate. Such help should not be threatening to the professional, even when initiated by a trustee.
- **Simultaneously engaged and objective.** The boundaries between professional roles and personal relationships are often blurred, and often shift. Professionals have to be able to navigate ambiguous interactions.

### **Far Beyond Administration**

The family foundation Professional has enormous influence, because the family relies on him or her and often views the professional as providing an objective voice. The family foundation professional also has critical input, playing a powerful brokering role among board members because he or she prepares documents, helps with the agenda and provides other key information.

The professional is often a mediator. He or she must listen, digest, offer compromises, and provide mechanisms to resolve differences between family members, all without being—or seeming to be—manipulative. Many family foundation professionals play other roles, too, including:

- **Counselor/advisor.** The professional must be a sounding board for ideas generated by family members and also generate ideas on his or her own. The professional cannot be a “yes” man or woman and still retain board members' respect.
- **Visionary.** The professional should have the ability to think creatively about the future. Brainstorming, imagining and probing are part of the visionary role.

- **Mentor/teacher.** The professional has to be able to teach philanthropy as an endeavor, including the range of possible funding areas for boards with multiple interests and passions. He or she must be intergenerational teacher for the family's children and grandchildren. The professional also must mentor his or her staff, as well as other professionals in the non-profit world.
- **Ambassador.** The professional must also be an ambassador/statesman, a representative to the world outside the foundation. This includes relating to the general community, the corporate community, and other foundations when building philanthropic partnerships.
- **Scanner/filter.** The professional must protect the trustees from unwanted solicitations and even from unscrupulous or dishonest grant requests. Occasionally, a professional takes the scanner/filter role too seriously, assuming the role of gatekeeper. If access to power goes to the professional's head, he or she may believe his or her responsibility is to make decisions, instead of helping to shape the board's decision-making. The professional should not become a gatekeeper, even when that is the board's preference, because this allows the trustees to become too detached to make sound philanthropic decisions.
- **Therapist.** The professional's role often is to listen, digest and soothe, sometimes for individual family members or sometimes for the family as a whole.
- **Advocate.** Because the professional has his or her own set of core beliefs and values, it is appropriate at times for her to promote a particular program or initiative. If used judiciously, this role strengthens the counselor/advisor function. If this role is handled unwisely, the professional can appear to have too much of a personal agenda.
- **Manager/organizer.** Sometimes the professional plays the role of chief executive officer, or sometimes that of chief operating officer or program officer. How well the foundation is managed is a key indicator for trustees about how well the foundation is doing overall.
- **Technical expert.** The role of the technical expert is critical. The foundation professional must be familiar with tax-exempt/non-profit laws, rules and regulations. Is the potential grantee a legitimate non-profit? Is the giving level of the foundation correct? These and other such "nitty-gritty" skills are essential. While the foundation professional may rely on accountants and lawyers both within and outside, the professional must be the interpreter to the family. Moreover, the professional should be able to screen, present, and adapt best practices from the foundation world.
- **Scapegoat/lightening rod.** This is an appropriate role if it is not used too often. In order to solve a problem, the professional takes the burden of responsibility for it, even when the problem may reside within the family dynamic. This may allow the family to communicate with one another, thereby relieving tension.
- **Truth teller/conscience.** She must bring up unpleasant subjects and hard realities such as declining assets or grants gone wrong. This role is essential, since he or she will need to discuss these things without laying blame or pointing fingers.
- **Friend/confidante.** This role can be difficult to navigate, since being both employee and friend can become very murky. A professional may be privy to information that does not help execute tasks, but is instead a hindrance. Being the repository of

inappropriate information can sometimes put the professional in a difficult position, especially when it involves conflict with family members.

- **Protector.** The professional is often called upon to say no gracefully, with enough skill to protect the goodwill and name of the family. This function is more interactive with grantees and the public than the scanner or gatekeeper role.

This combination of roles, which ebb and flow depending on the time and the need, constitutes the skill sets of a family foundation professional. The ability to navigate the world of philanthropy, the world of the family and the world of the community comes with experience that no training program can possibly anticipate.

It is important for the family foundation professional to remember that he or she is involved in an emotional, intellectual and spiritual experience. He or she is doing good work in the midst of complex and difficult relationships. Individuals should neither overestimate their power, nor underestimate their influence in this role.

### **Creating a Profession**

Foundation work as a distinct profession is still emerging. During the past few decades, the number of foundations has grown exponentially. This phenomenal growth is likely to continue. Few academic programs exist for philanthropic professionals. The term “family foundation” was coined in 1985 by Council on Foundations member and staff. Members of the profession, particularly those who work in this intricate nexus of family enterprise and philanthropy, needs to discuss, debate and develop a formal code of ethics.

Both pre-service and in-service training for foundation professionals should be expanded. What are the desired skills in this professional realm? What kinds of programs should formally train people to enter the field? What are the benchmarks of success and professional growth? All of those need to be on the table as the field grows and matures.

Most of all, foundation professionals need to develop more and better mechanisms for mutual support. While the field is often rewarding, it is also filled with unique challenges and stresses. A key question is how to create a network of professional support.

Family foundation professionals are involved in some of the most critical decisions that affect human welfare, fulfilling religious commitment and achieve societal progress. The family foundation professional’s role is one of community service and honor. It needs to emerge as a field that is respected as such.

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