

REFLECTIONS ON GRAND-CHILD/GRAND-PARENT PHILANTHROPY AS AN ELEMENT IN A SYSTEM OF FAMILY GOVERNANCE

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The Chinese have a proverb in which they state the “grand-parents and grand-children are the natural enemies of the parents”. Whether there is truth in this proverb, who can say, but certainly history and literature, as well as my own personal experience, all indicate that a grand-parent’s relationship with his or her grand-children is filled with pure love. Grand parenting offers the chance to teach the family positive virtues, stories and myths without the parental obligation of being concerned with discipline and passing on by admonition the family’s negative experiences.

Often in my work with families, the grand-parents ask me what role they can play in family governance. Frequently they feel unsure of their direct relationships with their children and are all too aware of the mishaps which they, as with nearly all the rest of us, make in parenting. They seek with their children a mature present and future *modus vivendi*, while recognizing that past difficulties in their relationship cannot be expunged. Necessarily with this history, the roles in family governance of the parents and the children will be those of equals seeking to preserve the family. Also, given their respective ages, the children will normally be taking on the active governance responsibilities in investing and administering the family wealth. The parent generation will be moving to the roles of observers and, most importantly, to acting as elders when a need for dispute resolution arises. While the latter role is critical to successful family governance, it is by its nature a role rarely called upon. Given the longevity of individuals today, asking 65-year-olds to assume roles in family governance which are basically passive simply wastes the vitality of significant family assets. At the same time, not to permit the rising generation to assume the active roles in family governance will lead to its frustration and a different waste of family assets will occur.

Recognizing the desirability of using all family assets fully, and my earlier comments on the special relationship between grand-parents and grand-children, I believe that within this special relationship families can better employ the vitality and wisdom of their elders. I suggest that families employ philanthropy as the means to accomplishing this end. Philanthropy, in and

of itself, is a practical teaching tool for learning virtues through the process of giving to others. Philanthropy, as a vehicle for grand-parents to take an active role in family governance, is teaching grand-children the family virtues and particularly the values of gratitude and stewardship. This gives such a grand-child/grand-parent a particularly powerful role in family governance.

How would such a philanthropy work? First, I recommend families think small in terms of size since the range of ages (I suggest beginning with six-year-olds) suggests that even gifts of \$50-\$100 will seem very large to young children.

Second, I suggest using the simplest structure possible. If the family already has a significant private philanthropy, I suggest it set aside a small portion of the capital for this specific purpose. If such a philanthropy does not exist, a “Donor Advised Fund” can be arranged with most community foundations for amounts of \$10,000 or more.

Third, I suggest that the philanthropy include all the grand-children age six and over. In some of the families there is an age spread among the grand-children of more than twenty years. Despite this age difference, I find that there is a commonality of relationships between the grand-children in their love and admiration for their grand-parents that creates a bond which overcomes the age gap. In addition, in families which have trusts, frequently the grand-children form a class of beneficiaries which makes no discrimination regarding age. As a class, all the grand-children share the same financial interests in the trust. This similarity of financial position frequently leads to a need for the older grand-children to mentor and lead the younger in their common situations. This similarity of situations forms another bridge of commonality without the group.

Fourth, grand-children age twelve and older should form an investment and administrative committee for the philanthropy. While we can easily see the benefits that come from philanthropy in learning to give, we often fail to appreciate that a philanthropy is a business and can provide an educational setting for acquiring needed investment and administrative skills which are immediately transferable to the for-profit section of a family’s activities. I strongly urge that the grand-parents give the investment and administrative responsibilities to the older grand-children as soon as possible. The grand-parents should act as mentors and advisors to their grand-children in this function; the grand-parents retaining, of course, ultimate decision making until they are confident of their grand-children’s capabilities.

Fifth, I suggest that all the grand-children and the grand-parents form the grants committee. I believe that it is important that each grand-child make a grant each year. However, the process of how the grant is requested and voted on is critical to the learning experience of the grand-child and to the grand-parents' ability to mentor the process. I believe that any child age six or older is capable of proposing and advocating a grant request. Obviously the older the grand-child, the more written material regarding the grant recipient should be required. When grand-children are age ten or older, I also strongly suggest that, as a part of their requests, they indicate that they have made site visits to the location of the proposed grantee or, if this is impossible, that they have interviewed the director of the proposed recipient. While the written material and site visits are important, the truly important part of the grant request process is the oral presentation by the requesting grand-child at the annual meeting of the grand-child/grand-parent philanthropy. At this meeting, each grant recipient should be called on to present her or his grant request. Following the presentation, the grand-parents and the other grand-children should, with great care and affection, critique the request and then vote on the application. In the case of the younger grand-children, age 10 and over, the questions, suggestions and possible additional homework requirements to assure that the grant will be used wisely should increase with age. For the oldest grand-children, the grand-parents may also require that the grand-children "put their share in the game" by progressing to some form of active participation in the organization to which their requested grant will be made. From the grand-parents perspective, what could be more fun than to sit with one's grand-children and discuss their passions and to discover who they are? From the grand-children's perspective, to get to know their grand-parents through their wisdom and the stories of their own giving, will deepen their knowledge and respect of their grand-parents. The grandchildren will with great fun, be initiated into the family's wisdom and rituals.

Sixth, it is very important that the parents of the grand-children be excluded from this process to as large an extent as possible. The exclusion is not an unfriendly act. To the contrary, for this process of inter generational giving and sharing to work, the parents will want to actively promote the direct interaction of the two generations and will quickly understand that their intervention can only inhibit that process. I do recognize that some individuals whose relationship to their parents are unsatisfactory or sadly broken may see no benefit in this practice. They may feel they are putting their children in, what they perceive as, "the harms

way”, they have felt from their parents towards them. I fully sympathize with their feelings and suggest that in those cases this practice may not be appropriate until the relationship between parent and child is restored.

Seventh, hidden in my description of the grant making process in the fifth point above is a critical life skill. When each grand-child comes forward and makes his or her request, then he or she is learning the life skills of public speaking and leadership in addition to learning to passionately advocate and ask for something for others. I cannot begin to count the number of times adult clients of mine have said how much they wish as young people they had learned how to overcome their anxieties about public speaking. They wish they had lost their fears of coming into a room of people and asking for something, their inability to prepare an agenda or a proposal, and their inability to successfully advocate a position in which they passionately believed. THINK about how much more successful in life we would each be had we learned these skills at an early age. The secret behind grandchild/grand-parent philanthropy is that in making and advocating a grant request, all of these skills are brought into play in an atmosphere of love and caring and with an outcome that benefits, not oneself, but others. Many of the families I work with have created this form of philanthropy and are actively using it as a device for the teaching and practicing of these skills. These families understand that if their young are to be ready to take on leadership roles in or outside of the family these are critical skills necessary to successfully carry out such roles and ultimately to the successful practice and leadership of family governance

To combine learning about ones own passions through giving to others and the learning of these life skills, makes the grand-child/grand-parent philanthropy an excellent tool in a family governance structure. For grand-parents, it offers an active role in family governance at a level where their wisdom plus their love and affection for their grand-children can be fully engaged. For both grand-parents and grand children it offers a shared experience of learning about who each other are in the process of discovering the world and its needs through the process of learning to give to others.

WHAT FUN!! HAVE FUN!!

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