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Family Giving in Higher Education:
A Unique Blend of Personal and Collective Philanthropy

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As a firm that consults to both the Family Business and Higher Education industries, we are often pulled into the realm of giving strategies being considered by families of wealth to university systems. While this is not a topic often discussed, it can be a source of both fulfillment and frustration—the ability of universities and families to recognize their differences and how they inform the giving strategy, the articulation of outcomes, and the use of funding is key to success.

Given our current environment, these challenges can feel particularly acute. But so can the ability of families to provide direction and meaningful impact through their gifts. We hope that this reflection will help families shape their thinking around how to engage with university partners most effectively.

Family Giving in Higher Education: A Unique Blend of Personal and Collective Philanthropy

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In higher education philanthropy, family giving occupies a unique and powerful position. It's a form of giving that bridges the gap between individual donors and large foundations, offering a blend of personal connection and strategic impact that is truly one-of-a-kind.

Imagine a family—let's call them the Johnsons—who has decided to make a significant contribution to their alma mater. The Johnsons aren't just writing a check; they're embarking on a journey to shape their legacy and, ideally, transform the institution they love.

What makes the Johnsons' gift special is how it retains the deeply personal aspects of individual giving while harnessing the power and structure of a foundation. Like individual donors, each family member brings their own connection to the university. Perhaps Sarah Johnson fondly remembers her time as Resident Assistant, where she developed as a leader and made life-long friends. At the same time, a particular professor inspired her brother Mark in the engineering department. These personal ties create a tapestry of experiences that inform their giving, much like an individual donor would.

The Johnsons also have specific interests they want to support, just as individual donors often do. Sarah might push for funding new residence halls with the family name, while Mark advocates for research dollars to support faculty. These differences are essential to pay attention to even once a family has decided upon a vision for their gift, as they will continue to inform how each family member experiences the philanthropic process and likely resurface from time to time.

Moreover, like many individual donors, the Johnsons desire to have some influence over how their gift is used. They want to be involved in shaping what they fund, ensuring their vision aligns with the university's implementation. This hands-on approach is characteristic of individual giving, where donors often seek to make a personal mark on the institution. With a family gift, influence is spread across more individuals, each likely having relationships with institution leaders. This hands-on approach can be challenging for universities to manage, as they must balance multiple perspectives within a single gift.

The scale and structure of their giving set the Johnsons apart from individual donors. By creating a family foundation, they've added a layer of complexity—and potential impact—to their philanthropy. This is where family giving begins to resemble foundation gifts.

The Johnson Family Foundation's governance structure and decision-making processes allow for a more strategic and sustained approach to giving. Instead of making one-off donations, the family can plan for long-term, transformative gifts spanning decades. They can fund endowments, create comprehensive scholarship programs, or support significant research initiatives - projects that individual donors might find challenging to sustain and that foundations might not stay engaged long enough to pursue.

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This foundation structure also enables the Johnsons to pool their resources, significantly amplifying their impact. While Sarah or Mark's gifts might have been substantial, their combined family resources allow for truly transformative contributions. They're now thinking not just about funding a few scholarships but about how they might reshape entire departments or programs.

The foundation approach also brings professionalism and rigor to the Johnsons' giving. It is helpful for family foundations to engage in visioning and strategic planning regularly to carefully consider how to allocate their resources for maximum impact.

They might hire staff to research potential projects, evaluate outcomes, and ensure their giving aligns with family values and institutional needs. This systematic approach is characteristic of large foundation giving, allowing for more thoughtful and impactful philanthropy

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However, the unique challenge - and opportunity - of family giving lies in balancing these personal and professional aspects. The Johnsons must navigate family dynamics while making strategic decisions. They need to find ways to honor individual family members' connections and interests while also thinking about the bigger picture of their collective impact.

This balancing act can be challenging. Family meetings might become heated as members advocate for their preferred projects. The desire for individual recognition might clash with the need for collective decision-making. The personal connections that make family giving so powerful can also complicate the strategic allocation process.

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Yet, when managed well, this blend of personal passion and professional structure can lead to extraordinary outcomes. The Johnsons' giving might result in a new academic building bearing their name and housing programs that reflect each family member's interests. Their foundation could become a long-term partner to the university, adapting its support as institutional needs evolve.

To navigate these complexities, families like the Johnsons and universities must consider several key challenges and implement thoughtful strategies to address them proactively.

KEY CHALLENGES AND STRATEGIES

Misalignment on Urgency and Success Metrics

Families and universities often have different timelines and ways of measuring success. While families might want immediate impact, universities typically operate on longer timelines. Establish clear, mutually agreed-upon goals and timelines at the outset of the partnership before a gift agreement is in place. Regular check-ins can help continue to align expectations and allow for adjustments. Universities should provide detailed impact reports, while families need to stay open to understanding the long-term nature of institutional change.

Decision-Making Processes

Universities often seek extensive input and collective decision-making, which can clash with a family's desire for quick, independent choices. Create a hybrid decision-making model with delineated decision rights that respect both parties' needs. This could involve a joint steering committee with family and university representatives. Set clear parameters for which decisions require consensus and which can be made independently.

Consistency in Leadership

University leadership changes more frequently than family involvement, potentially disrupting long-term philanthropic relationships. Develop a comprehensive onboarding process for new university leaders to understand the history and nuances of family partnerships. Families should cultivate relationships beyond the top leadership, engaging with a broader network of university stakeholders and clearly understanding where decision rights stand. Universities should maintain detailed records of family partnerships to ensure continuity.

Conflicting Value Systems

University stakeholder groups and family value systems may not always align, leading to potential conflicts. Conduct thorough discussions about values and expectations early in the partnership and revisit this often. Create a shared vision statement that outlines common goals and principles in gift solicitation. Establish a process for addressing conflicts when they arise after the gift, possibly involving neutral third-party mediation.

Influence of External Forces

Politics, world events, and other external factors can create disconnects between families and universities. Maintain open and frequent communication about how external events might impact the partnership. Develop a flexible framework that allows for adjustments in response to changing circumstances without undue influence. Both parties should commit to regular strategic reviews to ensure the partnership remains relevant and effective in light of external changes.

THE UNIVERSITY'S ROLE IN PARTNERSHIP SUCCESS

Universities can play a crucial role in ensuring the success of family gifts and maintaining solid relationships by implementing these strategies:

- Assign a dedicated liaison or team to work closely with the family as a single point of contact and coordinate communication between the family and various university departments.
- Provide regular updates on the impact of the family's gift, organize campus visits, and facilitate meetings with students, faculty, or programs benefiting from the donation.
- Establish a formal process for addressing conflicts or misalignments, involving neutral mediators when necessary.
- Involve family donors in the institution's life beyond their specific gift areas, including invitations to special events, opportunities to meet with university leadership, or chances to engage with students through mentoring or guest lectures.
- Create a comprehensive documentation system to ensure continuity of family partnerships across leadership changes.
- Develop a flexible gift agreement structure that allows periodic reviews and adjustments to align with changing circumstances and priorities.

FAMILIES, IN TURN, CAN ENHANCE THEIR PHILANTHROPIC PARTNERSHIPS BY:

- Clearly articulating their values, goals, and expectations at the outset of the partnership.
- Understanding the complexities of university operations and decision-making processes.
- Engaging multiple family members across generations in the philanthropic process to ensure continuity and evolving perspectives.
- Establishing a family governance structure that can effectively interface with university systems.
- Committing to regular education and engagement opportunities to stay informed about higher education trends and challenges.

Consultants can serve as a vital neutral bridge between philanthropic families and institutions, offering unbiased expertise to navigate the complex landscape of large-scale giving. Acting as an intermediary facilitates clear communication, ensuring that the family's values, goals, and expectations are accurately conveyed to the university. They also help the family understand the intricacies of academic operations and decision-making processes. This neutral stance allows consultants to objectively assess the alignment between family objectives and institutional priorities, conduct thorough due diligence, and assist in negotiating gift agreements that protect both parties' interests.

Furthermore, consultants provide crucial support during a gift's critical initial implementation phase. They offer independent oversight to ensure adherence to agreed-upon terms, facilitate the resolution of any conflicts or misalignments, and objectively assess the gift's impact. By establishing robust documentation systems and continuity plans, consultants help safeguard the long-term success of the philanthropic partnership, even as family dynamics or institutional leadership may change over time. This neutral, expert guidance can significantly enhance the effectiveness and longevity of significant philanthropic endeavors, benefiting the giving families and the recipient institutions.

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By proactively addressing these considerations, family giving in higher education can overcome potential challenges and maximize its unique potential for transformative impact. This thoughtful approach allows for a partnership that honors the personal connections and specific interests characteristic of family giving while leveraging the structure, scale, and strategic approach of foundation giving. When managed effectively, family philanthropy in higher education can create a lasting legacy that benefits educational institutions and society for generations to come.

ABOUT THE AUTHORS

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Todd is a Principal at CFAR with deep expertise in family philanthropy and higher education strategy. He works with families of wealth and universities to design giving frameworks that honor personal values while achieving transformative institutional impact.

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Erin brings extensive experience navigating the intersection of organizational culture and philanthropic partnerships. She specializes in bridging value systems and fostering productive dialogue between families and institutional stakeholders.