MUTUAL TRUST

Engaging in strategic family philanthropy, across generations

At Mutual Trust, we meet many families wanting to work together over generations to use their financial and non-financial resources to solve social problems and support their communities. At the same time, intergenerational giving is becoming increasingly relevant for the Australian charitable sector as a source of strategic and long-term funding.

Recently, we were delighted to welcome Rupert Myer AO and Anthony Lee, along with some of our families, to Mutual Trust's Sydney office. Over lunch, Rupert and Anthony led an insightful discussion, sharing their perspectives on how to engage successfully across generations in strategic family philanthropy. We are pleased to share a summary of this discussion below.

How do families start to introduce their rising generation to philanthropy?

There was strong consensus that philanthropy is a highly effective way to demonstrate and pass on family values to the rising generation. Both Rupert and Anthony emphasised the importance of service as being one of the hallmarks of giving in their families. Volunteering can be a great way to give children their first philanthropic experience and instil in them the importance of helping others. Similarly, observing parents or other family members give their time and talents to charitable causes is an important way to communicate family values.

Anthony Lee (left) and Rupert Myer AO at Mutual Trust's Sydney office in February 2024.

Rupert elucidated on his family's personal approach to giving, which involves members of his direct family coming together regularly to discuss the causes they care about, sharing that: *"we meet around the kitchen table more than the board room table*".

Equally important is emphasising the 'why'. Being able to exchange ideas, share passions and discuss why the family engages in philanthropy can go a long way to laying a foundation for life-long charitable engagement by individuals and intergenerational family philanthropy. This might include, for example, sharing stories of the family's history of giving, or talking about reasons why a particular cause is so important to the one, or multiple family members.

How can families navigate decision-making around their giving and harmonise different perspectives?

A family's philanthropic legacy often starts with the first generation, when the family wealth was first created. Over the years, as second and third generations of family members become involved, group decision-making can become more complex.

Articulating a family's philanthropic purpose supports family foundations with structure and clarity. In turn, this aids decision-making across generations and supports the effective response to society's changing needs. This is important, as the problems faced by the first generation are very different to the problems facing the generations of today. Similarly, the challenges of today are unlikely to be the same in 20 or 50 years down the track. Rupert reflected on his roles with the Myer Foundation and the Felton Bequest and the distinction between being a custodian of another's philanthropic act and his own philanthropic endeavours with wife Annabel and their children and spouses.

For group decision-making to work, particularly when there are family dynamics or intergenerational differences at play, clear communication is also critical. How did the experiences of the first generation shape their past philanthropic actions? What causes are most important to the younger generations today and why? By taking the time to better understand each family member's perspectives and actions, a family can collectively uncover their unique purpose for giving, frame their future decisions and continue to honour their family legacy in a changing world.

Many families in the room commented that their experience of uniting 'around the kitchen table' to make philanthropic decisions had helped them find shared ways of working. This had also proven to be essential during challenging times such as transitioning the family business or caring for ageing family members.

Who should be included in family philanthropy?

Whilst all families are different, Anthony reflected on the benefits of developing a shared purpose for giving with the help of Mutual Trust's strategic advisors. This, in combination with the example and experience of service to the charitable sector, meant that family members were now taking an active engagement in the family's philanthropy.

Both Anthony and Rupert acknowledged that the 'ages and stages' of different family members will reflect changing interests in family philanthropy, along with the time capacity available. However, finding an approach that attracts family members to philanthropy (rather than recruiting them) is the best path to sustainable, intergenerational philanthropy.

How can families measure the impact they have achieved?

The maxim, *not everything that counts can be counted and not everything than can be counted counts* was a sentiment shared by both speakers, with Anthony of the view that understanding impact requires reconciling short-term, quantifiable outcomes with the deeper, longer-term effects that are often harder to measure. As Rupert added: *"A focus on measuring with impact can sometimes dilute the important element of generosity in philanthropy*".

While it is important to understand how grants have been used and to ensure there is transparency and open dialogue between funders and recipients, it's also important to be aware of the difficulty of measuring social change, along with the unintentional impost this might pose on grant partners.

What are some best practices for families to give with impact?

Firstly, planning is critical. Giving with impact requires a clear purpose for giving and planning from the outset. It is important to adopt a long-term view and a foster a partnership approach with the people closest to the problems a family wishes to solve.

We often see families successfully give with impact when they make a commitment beyond their financial resources. Both Anthony and Rupert provided examples of the strategic use of family members' time, talents and networks to influence meaningful change on issues or communities.

Equally, it is important to be open to learning and strive to go beyond what a family already knows. Anthony noted that being able to give is a privilege, and it can be hard. However, it doesn't need to be a solemn duty. There are ways to make it fun and allow it to become transformative for both the giver and the receiver.

For a conversation on how Mutual Trust can help your family engage in impactful, multi-generational family philanthropy, please contact your Relationship Manager.

Alice Walter
Partner, Philanthropy

From left to right: Victoria Stoddard, Director, Philanthropy, Mutual Trust; Anthony Lee; Rupert Myer AO; Alice Walter, Partner, Philanthropy, Mutual Trust; Ralf Haase, Partner, Head of New South Wales, Mutual Trust.

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