

Forward Together:

How Philanthropic Families Can Create Impact Across Generations

In the coming years, younger generations will inherit immense wealth created by the entrepreneurs, innovators, and business leaders who came before them. Estimates vary, but according to one study, Gen X (currently in their 40s and 50s) and millennials (who span individuals finishing their 20s through those in their early 40s) will inherit US\$83.5 trillion from earlier generations. Another study noted that the children of billionaires alone will inherit US\$5.9 trillion by 2040.

As they build their philanthropic legacies, many ultra-high-net-worth (UHNW) families are involving their children and sometimes grandchildren in giving decisions. Additionally, those children and grandchildren find themselves managing the foundations and philanthropic programs of their forebearers. This kind of multigenerational philanthropy has the opportunity to bring family members together around a united vision regarding their family's legacy and in celebration of the positive impact their wealth can have on the lives of others. At the same time, though, the complexities of multigenerational philanthropy can sometimes introduce new tensions, as family members navigate competing giving priorities, timelines, approaches, and measures of success.

This report is designed to help families better articulate their goals and overcome common challenges. It synthesizes the insights the Milken Institute gathered from 34 deep-dive interviews with rising-generation philanthropists and philanthropic advisors. Additionally, the report's findings come from convenings of rising-generation philanthropists the Milken Institute hosted in the United States and Singapore, as well as from the Institute's own work advising individuals, families, and foundations on giving decisions and impact over the past decade.

The report presents four imperatives for successful multigenerational giving strategies:

1. **Engage early and authentically.** Ideally, empowering the rising generation to embrace and help lead a family's philanthropic efforts will involve early engagement and authentic communication. Rising philanthropists are often navigating complex issues of identity, including their identity as philanthropists. Additionally, there is broad consensus that a structured onboarding process can lead to more meaningful engagement in the family's giving and smoother transitions in leadership. The families that navigate this terrain successfully learn how to communicate respectfully about differences and to ground their philanthropic decisions in shared values.

*“Invest the time to strengthen your relationship with previous generations.
You can have influence by letting them know what you care about.”*

—Rising-generation philanthropist

2. **Make the implicit explicit.** When it comes to empowering the rising generation to take a leadership role in the family’s philanthropic efforts, transparency about the family’s wealth, philanthropy, and expectations is crucial. Often, what is left unsaid becomes the root of confusion or conflict. Families can avoid misunderstandings by increasing transparency and developing clear formal policies about who is invited into the decision-making process and what authority they have.
3. **Align on the “how.”** As the rising generation inherits wealth, they are also inheriting a very different world from the one in which the wealth was created. As a result, they are more open to different giving mechanisms beyond grantmaking, more likely to pursue different organizational structures, and eager to experiment with different approaches to giving, such as trust-based philanthropy.
4. **Don’t go it alone.** Navigating family dynamics and deciding on a philanthropic vision and strategy can be daunting. Many families at the beginning of their philanthropic journey find it valuable to connect with others and solicit input and insight from those with more impact experience. External philanthropic advisors can help guide families through essential questions that will shape their giving. Likewise, particularly for rising-generation philanthropists, communities of peers can be essential resources and companions throughout the philanthropic journey.

The coming decades are likely to transform the philanthropic landscape as new wealth, new priorities, and new approaches reshape how families pursue their giving. In many cases, the rising generation of philanthropists is reimagining what philanthropy can look like and what it can achieve. Guided by the hard-won lessons and values of the established generation, their new leadership holds tremendous promise, both to strengthen the family legacy and to deliver lasting impact for the communities and causes that benefit from their generosity, creativity, and long-term commitment.

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