



Untapped Philanthropy Episode 2: What does the future of family philanthropy look like in America?

Kerrin: Hello, and welcome to the Untapped Philanthropy podcast. **I'm your host and Fluxx co-founder, Kerrin Mitchell.** I've spent my career exploring technology's role and amplifying impact within our social sector, and more specifically, helping funders to learn to leverage technology and data to connect and better serve our collective causes, constituents, and communities.

In this podcast series, my team and I will profile social sector leaders, public figures, philanthropists, and industry futurists to explore this fascinating intersection of funding, technology, and policy. We're here to analyze the most critical and formative topics and trends that shape philanthropy both today and tomorrow. We hope this series leaves you inspired to think and act through a more collective and visionary lens.

I'm now thrilled to introduce today's guest, **President, and CEO of the National Center for Family Philanthropy. Nick Tedesco. Nick. Hi, please tell us a little bit about yourself.**

Nick: Hi, Kerrin. It's so great to be here. Well, a little bit about me. First of all, I am a huge fan of Fluxx. And no, I was not cajoled into an endorsement, I just think you are awesome and have an awesome platform. So thank you, again, for inviting me to be part of this podcast. And as far as me, you know, I am a somewhat simple guy from the northeast to just nerds out on all things social impact.

Kerrin: So tell us more about your career path. What specifically led you to philanthropy?

Nick: And yeah, it's always interesting to reflect on the path that led us to where we are, it always feels so arbitrary in the moment, but has such clarity in hindsight. Honestly, you know, I was raised on the values of community and service. My mother, who remains my single biggest influence, made sure that I lived a life of empathy, of intentionality and purpose. And, really, from a very young age, I was taught two important lessons, one that we give back, and to that we are one, we are all one community. I grew up in a large extended first generation Greek American family, one that was very rooted in faith and tradition. And some of my earliest memories are small acts of charity, things like placing a \$1 bill in the collection plate each and every Sunday, donating clothes or toys, volunteering time.

And as I grew up, my experience in college really reinforced a lot of the values of my youth. And after graduation, I moved to Washington, DC, and began working in the nonprofit sector at the Children's Health Forum, a nonprofit that addresses preventable health issues and underserved communities across the United States. And quite honestly, it was a sobering introduction to systemic racism, as we were working with children and families who were suffering at the hands of a broken public sector. And while I was at the Children's Health Forum, I was introduced to the Bill and Melinda Gates Foundation, and ultimately was invited to join the foundation in early 2010, as the trustees were exploring a plan to catalyze giving. And, you know, the fuse was lit, I fell in love with the discipline of philanthropy. But, like all love stories, we had our ups and downs, and throughout my 10 years with the pledge.

I saw the joy that philanthropy can bring. But I also saw the frustration, and I saw a sector that was and still is broken. You know, here are successful individuals and families who aspire to do good, but are not



resourced to do. So they don't have the time, the knowledge, the expertise. And the sector that was built to support them, has become fragmented and opaque. And so after a number of years at the Foundation, I wanted to further explore I wanted to get closer to the givers themselves. I wanted to better understand their mindset and the process. So I joined the JPMorgan Philanthropy Center as a senior advisor. And interestingly enough, I saw a lot of the same issues emerge this massive gulf between intent and action. And I knew that there had to be a better way to resource families. And it's what ultimately led me to the National Center for Family philanthropy.

Kerrin: I love it. Nick, you have such an interesting perspective on that macro-level of philanthropy. It's truly unique, especially since you worked with some of the most influential philanthropists of our time developing the Giving Pledge campaign at the Gates Foundation.

And now with families committed to grassroots development, you have this super fascinating lens on how giving can manifest, how it's changed, and what checks we need to put in place to ensure the impact occurs, you know that the social sector does in fact move forward. So you're gonna love this. So for our chat today, I've been so bold as to chapter as your life. And I wanted to break this episode up into those three philanthropic chapters, if you're open to it.

So here are my overall titles, but you can change these and you know, make it yours because it's your philanthropic memoir. So there are the Gates years, which is sort of like setting the standard for big philanthropy. There are the JP Morgan years where bridge the gap, and your most recent time at NCFP where you're mobilizing family foundations and creating connected communities. What do you think about those titles?

Nick: I think that this sounds like an autobiography in the making.

Kerrin: Perfect. Alright, so let's go into chapter one sort of setting the standard for big philanthropy. So you know, we've heard a lot about big business, and big government. And yes, there's a concept of big philanthropy and with billionaires throwing their hat in the ring to fill all these perceived policy gaps and service gaps so we can move the needle on so many crucial social sector needs. And with the correct lens, to your point, big philanthropy can support these dwindling public resources and services.

But left untethered, you know, we push, you know, we can end up pushing agendas, concentration gaps, political campaigns, in somewhat of an unaccountable, I guess, an unaccountable agenda in that sense. And I wanted to get your take on big philanthropy, you know, there's a bit of a story here, how it started, how it's changed, how it's shaped our current landscape, and really how it could shape the future.

Nick: Absolutely. Helping to launch the Giving Pledge was one of the most humbling and rewarding experiences of my life. In the years prior to the pledge, Bill, Melinda and Warren had all committed to give the majority of their wealth to philanthropy and were eager to explore how to encourage others to reflect on the importance of giving back. And the idea of the pledge emerged through the commitments that each of the trustees of the foundation's had made this idea of an aspirational campaign to highlight the commitments of the world's wealthiest individuals and families, and to hear from them in their own words, why philanthropy is important.



And the hope and motivation for the pledge, was that everyone across the wealth spectrum, would reflect on their privilege, and ask what they can do. So we officially launched the pledge 10 years ago, in June of 2010. And now, over 250 families have signed. But your point about large scale philanthropy about big philanthropy is a really important one. And the response that I would give to that is that there's a lot of potential for large-scale philanthropy to advance meaningful and enduring change, particularly at the system's level. But as you mentioned, there needs to be accountability. And I think one of the things we need to do is we need to start to have more of a collective conversation across each one of these respective efforts around what we are all doing collectively to move forward a collective agenda. And that agenda is not always going to align in its specificities. But at its highest level, I do believe that the efforts of these, you know, individual and respective philanthropic efforts can be in complement to one another. And that takes communication. And it also takes openness, it takes accountability, it takes transparency. And I think that we need to move in that direction in order to promote the outcomes that the sector hopes to see.

Kerrin: Absolutely. So I guess that whole Peter Parker adage of you know, with great power comes great responsibility was actually on people's mind at the beginning, or do you think that's something that came over time as this whole concept of big philanthropy evolved?

Nick: It was there from the very beginning privilege was on everyone's mind. It was talked about early and often. And in fact, the tone in many ways is encapsulated by Bill and Melinda themselves in their pledge letter. And they assert in their letter, quote, you know, we have been blessed with good fortune beyond our wildest expectations. And we are profoundly grateful. But just as these gifts are great, so we feel a great responsibility to use them well. And I wanted to share that quote, because I think it's important. It really does set the tone of the pledge and it was echoed throughout every member of the community. Throughout the early years of the pledge, we hosted a number of dinners with prospective members, these small intimate gatherings that were typically anchored by one of the foundation trustees. And it was really inspiring personally for me to observe. And it was quite unexpected, to observe the level of ownership that each and every person felt about their wealth, and how open they were to talk about it.

And, you know, interestingly enough, as we'll talk about later, they also expressed a lot of uncertainty about how to proceed with efficacy, to be able to put that wealth to work. But from the very beginning, there was a conversation at all levels, and from every member about both acknowledging the great fortune that they have received, and acknowledging the responsibility to be able to steward that great fortune for the benefit of the community at large.

Kerrin: It's something that I think everyone now recognizes. This a cooperative game, if you will, we're in an economic theory, we're all working together for a better future. And the more we each put in, the better we get as a group. So, this feels like we're on the cusp of this new age of collective philanthropy and an age where even the largest and most storied funders can be working on things with smaller foundations, grantees and such. So do you feel like that voice of the grantee and the people are starting to be present in a lot of those collaborations?

Nick: Here it's starting to be included in a lot more. But I think we have a long way to go to be truly proximate to the people and communities that families seek to serve. I do think we're making progress. But I think that we have a way to go. And, you know, I have seen a huge uptick in the conversation,



especially around the recent events, where I do think that a lot of individuals and families are reflecting on how their work is informed by the people and communities that they seek to serve.

And so what we need to do is we need to think about how we can start to incorporate as philanthropists, the tools that will allow us to adopt more intentional listening practices. And so there's a lot of conversation around the value of independent board members and family philanthropy, right, the notion that let's invite in community members to truly help direct these charitable dollars, or the practice of participatory grantmaking, or the idea of truly being in dialogue with your grantee partners, and asking what's needed, and, quite honestly, also being in dialogue with the ultimate beneficiaries. And I think that the first step in all of this is awareness. Each and every individual, philanthropic, family and institution, needs to ask themselves, how they are gaining proximity to the people and communities that they seek to serve, and the tools that they're employing to do that. And they need to ask their peers and ask independent resources, how they can do it better.

Kerrin: Awesome. We're going to now transition over to chapter two, bridging the gap, as I've named it. With your transition from Gates to JP Morgan, you went from a focused effort with one very influential funder to many. And I can imagine that that was something that you saw in terms of an important step to start empowering the masses and to spread focus for a number of families and a number of relationships. And you started to see that that spectrum through which giving takes place. So what did you notice was the starkest difference or even shock factor and making that transition from say, the billionaire subset of the pledge and into the JP Morgan portfolio?

Nick: It's interesting, there were a number of similarities as well as some differences across the pledge community and the portfolio of clients at JPMorgan, acknowledging that there was also some overlap in terms of clients of JP Morgan, who are also signatories of the Giving Pledge, but when we think about the profile, there are some similarities and some distinctions.

One thing that I noticed across both groups that I think really struck me and continues to be something that I hold on to in this role is the lack of resources. That Foundation's like the Bill and Melinda Gates Foundation are quite rare. Foundations with staff are quite rare. Most philanthropy in the United States is relational. It's opportunistic. And that's not out of disrupt design. But it's out of circumstance. And one of the things that I've taken away from both my experience at the pledge and JP Morgan is that families don't necessarily have the time and the resources to do their best work. And I think that that, to me, was magnified at JPMorgan when I was looking across 1000s of individuals and families, and noticing how under-resourced these individuals and families were, and are to be able to do their best work.

Kerrin: So this JP Morgan chapter is actually the one in which you and I met. But we had talked about at the time, the role of technology at JPMorgan. And it was really interesting because you were explaining to me how we are in codifying our relationships with grantees, and there was an appetite for technology at the time, but not quite deployed, really at the level at which I think you had envisioned it to be.

Philanthropy like many industries has experienced this seismic shift with the explosion of technology, especially in the last 10 years, how have you seen private donors and funders adapt to this change as we start to look at technology's role in influence, and one of the most fundamental shifts is the connectedness that technology promotes, and with it, the awareness, it's so interesting to me that, you know, there's now this opportunity for funders, to be intimately aware of issues that go far beyond their local community. And they're also able to connect with peers and learn alongside one another in a much



more accessible manner. And so, technology has brought the world together. It's highlighted the issues that need to be addressed, and it's also allowed for a platform to exist to be able to learn alongside one another. And so I think that technology has been something that has both illuminated the need, and has provided a bit of a tool to bring people together.

And I think that we've also seen technology play a number of other roles. One is that it's helped funders organize their giving. So when you look at systems like Fluxx, you look at an opportunity for funders to be able to track and manage their portfolio in a way that allows them to reflect on their work in a much more organized fashion. And to be able to share it with peers, to be able to synthesize that data to be able to look at it from all different angles. And that's ultimately how individuals and families that are dedicated to social impact are going to grow and improve in their practice. So technology is a critical tool for that.

So in that light, what, what more could we be doing with technology?

Nick: So I think that there's a lot of opportunity. And as we explore the opportunities, I think we need to reflect on some of the challenges. And we'll get into this in a little bit when we talk about my current role and what led me here. But when I look across the philanthropic sector, I see some gaps that continue to exist. And one of the gaps is this opportunity to readily exchange ideas and opportunities that promote collaboration. And I think that there's an opportunity here for technology to play that role.

And this is the idea of a marketplace and this idea that has been so challenging for this sector to figure out but hold such promise. And I do think that as we look to the future, one of the great opportunities for technology here is to truly again, create this virtual community for philanthropists to come together and to share ideas and to align their efforts by way of understanding what one another are doing and to be able to look at the value of partnership. And so I do think there's a huge opportunity for technology to continue to advance and to be able to do more around this idea of collaboration.

Kerrin: Oh my gosh, I feel like I need to have you do my presentations on all this stuff. That's exactly right. And I think really eloquently stated. I think it's a big mind shift that a lot of us have seen. I think finally there's a bit of an adoption improvement and a clearer vision for what the collective looks like. And of course, you look at things like COVID until 2020. In general, we'll just put it all in there. And these are places where as a collective body moving in one direction, facilitated by technology as the framework, there are just so many more things we can do together.

Because that awareness to your point is the part that's often been missing. Because things existed in either a silo of programs, a silo of academic review, or in a silo of just data and information. They think the true call to action, to your point is that awareness and the fact that this is, again, a collective collaborative team of people that are trying to push the social sector forward.

I look at myself and Fluxx. We work with a lot of staff foundations, representing typically the top 25% of organizations and asset size. And so now in this chapter three, for you at NCFP, you have almost the other 75%. So the family foundations that are all a part of the social sector, and our two constituents contribute to that pool. So moving on to the final kind of chapter, I want to examine these amazing lessons you've learned through the people you've worked with the momentum and trends that have brought forward. Tell us a bit about the things that you're carrying forward from those previous



experiences, and how you want to see a maybe a reinvestment of the things that worked really well in this next chapter for you at NCFP.

Nick: So as I look across the last 10 years of my career, in particular, both the number of years I served at the Giving Pledge, and my time at JPMorgan, I reflect on the patterns, the trends that emerged out of my time working with many philanthropic individuals and families.

And first, I need to acknowledge how grateful I am for the opportunity to stand alongside these incredibly committed individuals and families and to be invited into the conversation, the very personal conversation on how they might realize their commitment to giving back to the world that has given them so much. But really what led me here was an observation that I mentioned earlier on the podcasts that despite the intent that we continue to see growing amongst wealth holders to give back, that there is this tremendous divide between intent and action, and that philanthropic individuals and families and institutions, are just simply not prepared to be able to effectively deploy philanthropic capital and certainly not to do it at scale.

With some exceptions, there certainly are a number of institutions that are doing extraordinary things. But when you look at the sector in aggregate, there is a dearth of resources, a dearth of community, and that lack of clarity that we the sector has been able to provide philanthropic individuals and families. That's truly what brought me to NCFP. The idea that we can continue to build an institution that is a neutral resource, a community that ultimately will bring together philanthropic families, and promote the opportunity to have them share their experiences, elevate their practices, and be able to explore collaboration.

So NCFP at its core is a community of giving families who are committed to learning and growing together. And we provide a number of programs and resources, by way of thought leadership, peer networks, annual conferences, trainings, skill-building workshops, and a number of other resources that promote learning and collaboration. But we need to continue to innovate to be relevant to the family philanthropy community of tomorrow. And that is really where we are now.

We were established in 1997, as a program of the Council on Foundations, in order to bring the principal givers and family plans together to talk about experiences. And so here we are 23 years later as an organization and we're reflecting on what it means to be in service of the family givers, to be a community, what are the needs of the family philanthropy community today and tomorrow, and what is the growing demographic, the constituency of this community. And I would acknowledge that both the needs and the demographics have changed dramatically. And so we as an organization need to change dramatically. And that's what we're doing.

So our idea is to build a new hub, an organization that will serve as the holistic partner to philanthropic families across the totality of their giving. We aspire to be a community of learning, of connection, of collaboration. And in many ways, what we're advancing towards is to become a one-stop community for family philanthropy, we want to build on our deep expertise of governance, which is historically where we centered our programs, the idea of effective decision-making frameworks for families, we want to extend that by way of content partnerships, by way of learning cohorts, by way of peer-based custom skill-building programming. And we want to resource families across the entirety of the philanthropic journey from governance to grantmaking, to succession, legacy and next-generation engagement. And



we also want to assert a perspective on effective family philanthropy, that will truly attract the next generation of practitioners to our community, those who are eager to learn eager to improve.

And so our idea here is that we will provide a bit of a roadmap, a blueprint, on the various stages of family philanthropy, we want to demystify the pursuit of effective philanthropy. We have created a roadmap that is centered around eight points of inflection, acknowledging that the journey of giving is not linear, but that there are certain points, shared points of inflection across the journey that all families engage in.

It's at those points of inflection where you as an individual or family, is either resourced to be successful or quite honestly, will stumble. And so if we can, first and foremost, call out what those stages of reflection are, if we can provide a bit of a blueprint for the questions to ask yourself as an individual or family at each respective stage, if we can elevate the practices that others have done, around navigating that stage, and then we can provide a community to support one another throughout the journey of giving, then we will be able to ultimately provide the resources that philanthropic families need. We really want to provide deep reflective learning experiences across all stages. And we're going to do this with a partnership model, the idea that NCFP, historically, has been an expert on governance, but there are many other partners in the sector, peer organizations, subject matter experts that can help to build the knowledge of philanthropic individuals and families. And instead of asking for those individuals and families to go out and find those experts and find those communities, we can form partnerships, where we become the nexus for the sector in many ways, and we bring the resources to philanthropic families.

And so the idea here is that we will become a bit of a university where everyone gathers under common commitment to learn, but really does so with their own focus and at their own pace, and does so with support, and does so with the help of many different professors, advisors, and community members.

Kerrin: The idea of NCFP as that collective one-stop-shop to mobilize the sector this really important. Where do you see this shift occurring? In light of all the things that have occurred in 2020? What do you think the future of family philanthropy will look like, defined by the events we had this year, but also where we need to be showing up in the future?

Nick: I think that we're in a period of enlightenment or Renaissance period in the philanthropic sector, as evidenced by the last six to nine months and perhaps I'll take a moment and share some reflections on the shifts that we've seen in 2020. And then I'll conclude with some thoughts about where the sector is going. In many ways, donors were called to action in March, as the pandemic landed on the shores of the United States. And I am so struck by how many responded to that call without hesitation. And what we witnessed from the response is something absolutely incredible. It's a shedding of old habits of patterns of well-worn behavior that historically didn't always serve the world. And we saw a number of trends emerge.

First, we saw an urgency that was instilled in donors that are often missing. We also saw a recognition of the burden that we often placed on grantees. And as a result, we saw donor shift to employ practices like trust-based giving. And we also saw the world embrace collaboration, and in many instances, the use of trusted intermediaries. And so the question now is whether philanthropists will continue to carry forward these enlightened practices, particularly when the immediacy of the moment feels less intense. And quite honestly, you know, the world is watching right? Critiques that were surfacing before the



pandemic have been accentuated. And the world is wondering why longstanding social issues continue to persist.

And, you know, in many ways, for the first time, questions of the relevance of equity of power, are taking center stage for philanthropists, and donors are being asked to justify their giving. And so what does that mean for the future of the sector? I think it means that donors are going to think about their role as stewards of the public trust and a dramatically different way. I believe that moment of the world standing still will lead to acknowledging broken and biased systems of pervasive racism that the sector needs to reform, has provided an opportunity for families to ask themselves, first of all, why they chose to do this work and the values that they want to mirror back into the community.

And I think that the world is asking them to ask themselves these questions. And what I am hearing from our community members is excitement and enthusiasm and some trepidation, to explore the answers to those questions. But I think that this idea of stewardship is front and center and will continue to be front and center as the sector advances forward.

Kerrin: Nick, thank you so much for joining the podcast today and sharing more about yourself and your work. You can listen and download our episodes on Apple Podcasts, Stitcher, Spotify, and of course directly from our website at [Fluxx.io](https://fluxx.io).

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