

— EDITED TRANSCRIPT —



HUDSON INSTITUTE'S  
**BRADLEY CENTER**  
FOR PHILANTHROPY AND CIVIC RENEWAL  
*and*  
**SENIOR FELLOW AMY KASS**  
*present*

## Advising Benefactors: Giving Well, Doing Good

Friday, January 18, 2008, 12:00 to 2:00 p.m.

Hudson Institute ▪ Betsy and Walter Stern Conference Center ▪ 1015 15th Street, NW ▪ Suite 600

In January 2008 the philanthropic community received a thought-provoking new resource, an anthology by University of Chicago Senior Lecturer and Hudson Institute Senior Fellow **AMY KASS** entitled *Giving Well, Doing Good: Readings for Thoughtful Philanthropists*. Excerpts from Dostoevsky, Shakespeare, and James; poems by Shelley, Wordsworth, and Lessing; and speeches by Lincoln, King, and Frederick Gates appear alongside essays by Carnegie, Rosenwald, and Nielsen. Organized thematically into six chapters, the texts seek to illuminate fundamental questions about the idea and practice of philanthropy, to promote more thoughtful discussion about practical issues facing the philanthropic sector, and to point a way toward a philanthropic practice that is more responsible, more effective, and more civic-spirited.

On January 18, the Bradley Center hosted an event which both introduced this new resource and demonstrated how it can be useful. The panelists, all of whom were philanthropic advisors, discussed “Advising Benefactors” in the light of one of the volume’s readings. Panelists included: **PHIL CUBETA**, financial advisor and blogger (“Gift Hub”) as well as author of the text that will be discussed; **ELLEN REMMER** of The Philanthropic Initiative; **ERIC KESSLER** of Arabella Philanthropic Investment Advisors; and Calibre’s **KEITH WHITAKER**. The Bradley Center’s own **WILLIAM SCHAMBRA** introduced the session and **AMY KASS** facilitated the panel discussion.

### PROGRAM and PANEL

12:00 p.m. Welcome by Hudson Institute’s **WILLIAM SCHAMBRA**  
12:10 Panel discussion  
Panelists: **PHILIP CUBETA**, Gift Hub  
**ELLEN REMMER**, The Philanthropic Initiative  
**KEITH WHITAKER**, Calibre Advisory Services  
**ERIC KESSLER**, Arabella Philanthropic Investment Advisors  
**AMY KASS**, Moderator, Hudson Institute and University of Chicago  
1:00 Question-and-answer session  
2:00 Adjournment

THIS TRANSCRIPT WAS PREPARED FROM AN AUDIO RECORDING and edited by Krista Shaffer. To request further information on this event or the Bradley Center, please contact Hudson Institute at (202) 974-2424 or send an e-mail to Krista Shaffer at [Krista@hudson.org](mailto:Krista@hudson.org).

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## PANEL BIOGRAPHIES

**Philip Cubeta** submitted this short biography for the purposes of our discussion: “Phil Cubeta serves as ‘charitable cheerleader’ for a national financial services group. On his own time he blogs philanthropy at Gifhtub.org, representing himself as a ‘Morals Tutor to America’s Wealthiest Families.’ His role model is Diogenes who, stark naked, accosted the wealthy of his day from within a tub, or what we would now call a dumpster. Phil’s original training was in philosophy, psychology and literature, not that that is any excuse.”

**Amy Kass** is an award-winning teacher of classic texts in the College of the University of Chicago, where she serves as Senior Lecturer in the Humanities. She is also a senior fellow at Hudson Institute. Author of numerous articles and books on cultural, philanthropic, and related topics, including *The Perfect Gift: The Philanthropic Imagination in Poetry and Prose* and (with Leon Kass) *Wing to Wing, Oar to Oar: Readings on Courting and Marrying*, she has been working with the philanthropic community—donors, foundation and non-profit leaders, scholars and trustees—to help develop more responsible, responsive, and civic-spirited philanthropy. Her latest volume, *Giving Well, Doing Good: Readings for Thoughtful Philanthropists* (Indiana University Press, January 2008) reflects these most recent efforts.

**Eric Kessler** founded Arabella Philanthropic Investment Advisors following more than fifteen years of service in the nonprofit community and federal government. His commentaries on effective philanthropy have been quoted by the *Wall Street Journal*, *New York Times*, *Washington Post*, *Business Week Online*, and National Public Radio’s *Marketplace*. Kessler’s public service includes work as a White House political appointee in the Clinton Administration, as well as six years working in the former Soviet Union, Southeast Asia, and throughout the Middle East where he helped encourage democratic reform. Kessler has had the honor of being an active third-generation member of his family’s foundation—which holds assets generated by the sale of their fifth-generation family-owned business.

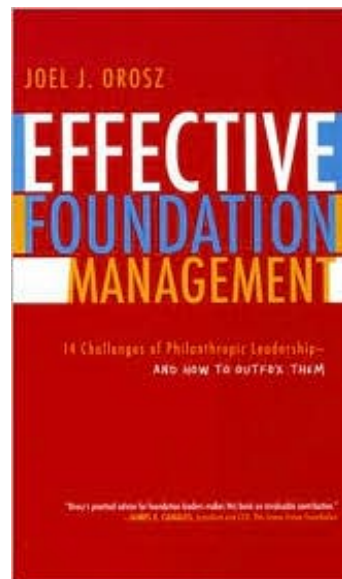
**Ellen Remmer** is president and CEO of The Philanthropic Initiative, Inc. Remmer works directly with donor clients —families, independent foundations and corporations—to create focused, strategic giving programs and practical governance structures, and with community foundations and financial services firms to strengthen their capacity to help private donors realize their philanthropic goals. She has developed many of TPI’s signature donor learning programs and is a frequent speaker and workshop leader on the subjects of family philanthropy, strategic giving and women as donors. Among the many publications Remmer has authored are: *What’s a Donor to Do? The State of Donor Resources in America Today*; *Raising Children with Philanthropic Values*; *Making a Difference: Evaluating Your Philanthropy*; a chapter in the book *Wealthy & Wise (Secrets About Money)*; a chapter in *The Transformative Power of Women’s Philanthropy*, 2006). Remmer has worked at TPI since 1993, when her own family foundation benefited from TPI’s strategic planning assistance.

**Keith Whitaker** is director of Family Dynamics at Calibre, a national practice specializing in multigenerational wealth management. Prior to joining Calibre, Whitaker was a philosophy professor at Boston College, focusing on political philosophy and ethics. He also managed a family office for over a decade, trusteeing a variety of personal and charitable trusts, facilitating family meetings, and serving as president of a private foundation. Whitaker remains a research fellow at Boston College’s Center on Wealth and Philanthropy, and his work has appeared in *Philanthropy Magazine*, the *Journal of Financial Planning*, and *More than Money Magazine*. He and Center director Paul Schervish are currently working on a book on spirituality and philanthropy.

# PROCEEDINGS

WILLIAM SCHAMBRA: My name is Bill Schambra, and I'm director of the Bradley Center for Philanthropy and Civic Renewal here at Hudson Institute. Krista Shaffer and I welcome you to today's panel, entitled "Advising Benefactors: Giving Well, Doing Good."

First, our usual preview of coming attractions. On February 28, we're pleased to have with us Joel Orosz, a longtime Kellogg Foundation executive and the founder of The Grantmaking School at Grand Valley State University, to discuss his new book *Effective Foundation Management: 14 Challenges of Philanthropic Leadership—And How to Outfox Them*. To whet your appetite, I note that the opening sentence of this book is, "Foundations fail." To discuss the volume, we will welcome Phil Buchanan from the Center for Effective Philanthropy and Peter Frumkin from the University of Texas at Austin.



We don't have a date yet for March, but our panel that month will focus on the issue of measuring results in philanthropy. As some of you know, we did a panel on this a couple of years ago,<sup>\*</sup> and I thought that we had driven a wooden stake through the heart of that pernicious trend, but I regret to say that we must have failed. This time we've commissioned Gary Walker, longtime director of Public/Private Ventures, to do a white paper on the question. Walker is a believer in measurement, but he is very balanced and realistic about it. I think we can all look forward to a good discussion of his paper.

Speaking of trends like measurement, we turn now to today's panel. Those of you who are students of American philanthropy have no doubt been struck on occasion by the degree to which it seems to have been born yesterday. Every time a new individual of wealth enters the field and utters some observation, however shopworn or banal, we profess ourselves to be astonished at the brilliance and originality of the insight. Why don't we pay attention to outcomes instead of inputs? Why don't we try to measure what we're doing? Why don't we collaborate and partner with other foundations? We in the sector tend to slap our collective foreheads and exclaim, why didn't we think of that before!

There are many reasons for this pretense of having just fallen off the turnip truck. Some have to do with the commendable desire to break the new benefactor in gently. Some have to do with the not-so-commendable desire to flatter the new benefactor while quietly maneuvering toward the checkbook. But for those advisors of benefactors who wish to take a different and higher path, who wish to introduce the benefactor to the best, time-tested thinking about philanthropy as it comes to us from philosophers, authors, theologians, and experienced practitioners, there is happily today a major new resource. That resource is the substantial collection of readings just

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<sup>\*</sup> "Measurement Malaise?" October 6, 2005. A full transcript can be found online at [http://www.hudson.org/files/pdf\\_upload/Transcript\\_2005\\_10\\_06.pdf](http://www.hudson.org/files/pdf_upload/Transcript_2005_10_06.pdf).

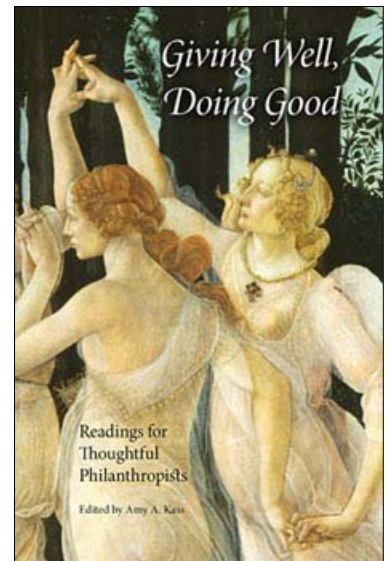
published by Indiana University Press entitled *Giving Well, Doing Good: Readings for Thoughtful Philanthropists*. It is edited by Amy Kass, senior lecturer in the humanities at the University of Chicago and senior fellow here at Hudson Institute. We are honored to have her here with us today to give the book a spin, so to speak; to demonstrate for us firsthand how it can serve to stimulate a level of reflection and thoughtful discussion that is all too rare in a field that pretends to be born yesterday.

Amy will moderate today's panel, which boasts no fewer than three contributors to the volume. Our panelists are Phil Cubeta, who describes himself on his lively and thought-provoking blog Gift Hub (<http://www.gifthub.org/>) as "the morals tutor to America's wealthiest families," and who is the author of the reading that will be focus of today's discussion; Ellen Remmer, who has just become president of The Philanthropic Initiative (TPI) in Boston; Keith Whitaker of Calibre Advisory Services, also in Boston; and Eric Kessler of Arabella Philanthropic Investment Advisors from the Washington, DC, area.

So, Amy, please.

AMY KASS: Thank you, Bill! Before I give any of my prepared remarks, I want also to thank Krista. Krista, as everybody knows, is the organizer of these Bradley events, and does just a wonderful job as hostess. But one of the things that people do not know is that she does many other things, and one of the things she did for me was the very good service of making this book very accessible by doing its index.

As *Giving Well, Doing Good*, like most books, will be recognized if not known by its cover, I'm especially pleased to introduce it publicly at this particular event, for among other things our topic today gives me a warrant to say something about its beautiful cover. The cover is adorned by the detail of the Three Graces from Botticelli's *La Primavera*, which choice was directly inspired by Seneca's reflection on those lovely maidens of ancient mythology—which reflection happens also to convey well why the image captures all of the broad themes taken up chapter by chapter in the book, but perhaps most especially our topic this afternoon, advising benefactors.



In *On Benefits*—or for those of you who remember your Latin, *De Beneficiis*, Seneca's classic work on the giving and receiving of benefits—literally, "good deeds" be they of time, talent, or treasure—Seneca rather abruptly turns his attention to the Three Graces. As if looking directly at Botticelli's image, he pointedly asks three obviously rhetorical questions. Why do the Graces dance in a circle, hand in hand? Why are they smiling and young? Why are they clad in loose and transparent garments? His answer is this: They dance in a circle because...

...the course of a benefit is from hand to hand, back to the giver; [because] ...the beauty of the whole chain is lost if a single link fails; and [because]... it is fairest when it proceeds in unbroken regular order.... Their faces are cheerful, as those

of human beings who give or receive benefits are wont to be. They are young, because the memory of benefits ought not to grow old.... [And, since,] in benefits there should be no strict or binding conditions, therefore the Graces wear loose, flowing tunics, which are transparent, because benefits love to be seen.

The Three Graces embody, then, in their circular dance the full course of benefactions. Utterly crucial are the relations of giving and receiving both to the past and to the future, as well as the spirit in which benefits are bestowed. More precisely, the full meaning of giving and receiving requires thinking not only about the relation of both to returning how a benefit or gift, once given and once received, will literally be re-membered in the future, it also requires good will, self consciousness, and as we say today, transparency. In short, the ring dance of these maidens not only invites us to think deliberately about repaying the past and paying forward into the future that aspect of philanthropy that directly links past and future generations hand in hand, but it also imaginatively cautions all doers of good deeds—benefactors—to be mindful of why we give, to whom we give, and what we give, for we are all willy-nilly accountable not only to ourselves and each other, but to unknown future and past generations.

But however graceful and winsome the Graces may appear, anyone who has ever thought about making a gift, however large or small, experiences rather quickly that it is seldom as easy as their graceful dance would suggest. Arguably, matters become even more thorny and difficult when one thinks about, or more precisely, really *cares* about, the relation between the bequests one intends to make and the legacy one would like to leave—and thornier still, when the primary recipients of one’s bequests and agents of one’s legacy are one’s own children.

It is little wonder that would-be benefactors often turn for advice and wisdom regarding these matters to outside people, which brings me directly to our panel. Phil Cubeta’s case study, aptly called “The Case of the Forest Primeval,” the reading from the book on which we will focus at least in beginning, invites us to consider this very matter: how to advise a family of wealth which is vexed with competing interests and whose key decision maker, in this case mother Meg, wants to do right by both her children as well as her deceased husband. It reminds us, too, that intergenerational dialogue, whether tacitly embedded in our decisions or explicitly expressed in conversation, is an ongoing process of determining what we owe the past and what we owe the future.

So that we all have it freshly before us, let me simply read the scenario aloud. This is really meant to invite all of you to think about how you would deal with this problem. I am then going to turn to our panel and ask them to deal with the problem. This is the scenario—written by Phil (Cubeta) (in *Giving Well, Doing Good*, pp. 161-162):

Sarah, age 36, and her brother, Bill, are heirs to a fortune made in the forestry industry in Northern California. Their family now has holdings of approximately \$55 million, including raw land with first growth redwood trees, but most of the family wealth is now in gas and oil stock in a family owned company, run by Bill.

Each year the family has a meeting with their family officer, Alex, to plan the family’s giving in the light of their overall goals and objectives. Sarah is an environmentalist who has been trying without success to have at least \$7 million worth of the old growth lands

contributed to the trust for Public Land. Her father had consistently refused. Sarah's dad recently died, leaving Sarah's mother, Meg, as the key decision-maker. Bill's philanthropic, business, and political interests converge. Along with donations to conservative political candidates, he contributes large sums each year to a libertarian think tank in Washington, DC, that lobbies for tax breaks for businesses, income tax relief, estate tax repeal, tort reform, and regulatory rollbacks, particularly for the oil and gas industry.

Meg's sympathies are divided. Her heart leans to Sarah and the environment, but her head leans to Bill's strategic philanthropy. He tells her what her husband did, that the weak perish and the strong survive. The best rise to the top. The best way to help others is to maximize net profit. The family's responsibility is to grow the business that creates jobs. The best way to do that is to align all the family resources, including its political clout, its family foundation, its charitable contributions, its business entities, its PR efforts, and the various thinkers it can hire, to drive a single coherent agenda. As a compromise Bill offers a series of public service announcements from the family foundation aimed at the environmental community touting prudent forestry through selective logging. He suggests that Sarah be the family spokesperson. She angrily refuses. Meg steps in and suggests that it might be a good time to break for lunch.

Meg, after the group disperses with little progress made, wonders what will be her legacy. To whom has she given what, as a mother? What values have she and her husband passed on? How can she create some semblance of family harmony? As the majority owner of the family resources how will she allocate them between her children and the family foundation or foundations? She has a pretty good idea of what her deceased husband would do, but he and she never did agree on politics and money, and yet they loved one another and supported one another's efforts. Meg smiles, wondering, "What next? Do I see an attorney? A priest? A family therapist?"

She decided on none of the above. Instead, she decides to consult an outside financial advisor, someone other than Alex, who has been of no use. And she summons—literally summons—Sarah and Bill to join her. As the rest of Phil Cubeta's short essay indicates how he would proceed under these circumstances as a financial advisor, I thought we would mix things up a bit. Since Phil freely confesses his own sympathy for Sarah, I'm going to ask Phil for the moment to enact the part of Sarah; Keith Whitaker, the part of her conservative brother Bill; and Ellen, the part of the distressed and concerned mom, Meg. Like your originals, I assume, you—that is, Phil and Keith—have reluctantly agreed to join your mom and to consult Eric (Kessler). But you are consoled in no small part by knowing that Eric, the financial advisor with whom you are to meet, is with Arabella Advisors, a group that is reputed to live up to the wonderful legacy encased in its name. And for those of you in the dark about this as I was, let me end by quoting from Arabella Advisors' own self description:

Just before landing in the New World in 1630, Captain John Winthrop stood on the bow of the Arabella. He challenged those on the ship to use their excesses for the benefit of the community, thus founding the American philanthropic tradition. Arabella Advisors builds on that tradition by bringing an innovative and strategic approach to philanthropy. (from Arabella Philanthropic Investment Advisors' web site, at <http://www.arabellaadvisors.com/pages/Story.html>)

And this is precisely why Eric (Kessler) is going to serve as our financial advisor.

Now, I want all of you to know that none of these people had much advance warning about this. Our panel learned about this about fifteen minutes ago. That was my plan; maybe it's a dirty trick—or it's not. It is meant to engage people in the problem.

So, Eric?

ERIC KESSLER as “Advisor”: Some might say that we were hoodwinked! As we begin this exercise—of course, we're all used to holding family meetings in environments just like this (laughter), wearing suits and ties, sitting next to each other at a table with sixty people watching, having never met each other beforehand or spoken at length about each other's interest, etc.—I'm glad we're all comfortable and—

KEITH WHITAKER: It's just like a regular panel.

ERIC KESSLER as “Advisor”: It's just like a regular panel. (Laughter.)

I want to begin, Meg, by repeating something that you said to me when we were on the phone the other day. You said that you were thinking about consulting an attorney, a priest, maybe a therapist, and you chose a philanthropy advisor. Why did you make that decision?

ELLEN REMMER as “Meg”: Well, you know, I love both of my children so much. And like every family, they're very different from each other. We all have our different points of view. But one thing that we have in common is that we're committed to giving back to society. So I'm sure we can come together and come up with some strategy. Right now, they kind of have different ideas—they're a little bit different. And so we thought it would be really good to bring some outside advice—somebody who is a real expert like you are—who could help us find what we could do together. I just want us to work together.

ERIC KESSLER as “Advisor”: And that really is our goal for our meeting today—to talk not about differences but about what we have in common and how we can work together. Of course, as you all know, when your mom hired me to help you, I'm not a therapist. I am a philanthropy advisor, which means I know how to help your family agree upon shared goals and a shared vision, and apply your tremendous wealth towards those goals. And so there may in fact be a need for a therapist for your family. (Laughter.)

Cross talk.

KEITH WHITAKER as “Bill”: If I could just say something here.

ERIC KESSLER as “Advisor”: Please do! (Laughter.)

KEITH WHITAKER as “Bill”: I think the services that you offer and that folks like you offer are very important to families, and I think we can really make some use of this. However, I think that philanthropy is not the only focus here. We are a very strategic family. My dad was a strategic thinker. And one of the major elements of our strategy, as I’m sure that my mom and my sister would agree, is that we really take a whole view of the family enterprise and the activities. And that’s one of the major things that I would like to see come out of this—real agreement around the strategic path for the family enterprise as a whole. I’m sure you would agree with that.

ERIC KESSLER as “Advisor”: Bill, thank you so much for sharing that; it really reflects well what you described when we spoke together. In fact, as you know I spoke with each of you at length before we met today, and I got to know a little bit about each of you. And what was remarkable to me was how committed you all are to the family legacy and to finding those areas that you share in common. As you know, today’s session is the start of a process. As I told you, we’re not going to come together in the next day—or twenty minutes, as it were—and reach agreement. It’s really the start of a process.

When we spoke on the phone, I got a good sense of where, quite frankly, the disagreements are in the family, and I’m glad we’ve agreed to set those aside for today and instead focus on the few areas where there really is agreement. And maybe it would be helpful to think about some of those areas of agreement. Sarah, if I could ask you to reflect on some of the things that we talked about. You shared with me some of the values you see in your brother that you agree with, and I would love if you could share with us one or two of those values.

PHIL CUBETA as “Sarah”: I’ve always loved my brother. I’ve always loved being a part of our family. I think he’s a very bright man, a very determined man, and I think he has a very clear picture of what he would like to accomplish and I admire that. I’m not sure we share the same ends in view, but I honor him for the thought he has given to –

ERIC KESSLER as “Advisor”: Sarah, is there a value that your brother holds that you also identify with? When we spoke, you talked about the fact that he has spoken at length about wanting to support the employees of the company.

PHIL CUBETA as “Sarah”: Yes. That sounds like a good value. (Silence, then laughter.)

ELLEN REMMER as “Meg”: We’ve always wanted to give back to the community, and that includes the employees, right? We’ve always felt that way. Your dad felt that way, too.

ERIC KESSLER as “Advisor”: Certainly some of your interest in the environment overlaps with—

PHIL CUBETA as “Sarah”: Could I ask you a question? When you were hired, whom do you represent? Because the last guy we had, Alex, it was pretty clear that it was more of a

sales job, if I could put it that way. Do you feel that you're equally representing every member of the family, or my mother? Who is your client?

KEITH WHITAKER as "Bill": I think that's an excellent question, Sarah! (Laughter.)

ERIC KESSLER as "Advisor": Sarah, I'm working for the family foundation. I was hired and I am paid by the family foundation, and the family foundation has a public mission and goal. I'm here to help you reach that goal, or in this case, really help to identify that goal, since we're starting at the beginning. I believe that you were each consulted in whom would be hired to work with you on this, because it's so important that before your family hired a consultant, that everybody be a part of that decision. So I'm representing the foundation, and trying to help you identify the right goals for the foundation.

ELLEN REMMER as "Meg": And honey (Sarah), as you know, now that I'm president of the foundation—well, it was different when your dad was president. I tend to include people a little bit more. So I think that the foundation as a whole will be different. It's not like when your dad made all the decisions as the president. I really want to include all of you in this.

ERIC KESSLER as "Advisor": So, let me turn to you, Bill, if I could and ask you the same question I asked your sister. Among the many values that your sister holds, what are a few with which you really identify?

KEITH WHITAKER as "Bill": My dad used to describe Sarah as the heart of the family, and I think that's spot on. My dad was a very perceptive guy. We all learned a lot from him. And I think I really appreciate the emotional intensity that Sarah brings to her interests. I think that that's really important. And I know, Sarah, you really want to make that gift of the forestland, and I think that there's really—that's really a valuable idea. I love that land as much as you do. That's where we spent time with Dad. That was the place where we first had fun and games together, and so I really value that land, too. I'm just not sure about the idea of transferring such a valuable asset out of the productive control of our family. There's a lot that can be done with land like that besides just putting it in a box forever so that it really never does anyone productive good. And so, again, I value your interest in wanting to preserve that because it's important to our family and to us. I'm just not really sure about the idea of putting it away like that, you know, for maybe some hikers to enjoy over time.

ELLEN REMMER as "Meg": Can't that be productive? People using it for recreation?

KEITH WHITAKER as "Bill": Mom, I get where you're coming from, there. But again, sort of as Dad used to like to say, you measure the productivity of timber in board feet, not so much in miles of trail. (Laughter.) So I think that stuff is important, but we want to have a certain return on the growth there. We're stewards of the land. That's something the timber industry has learned—we don't go in there and just rip stuff down indiscriminately. We steward that land, and that's an important part of our family's legacy.

ELLEN REMMER as “Meg”: I like that word, “steward.”

ERIC KESSLER as “Advisor”: Bill, when we spoke previously you mentioned something that I thought was really interesting. Your idea for this land has to do with really helping the employees. It’s about building resources so the employees are better served.

KEITH WHITAKER as “Bill”: That’s a great point, Eric. That’s another thing that we talked about, and I know that we talk about it as a family, and I know it’s really important to my mom, too. It was certainly important to my dad. It’s not just the business and the return on equity and so forth that is really important to us. It’s about this community. It’s about values. It’s about American values around independence and being self-sufficient and really making a life for yourself, and not about getting a handout or getting stuff from government. We are here in the West as independent entrepreneurs, and not just receiving handouts.

ELLEN REMMER as “Meg”: He’s a Republican.

ERIC KESSLER as “Advisor”: Really? Thank you for pointing that out. (Laughter.)

ELLEN REMMER as “Meg”: Sarah’s a Democrat. I’m an Independent. (Laughter.)

ERIC KESSLER as “Advisor”: Well, Meg, I’m wondering. When we spoke you talked about how important it is in your mind for the family to stick together in its philanthropy. And I’m wondering if we’re hearing here one area where there may be different approaches, but where we really could potentially stick together—around the notion of the people who have relied upon your family for so long, the employees. There may be ways in which as a family—and this may not be the entirety of the family’s philanthropy, but one part of the goal here is to find creative ways to help the employees and in fact unite your values. Sarah?

PHIL CUBETA as “Sarah”: I noticed that the Graces make a rather small circle, and they seem to be part of the same social class, you might say; they look a lot alike. And it’s almost as if he is saying, one hand washes the other. We have our philanthropy, and we have our business, and we have our politics, and it’s all about that. The only thing I keep hearing here is us, us, us, family, family, family, money, money, money. I haven’t heard anybody really speak out for the needs of the land from which we took the wealth, or the community that has participated with us in building it. I haven’t heard anybody use the word “obligation” or “ought” or “what we owe back.” It’s all about what we took or can take, and what we can get, and how we can get more. And I don’t agree with the premise.

KEITH WHITAKER as “Bill”: I don’t know, Sarah. You’ve said that stuff before. Frankly, I feel like you’re guilty. You feel guilty about what Dad built, and you feel like we’ve taken something. I feel like we’ve given back. We’re giving back every day.

PHIL CUBETA as “Sarah”: Even in this picture of the Graces, isn’t it about giving back? Isn’t it what the moral of that story is—about the circle remaining unbroken? All I’m trying to say is, that circle includes a lot of people other than the people sitting at this table and just the structures we actively control.

KEITH WHITAKER as “Bill”: Well, I think that it’s a pretty picture, but you don’t have to take the shirt off your back to give back to people.

ELLEN REMMER as “Meg”: We could use the hiking trails, too, and the employees could, too.

ERIC KESSLER as “Advisor”: Meg, say more about that. Are there creative ways that you think you could give back beyond the ways you already have, which is to give people tremendous jobs and great benefits? Are there things that the family could do, whether it is with the land or with its wealth to support the community, perhaps not driving specifically at how to preserve the land or how to support think tanks in Washington, but is there something in the middle, there, that gets at giving back to the community beyond what we’ve already put on the table?

ELLEN REMMER as “Meg”: You know, I disagreed with my husband on a lot of things, although we loved each other and agreed on many things, too. But we all agreed on community. There must be some way to compromise, here. Maybe we could give 5,000 acres, do something in the middle. Cut the baby in half. How would that be?

PHIL CUBETA as “Sarah”: It would be progress, more than we’ve had in the past. And you know, the question that keeps going through my mind as we debate this is, who is entitled to make these decisions, and who appointed us the arbiters? I guess legally we have the right, or legally we have the obligation, but are there other stakeholders who are not even present? Could we broaden the circle to include other people to be affected so that they, too, are making the decisions with us?

ELLEN REMMER as “Meg”: But it’s our foundation.

PHIL CUBETA as “Sarah”: It’s our foundation in the sense that we once gave money to it, and it now belongs to the public, unless I’m mistaken.

KEITH WHITAKER as “Bill”: Well, I’m not an attorney, Sarah, but my understanding is that we call the shots on this, and frankly, I don’t know that Dad would like the idea of us inviting outsiders into making decisions about our family’s legacy. I mean, I agree that it affects other people. But that seems like a pretty risky thing. You usually want to try and maintain control so that you can make wise decisions.

PHIL CUBETA as “Sarah”: That’s a little patronizing.

ELLEN REMMER as “Meg”: I think this is a family thing, right now. This is all of us doing something together.

ERIC KESSLER as “Advisor”: As we conclude, hopefully (laughter), I would say that as Alex has explained to the family, the foundation really is now a public good, and the foundation assets really are not there to drive profits for the company or to benefit the family directly, but really are a public good. And within that very legalistic context, of course, there is a tremendous amount of public good that can be done. And you all, after now hours of conversation and multiple meetings, have come around to and united around the idea of finding creative ways to give back to the community, and so I might suggest a little bit of a process, which is while clearly maintaining decision-making within the family, maybe we should go out into the community and learn a little bit about what the needs are in the community. We have given I think several thousand people jobs and tremendous benefits. Maybe we should go out and hear what’s going on the community, and maybe there are some creative things that we can do together with some portion of the foundation assets to really give back in new ways beyond just them land or more jobs. So that will be a little bit of a process, and it will take time, and we aren’t going to reach decisions today. But coming back to the notion that philanthropy is an expression of your shared values and finding those shared values through this process could be helpful—in a way that only a therapist could do.

(Laughter.)

ELLEN REMMER as “Meg:” I like that. That sounds great.

AMY KASS: Thank you very much!

I have lots of questions. I realize that this is not your typical conversation. But quite frankly, I could not tell from the way in which you proceeded what the difference is between what a financial advisor would bring to this table and discussion, and what a family therapist would bring to this table and discussion. And I’m sure that there really are differences, and I know that each one of you is a financial advisor of one form or another. So say something about that difference, and also I would like you to tell me how you would have managed the same conversation.

ERIC KESSLER: First, just one clarification, which is, we’re using the term “financial advisor,” and I think people who know this industry, as it were, understand—perhaps some don’t—that, I call myself a “philanthropy advisor.” “Investment” is in the name of our company, but we in fact don’t touch money. We leave that to the professionals. We advise purely on the strategy and meaning of philanthropy.

And to answer your first question about how what I do is different from a therapist, I could say that we work with families across the country and around the world, and there is always some level of therapy involved. When you think about the issues at stake—incidentally wealthy families who have earned it, they’ve inherited it, they’ve stolen it in some cases, one could imagine—and there will always be some level of therapy. We really try to draw a distinction between trying to get “Bill” and “Sarah” to hold hands and be best friends again like they were when they were kids and trying to get them to unite

around a shared value that they can express through their philanthropy. We will not fix this family's problems. But what we can do and what we aspire to do is to look at the public good that they've created, and their philanthropy is a public good. When it's in the foundation, it is foregone taxes. And we help them express that in a way that is meaningful. But again, although we are often asked to arbitrate and be therapists, we are very quick to say what we do and don't do. Getting everybody to get along in a really familiar way is not our goal.

AMY KASS: But you seem to have the goal of consensus. You want a consensus.

ERIC KESSLER: Around shared values that can be expressed through philanthropy, yes. Absolutely. Well, I should say that you don't necessarily need to have consensus to have a majority vote on a board of directors, but in family philanthropy, consensus should certainly be a goal. Whether it is reached or not is a challenge.

AMY KASS: Let me just push that a little bit. Why wouldn't you just—why wouldn't you (Ellen Remmer as “Meg”) set up two separate foundations, divide the inheritance, and let each one do what he wants? That's the most democratic thing.

ERIC KESSLER: We could very well get there. I think that in this case, it doesn't necessarily honor the legacy of the family or of “Meg's” late husband. And so the attempt is to honor that first. We may not get there, and in fact many of the families that we work with never get there. And if this were a real engagement, based only on the information we were given, you may have to jump ahead and think what the possible solutions are. One possible solution may be some sort of joint grantmaking, where you could see I was trying to get them to come around to the idea of supporting the thing they all agree on, which is employees who have relied on our family for generations. But then, you may have some separate accounts, whether it's a separate foundation or separate spending accounts within a foundation. “Bill,” of course, will not like that, but in the end that may be what “Mom” decides to do. So I wouldn't set that out as a goal, but it is a fallback and in some cases it's the best scenario for many families.

AMY KASS: How about the rest of you?

PHIL CUBETA: I'm struck by the recourse to a therapist. A lot depends on the frame you hang around the picture. A therapist is going to put the frame up that there's something messed up, here. There's somebody who is sick, and the family has to be healed. But it's not clear that the differences in this family, to me, are ones where therapy could clarify what is right or what is wrong. There are principle differences.

I'm struck by the using Seneca on the cover. Part of that whole tradition was the idea that philosophy was therapy, that the philosopher was a therapist, or a doctor. I think Socrates said that he was the midwife of the client's soul—and since most of his clients or customers or interlocutors were men, he must have had a sense of humor about how they looked as they went through the process. (Laughter.) But giving birth to what is best in the client, or giving birth to what's best in the family is a different way to look at it. And when you ask who has those sets of

skills, it's not going to be—well, it might be a financial advisor by chance, but not by training. It might be an attorney by chance, but not by training. I'm not sure that it's really the therapist, either. And that's why I'm pleased to be here with you, Amy (Kass), as the moderator, because I really think it's your core set of skills in the liberal arts that are the essential skills, and they're open-ended and they're not really associated with a single profession.

ELLEN REMMER: I thought, Eric (Kessler), you did a great job in terms of balancing that—working with the clients to help them try to understand and achieve their goals, but keeping that in balance within the public sphere, that it's all for the public good. In the first meeting, to bring up all of that about this being for the public good, as we know it's a big surprise for a lot of people who don't realize it on their own. Eric straddled both, serving the client as well as serving the public good. He is reminding the family in a very gentle way that this is all happening within the context of both the public good as well as what the community needs. I thought you very truly, expertly brought all of that in when the family is not there yet. Part of serving the public good is educating the family about philanthropy. Sometimes there's a lot of steep road to go.

AMY KASS: Would you have proceeded in the way in which Eric did?

ELLEN REMMER: Yes. He started trying to look at common values. I'm sure that he would do like we do—it sounded like he was indicating that he did—and interview everybody ahead of time to find out where the individual goals are. Phil (Cubeta) set them up perfectly by asking, whom are you working for? And the answer was the whole family. And then, you start at the highest level, by asking what the shared values are and how they can be expressed in public. And so, yes, I thought he approached it in the same way. Absolutely.

AMY KASS: How about you, Keith?

KEITH WHITAKER: Back to your original questions? Well, I guess I agree with what everyone said here, which is that it's a hard line to draw. That seems to be the general consensus. Phil has a somewhat different way to say that, I think. My take, without reverting to talking about licensure or the ethics of the various professions is similar to Eric (Kessler)'s. Our work focuses on the wellbeing of families with regard to wealth. And the wellbeing of families and individuals is in the contemporary world seen as the bailiwick of therapists, primarily. So there is something therapeutic about this work. I think it has roots—which Phil (Cubeta) pointed to—that are deeper than the contemporary world and don't require a license to practice.

At the same time, I think I'd probably go further than most of the panelists in saying that there are some specific skills as well from the therapeutic world that are very applicable to this kind of work. I describe my work as being grounded upon—in addition to the liberal arts that Phil pointed to—systemic thinking, which has grown out of the family therapy movement of the last fifty years.

AMY KASS: What does that mean?

KEITH WHITAKER: It means thinking about the family as a system in which the parts are affecting one another. It's striking how very predictable, in a way, the reactions family members

to each other are. They can be mapped out, and it's a very eye-opening approach for family members. Just to put that into practice, one of the things that I would do first with this family is to get them to draw a picture of their family relations. In fact, that's the first thing I'd do, when reading the case.

AMY KASS: What do you mean, a picture?

KEITH WHITAKER: The technical term is a genogram, but it's like a map. Here's "Mom" and "Dad," and here's "Bill" and "Sarah." For instance, one of the things I was struck by in looking at this was the gender differences in this family. You've got the father and "Bill"; the mother is in this ambiguous spot; and then you have "Sarah" receiving the brunt of her father and "Bill's" antagonism, let's say—to make it kind of strong. There are also generational differences. When you think systemically about the difference between the marital bond and the bond between siblings, this family is going through a transition from the controlling ownership of the father to at some point or other probably shared ownership between these siblings. That's a different kind of ownership and a different kind of relationship to manage these assets. These are very practical outcomes of a systemic approach. My take would be to start sharing that with the family to begin with, so that they can break free of possibly unconscious ways of relating and relate consciously around these points.

AMY KASS: It sounds to me like some kind of psychoanalytic training would be really in order to be able to do that. It sounds extremely psychological.

KEITH WHITAKER: That part *is* psychological. But what's wrong with psychological?

AMY KASS: I'm not suggesting it's wrong. It's just that it's not the sort of thing I had anticipated when I think about a financial advisor. But as you pointed out, Eric, it's philanthropy, or as you stated very eloquently, what we're trying to do is to get them to think about the meaning of philanthropy.

ELLEN REMMER: Well, I'm just curious: we certainly do that for ourselves, to understand the families, but we don't share that with the families. That's not what they hired us to do. We don't feel licensed to do that. It's interesting. But it's all in how you set it up.

KEITH WHITAKER: Yes—if you can invite them to –

ELLEN REMMER: Yes, if the family has asked you to help them work better as a family, and you set that up, and you're doing that—we'll use that more just so that we don't trip up, and so we can just be most practically effective with them, around that. Interesting.

KEITH WHITAKER: One of the things I would probably do is create a family assessment, from my standpoint, and share it with them at the beginning of the meeting.

AMY KASS: A family assessment of—

KEITH WHITAKER:—of the major issues, let’s say, that have surfaced in the interviews. Just a third party’s, an observer’s take on some of this. We have a document here that Phil (Cubeta) wrote that we can respond to. Create a document that they can respond to. It creates a bit of indirection, a bit of distance from just reacting to each other.

ERIC KESSLER: Versus doing the assessment, and kind of identifying the differences, and leaving those at the door? You’d bring those out?

KEITH WHITAKER: Well, we don’t know much about this case yet, but yes, I might do that in a family like this. And even another thing would be very strong process skills to bring to it. Assertiveness in this process, like Eric having to kind of jump in to restrain “Bill” a little bit more, or draw “Sarah” a little bit more. Those are skills that are very helpful to families when they’re facing a challenging situation like this.

PHIL CUBETA: I think one of the interesting things about these kinds of dialogues is, if you think about it in the simplest terms, there are questions of ends and there are questions of means. As professionals, we all are trained in a subset of the various means, and as long as you can agree on the ends, you can kind of work out some strategies to get to those desired results. But when people have ends in view at the highest level, and I think in philanthropy you can’t avoid asking those questions, it’s really a question about what kind of society you want to live in. I was with a Jesuit once on a charitable board, and he said that the questions he asks his teenage students are, what kind of person do you want to be, and what kind of world do you want to live in? And I think those were essentially the two questions, in a way, for “Bill” and “Sarah.” Who are you and where are you from? Where are you going? And what kind of world do you want to live in? And if people truly disagree about questions of ends—there are so many questions around that. What right do you have to challenge that in a consumer society? Is it your preference or my preference? We’re done talking. It’s a brand choice, in a sense, or a political choice. Is it possible to have a reasoned, rational discussion about ends as well as means? I think we’re groping with that. We’re all very, very uncomfortable. And it raises the question, can a Republican therapist or a Republican convener do justice to—it’s a shame if we’ve come to that point, but how do we have the questions of the highest ends of society, which is really what philanthropy’s about, in a rational fashion? Who convenes that conversation? I don’t really think that there’s an answer. I don’t think that there’s an answer in the trades. And the more I think about it—people think it’s facetious, but I really that the person who best exemplifies that role is actually the Fool in *King Lear*. He raises the uncomfortable question and lets people come to their own conclusions at his own risk. I’m not sure it’s a business-suit kind of conversation. I think it’s a rather dangerous civic conversation, and I think having it in public at Hudson draws that to the surface. I think that’s good.

ELLEN REMMER: You raise some really good points in terms of conversations that are really valuable often with families or clients early on. It’s helpful just to talk about the role of philanthropy in society, for example. Some who maybe are not so intellectual except for around the ends will still appreciate questions such as, what is this all about? and what’s the relationship between the family and the philanthropy? What are your goals for the family? What are your goals for society? Sometimes it takes families a while to get up the curve to address those kinds of questions, but I think you’re right (Phil Cubeta); raising them, and raising some bigger

questions about what's this all about is very helpful. Sometimes it takes a while for that relationship of trust to develop before you can really hold those conversations and have meaningful conversations, and where they might hear it—for example, when you (Eric as “Advisor”) were trying to raise the point about bringing in outside people and public stewardship. Many families would react to that by saying, What?! This is my money! But after you gain their trust as an advisor, over time, you can start to introduce them to that concept. And then there's a readiness to hear it.

AMY KASS: Let's say that the ends are utterly incompatible in this family, and you've had a really good and robust discussion about ends—purposes. I'm making a distinction, clearly, between motives and ends. Everyone has very good will; that's the motive. They want to do something good. But what they think that attaches to ultimately is utterly different. And there is no way of bringing that together. We know there are multiple reasons and causes that people will give to, and multiple purposes that they have in mind. So, in this family why wouldn't you just say, okay, divide it up and, each of you, go your own way? What would you do after that discussion?

ERIC KESSLER: I would be careful not to let the family jump to a conclusion that can't be changed over time. Where the family is today is very different from where it will be five or ten years from now. “Dad” just died. There are all sorts of changes going on. So they may have irreconcilable differences today, but that may change over time. So today you might conclude that it's best to split up the cash into different foundations and have each person go do his or her own thing, however much that pains “Meg,” but I would try to avoid that. At the very least, I'd say let's at least keep the family wealth together and maybe have different funds through which we spend. Let's not choose something now that can't change over time. What if “Sarah” decides to become a Republican and “Bill” becomes a libertarian or something other than what he is now? I would just recognize that families go through change over time, and where they are now is different from where they will be later, and I think that they would even agree to that. Even if they can't agree on where they will be, I think they probably can agree that where they are now isn't where they'll be down the line.

AMY KASS: Do you agree with that, Keith?

KEITH WHITAKER: Yes, I'm very sympathetic to that. I had similar thoughts in reading the case—that transition would be a major theme of discussion in this family. Part of the role of the advisor should be to encourage the family to step back from the intensity of the loss of the father and think about the longer-term consequences of the choices that they make right here, and how his passing away is going change and is changing the family's relations with each other.

But that is all a way of saying—as much as I love talking about ends, very little of these conversations are really about the ends. Most of it is highly emotional and about emotional relationships toward each other; it's not at the rational level of discussion. And I'm not saying that's bad. It's human. It's what it is. There can be moments for that discussion of the ends in a rational and emotional way, but those are moments that you have to do a lot of work to cultivate the ground for. So a bit of this feels a little abstract, to me, and so I'm not really sure where to take it.

Also, I admit, I had this reflection that Socrates did not philosophize with his wife or children. He left home to do that. (Laughter.) Although some people I know do.

AMY KASS: Let me ask a broader question, not simply linked to this particular case. This particular reading comes in the chapter in the book on bequests and legacies. One of the questions that seemed to surface in many of the conversations I've had on these subjects is whether or not you have to think about every bequest you make in terms of your legacy. What is the relation between bequests and legacies?

PHIL CUBETA: You're not asking a technical question, right—you're not asking what, in the law, are the differences?

AMY KASS: No—I'm not asking a legal question, exactly. What do you think about that? Those are very big things, and I know they're on people's minds.

PHIL CUBETA: A bequest is normally at death. I think one of the big generational questions right now is, in terms of the trade of doing philanthropic planning these days, the Boomer generation seems to be much less interested in dying than their parents. (Laughter.) It's not a hot-button—what do you want your money to do after you're gone? is a much less poignant question for that group, maybe just because they're a little younger. But I think even so, it's about what you want to do with the last two or three chapters or final third of your life. So "legacy" can mean what happens to your stuff when you're gone, but it really is increasingly about what you're going to do while you still have the capacity to do it. So it's more about *living* a legacy than *leaving* a legacy for the Boomer generation, I think, whereas "bequest" is the rolling over of whatever is left at the end.

KEITH WHITAKER: As a humorous example Phil's comments made me think of, I read that a few months before he died, Bob Hope's wife asked him where he wanted to be buried, and he said, "Surprise me!" (Laughter.) Now that's a sort of dismissive remark about one's mortal remains, but that might be kind of the bequest of what's left and the legacy of humor. There's something living there.

ELLEN REMMER: I always thought that "legacy" was in the eyes of others, so it's how you will be remembered; what they think of you; what values they'll think of; what stories they'll think of; and what gifts they'll think of. A "bequest," I always thought, was what the person decided to leave. It's the different perspectives. A legacy is I think bigger; I think a bequest is just a dollar amount, but probably could be anything. A legacy is a whole cadre of how somebody is remembered; how they're thought of; how that is passed on; how that has been carried forward.

AMY KASS: Do you agree, Eric (Kessler)?

ERIC KESSLER: Yes, I do.

AMY KASS: It's very interesting, because in the conversation that we had in Texas many, many months ago (on November 29, 2005; a transcript can be found online at <http://www.civicphilanthropy.net>), I began by asking participants how they want to be remembered fifty or a hundred years from now. In the room were mostly heads of foundations. Not a single person talked about gifts they would give or grants they would make. They all spoke in terms of how they personally want to be remembered as if the gifts that one makes have no bearing upon that. Certainly that can't be the case—am I wrong about that?

KEITH WHITAKER: Do you mean by gifts the monetary gifts?

AMY KASS: Yes. I mean, if these two things are really so separate, then what is the angst about going to a financial advisor? Why don't you just do whatever you want to do—if it has nothing, really, to do with something that will last and point forward into the distant future?

ELLEN REMMER: You said that these were heads of large foundations. They weren't necessarily the donors?

AMY KASS: Well, some of them were.

ELLEN REMMER: And they didn't want part of their legacy to have been the foundation and all that it accomplished?

AMY KASS: They didn't talk about that. You would, if you were the philanthropist?

ELLEN REMMER: Yes—well, it would be part of it. (inaudible) from my mother would be part of it. Not the whole thing.

AMY KASS: Do you recommend that people and families, especially families of wealth, start foundations?

PHIL CUBETA: It's a very, very common recommendation for lots of reasons. It's kind of a default recommendation. If you're working for a financial services company, then you manage the money, so you have an incentive to hold on to it as long as possible. It also defers choice. It defers a lot of the harder issues until later, when you actually make the grants. So it's kind of a default choice. But if you take it from the standpoint of the basic question, what kind of life do you want to live and what kind of impact do you want to have when you're gone, if you start with questions like that foundations may not be as common a recommendation as they would be if you started strictly around death and taxes and things like that.

ERIC KESSLER: Are you asking about foundations as opposed to, say, donor-advised funds or some other technical –

AMY KASS: Or just, you know, making those decisions quite independently, without any experts or without any kind of institutional device.

ERIC KESSLER: I think there's a tax and financial part of that conversation that we don't—that I don't—engage in. And there's great information available about all of that, and you can get it at the Aspen Institute or the Association of Small Foundations or the Council on Foundations—there are great resources out there and you can find all of that. But whatever technical vehicle you're using, we certainly encourage a process that has some structure to it—structured grantmaking—because that's when it happens in an effective way. You can use a donor-advised fund and be just as effective as you are with a formal foundation. So we don't really push people in one way or another. I can say that the trend among wealth families certainly is towards formal foundations. I think it has a level of structure that they like, and a level of permanence that they like. It certainly has financial and legal implications that some people choose to avoid. But we don't really push people in one way or another.

ELLEN REMMER: I was just going to say that people really jump to the vehicle, and we really encourage them *not* to jump to the vehicle. Let's talk about their goals, what they want to accomplish in society and for themselves. There are many different ways to do that. And so once you've gone through all of that, then that's—frankly, though, they usually come to us after they've established the vehicle. But if we have a chance, we think that comes later, after you've figured out your goals.

PHIL CUBETA: This may be a “Sarah” question, in a way (laughter)—from my hidden “Sarah.” I think it's a really interesting question to ask potential clients or wealthy people with whom you are talking. The “dean” of our discipline is Jay Hughes; he has worked with families that have been extremely wealthy for generations. He starts with the question, do you realize that most wealthy families eventually go back to being broke, and what a tragedy that is? There's the old proverb, shirtsleeves to shirtsleeves in three generations. Hughes then builds everything on the premise of dynastic wealth. And I think a very good question to ask somebody—Bill and Melinda Gates—is, if you could build a dynasty that would last a thousand years and grow stronger every year in every dimension—financially, politically, in terms of excellence, you name it—would that be a goal?

And if you get an emphatic “yes!” to that, probe a little bit to make sure they realize what they're saying. And then ask, how do you see that consorting with democracy? Questions like that are impertinent but necessary. And if what comes out of that is the kind of point of view that “Bill” was taking in the case study, the emphatic yes about wanting to be one of the dynastic families of America, wanting to be (inaudible) European aristocracy, to be the leaders of that, then the foundation will be the key driver of that because the foundation will keep the assets in the family and they can be used strategically to achieve those ends.

But if the answer is an emphatic no, and you want your kids to start where you started—the Warren Buffett philosophy that you give them enough so that they can get started, not

enough to make them aristocrats—then a foundation might not be the right choice, depending on how it is set up.

AMY KASS: Do any of you (on the panel) want to ask each other any questions? You're all basically in the same business, but I take it you do things slightly different from one another.

PHIL CUBETA: I was asked this question once, and this is really of interest to me: Actually, I'm on vacation—I'm here on vacation. My company's name slipped in to the materials, but I don't feel I'm representing them. And the question I would ask is, when you're doing this kind of work with people—call them clients—in what capacity do you feel you're asking these questions, the question of ends, to the extent that we're talking about questions of ends. They're all mixed in with the questions of means, but in what capacity do you feel like you are acting when you ask about what kind of a society they would like to live in, what kind of person they would like to be, what kind of kids they want to raise, whether or not they want to be dynastic families, aristocrats. What gives us the right to ask those questions, and in what capacity do we ask them?

AMY KASS: Those are two very different questions. Let's stay with the capacity, for a moment. In what capacity are you asking? It's the same challenge, Phil, you had for Eric as the "Advisor."

ERIC KESSLER: Simply as a trusted advisor. When we were doing the role play, I described the made-up process by which the family agreed on hiring me to work with them. I think that if a family goes through that process, which we feel very strongly about, we are a trusted advisor to the family.

PHIL CUBETA: See, I interpret that as "courtier." What I hear in that is "courtier."

ELLEN REMMER: Our organization, The Philanthropic Initiative (TPI), is a nonprofit. And I actually find that being a nonprofit gives us a good perspective around working with our clients. We are there for the public good. Sometimes we gently bring clients along, but the bottom line is, it's for the public good. So I feel as though that's what we're doing. Sometimes we have to take many steps because we're serving the family so that they can serve the public good. But what gives us a right to ask those questions is, they have decided to put this money into public good and we want it to be deployed with maximum effectiveness and hopefully encourage them to deploy more for the public good.

AMY KASS: So you really see yourself as an agent of the public, whatever that means?

ELLEN REMMER: Right. Our nonprofit mission really does help keep that perspective, that that's why we're there. We're trying to maximize the impact of philanthropy in society.

AMY KASS: In what capacity do you act, Keith?

KEITH WHITAKER: I'll be interested to see what I am! (Laughter.) But I guess the way I talk about that—not so much with clients, but internally—is that I believe that our work is a helping profession; that it is in the same family as being a nurse, doctor, or therapist; and that I am helping people not so much towards bodily health but towards psychic health with regard to a very important part of their lives, which is their relations to material possessions. So I feel that we are bound by similar duties of care and similar duties for education and training and learning in order to be helpful, and that the legitimation of that is human nature itself, which requires help in order to flourish. It's—simply put—a helping profession.

ERIC KESSLER: If I could, just to help draw distinctions, although we work—with some of our family work—in similar ways to TPI, we're structured actually as a for-profit company, and all of our employees have a passion for the public good, but we work only for our clients, and we're paid by our clients. We work only for their interests, with a passion for the public good at the forefront of our work—

AMY KASS: Even if there are these obvious tensions among your clients within the family?

ERIC KESSLER: Sure.

AMY KASS: Phil, how would you answer your own question?

PHIL CUBETA: I think it's a very uneasy question. What it drives you back to, I think, and what I say and have said sometimes to people is, sitting here in an office building wearing a suit, on company time, asking you such personal questions doesn't feel entirely appropriate. And we're making do with that. But it's really essential that these are questions between two citizens insofar as that role still has meaning, that there's a public space in which you can ask these kinds of personal questions about the public good. So I don't have—

AMY KASS: But wait a second. If you are addressing each other as citizens, then you are in effect addressing each other as public people. Not as private, family people.

PHIL CUBETA: You're asking somebody—going back to the *King Lear* analogy—you're saying that you're dressed in ermine, and I'm dressed in whatever costume—say a women's business suit (as “Sarah”). Despite those differences, can we talk? Do we have permission to talk to each other as citizens where I am not going to be judged exclusively because of my ability to elicit and serve your top-line objectives, what you think you know, but where I can speak to you as an equally free human being and citizen? We'll call it the unlicensed practice of the liberal arts. It's a dangerous game.

KEITH WHITAKER: I'm very sympathetic to you about the importance of citizenship and thinking about, as I put it, the common good, or as you could put it, the public good. But there is a place for having these kinds of conversations in private. Another way to put

that is that I think people need help whether they want to be citizens or not. You have to start where people are. And if I were to say, I'm going to help you citizen to citizen, I think most people would say, what are you talking about? I don't want help as a citizen. I want help as a father, as a son, as a member of this foundation board. Pressing that might have very interesting results, but I think it poses a frame upon the person whom you're trying to help that is, frankly, judgmental and also maybe counterproductive.

AMY KASS: As someone said many, many years ago—

PHIL CUBETA: So I'm not going to get the job. (Laughter.)

AMY KASS:—there is a difference between human beings and citizens, and it's not necessarily easy to be both, and as long as you're talking about the civic capacity it seems to me that you really are talking about a kind of either regime-specific or related kind of matter. You're talking about one's role as part of a particular polity. If you're talking about human beings, which is what Keith is emphasizing, you're really talking about people in their personal relations, one with the other. That's a very interesting question. It's an interesting question, I'm sure, for all financial advisors or for anybody who attempts to give any kind of advice on philanthropy.

So with this as background, why don't we invite the rest of the audience, if they have questions or comments, to please speak up?

PABLO EISENBERG: We often get a picture of financial or philanthropic advisors as neutral or value free. Where do the values of these advisors come in, and to what extent is there any concern about advocacy? The reason I raise that is, if you look at all of the recent studies in, say, the last three or four years, increasingly wealthy individual donors are giving to the institutions of higher education, health, and the arts, and much less to anything smacking of poor people, people of color, people at risk, grassroots, social service organizations, all of the things that are crucial for democracy. There are a number of financial or philanthropic advisors I've talked to, including nonprofits, when asked to whom do you clients give, very few will say, to poor people or to grassroots or to advocacy. If the pattern of an increasing gap in the organizations that the wealthy give to and don't give to continues, to what extent does that reflect on the role of philanthropic and financial advisors. Are all of you becoming more and more like the old bank trust advisors who just said to their clients, go where the money is. Do what helps your investment. Don't care about the people to whom you give. Are there an increasing number of financial and philanthropic advisors who are saying, listen, giving to cats and dogs is fine, but how about poor people? Or giving to the Ivy League schools' endowments is not what's really needed in this country right now. We have an enormous wealth gap. So where is the role of advocacy among all of you.

ELLEN REMMER: I'll take a stab at that. The thing about defining the public good is that of course it's a very subjective experience. At TPI we have wrestled with this issue as you know, Phil, from your many conversations with Joe Breiteneicher over the years about how much to be out in front on some of those values and promoting that. And we

still wrestle with it. And over the years we've ended up working with sort of middle-of-the-road to more progressive clients. Early on we ran the spectrum in terms of our clients. But most of our referrals come from other clients, and then they have their experience either individually or institutionally.

We put our values on our web site, and they are somewhat socially progressive but not in a really heavy way. We recently went through a strategic planning process after Joe's death, and we had a long conversation about how much to be out in front and how much to go after clients, to try to work specifically with clients who shared our collective institutional values. It's something we just wrestle with. I wish Joe were here to appreciate that we've made some steps in that direction, because he was always trying to push that way, for us to be more aggressive about saying, this is what we care about. This is what we think, and if you want to work with us, we want to work with people who share the same values. But it's not something we haven't struggled with.

ERIC KESSLER: I would add that at Arabella Advisors, everything we do is about effective philanthropy. It is the first term on our web site. It's what we talk about every time we talk. It's how we identify ourselves; it's written on our business cards. And so families and individuals who are less interested in effective or strategic philanthropy are, quite frankly, less likely to hire us. So our value is around strategic, effective philanthropy.

We put the bios of everybody who works for us on our web site, and if somebody wants to figure out the most effective way to spread semi-automatic weapons in Washington, DC, they're not going to hire me. They'll look at my biography and see that that just isn't who I am. They might call us and we could probably find someone who could help them. (Laughter.) I'm not sure if I would. That would be interesting. I think most of the people in our trade as it were are, or I found them to be, fairly upfront with a few exceptions about their values and who they are and their background. And so a smart shopper, as the kind of families who would hire any of us typically are, would find that fairly readily.

We do not push people towards specific areas of giving. We certainly, as a part of our checklist with families, raise a whole range of issues—like advocacy, like more insightful ways to cut a check for a million dollars to Harvard than just cutting the check. One exception is something that is on our web site, to which I'll point you. In December 2007 we released a list of high-impact giving opportunities. This is the first time where we've proactively put out a list of recommendations. Now, we're not recommending organizations but we are saying, here are ten areas which we believe as philanthropy analysts are undervalued by the philanthropic community and have the potential for high impact. That's the first time we've kind of proactively put our values into recommendations, if you will.

AMY KASS: Sounds like an investment bank.

ERIC KESSLER: Interestingly—speaking only for our firm—we structure ourselves in the same ways as a financial services firm that serves ultra-high-net-worth families. We

are your trusted advisor on your philanthropy. We will raise lots of options for you but ultimately help you to make the decisions that make sense for your family. And of course, the relation to the financial banker is, well, we're going to help you find the right investments; we're going to help you measure those investments; and we're going to help you build an investment portfolio, if you will, that suits your family.

But back to the question, again, we are very upfront and clear about that being our persona and our values, and there are lots of others that take a very different approach. We serve the people who are looking for that, I think, very well.

AMY KASS: But it sounds, if I can make a little trouble, as if to be strategic means that it doesn't make any difference what the issue is, what the cause is. What you are trying to do is get the most out of your money, and it has nothing to do, really, with values and certainly nothing to do with advocacy of any particular thing. Is that right? Would you accept as a client anybody?

PHIL CUBETA: I think it's a very difficult question. Can you be a values-neutral, values-free, values-based planner, and are you modeling the behavior you want your client to show? I think it's a very hard game to play, and I think that really in the end you have to be fully present to the client—that means letting them see who you are if you want them to see who you are. And then the question is, can you work with somebody whose values (inaudible), as the case study showed.

I think there is definitely a role for advocacy in the mix. People who aren't represented here might be the advocacy organizations that we as financial consultants work with. In other words, they deserve a place at the table, too. And part of this is team-building, making sure that they're represented on the team so that the advocacy voices can be heard even though it might not be our voice.

I think also that in a way, when you're working with a client, you can ask yourself what part of the client are you serving, and I sometimes try to remind myself that there is a highest and best client in there waiting to pop out (laughter). And if you ask the right questions, you sometimes can connect with a part of them that might not be present in a business setting normally. For example, most of the people I work with are evangelical Christians who are Main Street millionaires who are very conservative, believe it or not. And they're brought to me by life insurance people. So it's a very different world from what you might expect, and very often if you touch them with the right question, they begin to quote the Bible, and depending on which passages they quote, it opens up many, many vistas to connect back to the poor and so forth. Because it is *there* in all of these ethical traditions, and so you can start from their tradition and get them to just reflect on what their tradition is trying to tell them.

MARTIN MORSE WOOSTER: Do you as philanthropic advisors take any sort of institutional position about setting up a foundation in perpetuity versus spending down the donors' assets during their lifetimes?

ELLEN REMMER: No, we don't. We talk with them about the options and make sure that they're thinking through the implications of each of those options. We try to give them information about trends in the field. But we don't take a position.

PHIL CUBETA: Is there a question under the question? (Laughter.) Are you talking about donor intentions across generations and things like that? Do you see perpetual foundations as a risk to the donor's intentions or as a risk to society?

MARTIN MORSE WOOSTER: I wrote the book on donor intent.

PHIL CUBETA: I figured. We haven't met. I think if you are concerned about the donor's intention prevailing, you have to be careful about having things last too many generations. The idea of spending it down does make sense, if that's your prevailing consideration. I think that this case study in a way is really almost aimed at that consideration. Here's the mother; what are her intentions? Part of her intention, I think, is that each of these children continues to be healthy, autonomous, flourishing individuals. And she may end up having to delegate some of her intentions to them and hope for the best.

KEVIN LASKOWSKI, National Center for Family Philanthropy: I noticed that many of you are family philanthropists in your own right, having had a role in your family foundation or in your family giving program. I was wondering how and to what extent you discuss your own family's philanthropy with the clients with whom you work.

ERIC KESSLER: I do, regularly, but I talk just as much about other families' philanthropy. When we work with a family—I suspect, when we *all* work with families—they are hungry for knowledge, particularly if they have just gone through some sort of liquidity event which caused them to call us, which is typically the case—Grandfather passed away and the kids are in their twenties; they just sold the business; they've decided it's time to start a foundation or it's time to re-craft a third-generation foundation. I, of course, love sharing stories from our foundation, which came out of a fifth-generation, family-owned business. The foundation is in its third generation. But I also equally draw on other family foundations, clients and non-clients, as well, to share those lessons. I think it is one of the strengths that Ellen and I and others in our field bring, coming from personal experience in family philanthropy. It certainly enables us to connect really well with our clients.

ELLEN REMMER: People have a way of identifying with people who are like them. It's simply that. We have lots of people within our organization who have their own foundations, and the trust seems to build up faster because of that. So that's very helpful, I think, in our work. However, it can get in our way, and I can say with absolute humility that when I first began this work fifteen years ago, I thought that they should all look like my family foundation. We did it the right way, I thought. And I see that sometimes in some of our staff who are new. It takes a while to kind of appreciate the different ways that families might want to operate.

PHIL CUBETA: We don't have money, so I won't talk about that, but I will talk about volunteering and what I would try to do myself and what I have done myself.

KEITH WHITAKER: Kevin, the first principle of a helping profession, to harp on that theme, is it's not about me. And so I always go into relationships with that belief and starting point. However, if I think it's helpful I'll talk about what my family and I have done for the reasons that Eric and Ellen mentioned. It's also, as Ellen mentioned, highly important to be aware countertransference issues of identifying your clients with your family members and bringing that into the relationship. That can also be very helpful in helping them, though, too. It gives you an insight, sometimes, into what's going on with clients. But you have to be very careful with it and be very aware of it. But I start from the standpoint of, it's not about me, it's about you, and if this helps, then that's great.

WILLIAM DENNIS, Atlas Economic Research Foundation: In our little example of the essay, there are a number of possibilities there to promote the public good, it seems to me, from providing—and you talked about them—providing good jobs for employees to providing a steady stream of oil and gas to a growing nation on the move to investing in the new technology of the future that will provide untold wealth that the world has never seen before and a redwood sanctuary to help the peace of the soul. So why talk about public good at all? Why not just say, we believe in advocacy. These are the things we think are good, and here is the thing we support. It seems to me that when you bring in public good, it's just to load the discussion in behalf of you good people, and to imply that other people are short-sighted and narrow-minded people. What's so special about your work that isn't true about all of these other things, that can label it "public good."

PHIL CUBETA: It's an alibi. (Laughter.)

WILLIAM DENNIS: That's a shorter way to say it.

ELLEN REMMER: Nooo!

AMY KASS: That's a cop-out! (Laughter.)

KEITH WHITAKER: Say more. (Laughter.)

AMY KASS: You don't really believe that, Phil.

PHIL CUBETA: No, I don't. I think it's disturbing to have a conversation about philanthropy and tend toward the conclusion that the public good is not a component of that. But it goes back to the question of ends and do we agree on the direction of social change. And if we truly don't and we don't even have a concept that there *is* a public good much less how to accomplish it, I don't think our profession can be anything more than instrumental expertise. I think you see a fair amount of that in our profession. But I think we're blinking at the core issue you're raising—and you're raising exactly the right issue. If we're not able to articulate that or have our clients articulate it, it seems like the game is pretty much for naught—it's all about money.

AMY KASS: Does anybody else want to take a stab at that?

ELLEN REMMER: Well, we presumed this money is in a foundation. That was the discussion; that was the context we were set up with. And just by that legal structure, it is for the public good. If the money is not yet in the foundation, there are many things open.

WILLIAM DENNIS: I must argue. That's just a technicality. Of course it's in public law, but that doesn't tell us what we're supposed to do with the foundation.

ELLEN REMMER: No, it doesn't.

KEITH WHITAKER: My only response is—I think it's more to what Phil (Cubeta) was saying than to the question, but—it seems to me that part of the human good is being concerned with the common good, the public good. People care, and they get heated when it comes up. That's just part of life. But I would totally disagree that if you're not simply acting in the public good, there's nothing left—if you strip that away. Maybe I'm misinterpreting.

PHIL CUBETA: I'm glad you're taking the polemical tone, because you're really throwing in harsh relief some of the most important issues. Increasingly in our field, the language of business is infiltrating every aspect of it. The terminology now is not about the Three Graces. It's lovely—so wonderful that Amy (Kass) has put out this book (*Giving Well, Doing Good*) to remind us of the real sources of our moral traditions. When you read about philanthropy now, it's all about investment—political return on investment, financial return on investment. The language of business has infiltrated the field. So your point of view is not unusual; I don't think it's at all unusual. I actually think that it's the dominant or insurgent view, and it's incumbent on those of us who feel that something is missing to articulate that. I think Amy has done a great job just putting the readings together. To read it is to be reminded.

LEON KASS: I have the privilege of being related to this fine lady (motions to Amy Kass). I want to continue this exchange on the public good, because several of you have spoken about it in a rather univocal way. Keith (Whitaker) will speak about the common good as if it is a common aspiration. And even though it's like the elephant of which all of us have perhaps a partial view, there really is one such thing; if we talked long enough we would know what it was. Mr. Cubeta makes a distinction between business and things that are explicitly for the public good, as if prosperity isn't also part of what produces a good in which all of us share. Ellen Remmer said that simply because it's a foundation, it therefore must be a public good, and I take it the argument for that is that there are tax breaks which wouldn't be given otherwise—although it seems to me one could say that these foundations are given tax breaks not because one thinks they all should share some view of the public good, but that the public good might emerge from letting people each in their own way pursue something philanthropic, and that there will be competing views of what is *publicly* good. So I guess I want to join Bill Dennis' question, couldn't one scrap this talk about “the” public good or “the” common good,” and ask more generally,

what are the things that are good and worthy that you care about. And be prepared to see that there are deep differences between people about what that would be like, and not necessarily find fault with the other person's view of this matter, and sort of trust that for multiple philanthropic approaches we will be better off. That seems to be the classical liberal sense—that we will be better off to allow different imaginations and different kinds of philanthropic spirits to emerge. Why isn't that a way to think about this, and why don't we scrap the language of "the" public good as if it was a univocal thing?

KEITH WHITAKER: I was saying "the common good" with a question mark after it, there. It's not to strengthen the article. Earlier, when Ellen said that the public good is subjective, I don't believe it's subjective. I think that there are objective versions of the common good out there about which people disagree. They're competing. That's why I can't be an advocate. I mean, I can be an advocate for something like what you described, and of a liberal concern for talking about those differences—but that's being different than an advocate for a certain version of the common good that's out there.

But those aren't the kinds of conversations that we usually get into here. These versions of the common good are behind. They're elephants in the room, bumping into each other.

PHIL CUBETA: I think it's a very well posed question, and normally it would take a long time to get to that point where somebody would speak as passionately as you just did, and as clearly as you just did. What you've just done is open up—if you actually were a client—a wonderful avenue to a good conversation, because you basically defended open society. Really what you said is, competing goods are the good. It's really the fundamental founding view of democracy, in a way. And if that is your belief, and you're the father and you have the \$55 million, I think we're now getting close to having really good conversation for you personally, not prejudging the outcome but saying, how does that play out—open society—in this family? You have a son who is more or less hell-bent on creating a dynasty, consolidating wealth in very few hands and controlling things, and you've just defended open society and pluralism. This is an open question—not really meant as a closed question. How does that sort out in your mind? Do you want to spread the wealth around and produce a more open society, or do you think it is better to concentrate it and have more people who espouse excellence, and so forth? How do you play that through one more level deep? And as you articulate that, you'll be articulating something important to you, and our role at that point is only to challenge it and then ultimately assent—because it is your vision of the good that is the subject of the conversation.

DAVID TORGERSON: It strikes me that we're a little bit nasty to the businessman in the sense that he has a very well-developed and refined view of the public good, and given where he has put his money, it shows that he may not personally benefit from the situation. In fact, it may make his job as a businessman harder—open and free trade and so on, these libertarian ideas. You have a better starting point here than a lot of families have because you have two well-articulated models of the public good. He's rationalizing; there's a business interest to it, sure—public relations. But he is

contributing to these other things. So you've got two competing models of the public good here, and I think you have a good chance for dialogue—which you're giving.

ERIC KESSLER: I agree completely. My critique of the family would be that they should have hired an advisor before the father passed away, because as articulated as it was in what we read, somebody should have helped the father articulate it before then. And while that would not have resolved crisis or avoided the situation entirely, it would have given a clear starting ground. A lot of this comes from a lack of clarity from the father. So “Bill” and “Alex,” who isn't here but is in the—really, “Alex” is the culprit here, I believe, and not just because he is not at the table. “Alex,” who is the person who should be looking out for the family, should have recognized this impending train wreck years ago and brought somebody to at least get it part of the way towards resolution. Not all the way, but part of the way.

JAMILA OWENS, Georgia Humanities Council: I'm wondering a little bit about “Meg.” We talk a lot about the two kids, and to me it seems like “Meg” has sort of divested herself from all of this. I wonder if perhaps she might realize that her role isn't done yet. “Dad” died, and so as the head of this foundation she bears a responsibility in thinking about—I mean, I don't know if you can control your legacy, but you definitely control your bequests, and not only with regard to the public good but also her bequests to her kids in terms of what she chooses to do for them now, and what sort of leadership she chooses to provide. I'm not sure of the relationship between her and her husband. Did he make all of the decisions? Was that their marital relationship? Perhaps she has been left out of all of this for years, and now she is suddenly in this position. But I wonder if she might not take a more—if she might work with an advisor prior to even bringing in the discussion with the kids, because she is now the head of this foundation, and get clarity on what her goals are. I'm just thinking as a mother myself—my goals right now might be, okay, when I go what are these kids going to do? They are fussing and fighting. What do I want to leave them so that they are in a position to take over? So I wonder about “Meg” and how much work needs to be done with her before we even start talking about forests and business strategy and all of this. The bequest to the “internal customer,” your kids, is what I'm wondering about, and how that happens.

ELLEN REMMER: You're right. And the advisor I think would serve her best by helping her go on a quest—to talk with peers, and to talk with others who have been through this. It is going to take her a while, and she needs to have a lot of people ask her some hard questions as she tries to sort out what her goals are. It's definitely a transition. She needs not just to talk to an advisor, but an advisor who can bring her into contact with others who have been through that.

AMY KASS: So if I understand Jamila, you (Ellen Remmer) would have said, forget about dealing with the whole family. Why don't I meet with you first?

JAMILA OWENS: I think because there's a structure and she is actually the head, she needs a little help in understanding perhaps what she might bring to the table that could provide clarity for the others at the table.

AMY KASS: Okay, one last question.

QUESTION: Looking at this issue of wealthy people tending to give more to arts and higher education, if a client came to one of the three firms representing people from families of wealth on our panel and they wanted to give to the social service sector, do you have that capacity? Are you familiar with how to do that well, or are there other philanthropic firms, advisors, out there to do that work? Should we think about some kind of affirmative action to bring people of lower wealth into your firms so that the clients who have that interest have someone with whom they can relate?

ELLEN REMMER: I think the reasons folks end up giving to higher education and health institutions is because they have these enormous development staffs, and they have all of that identification that folks have. But they also are just geared up to get that money. That's not because of philanthropic advisors. We don't even see most of those kinds of donors; they're not usually working with philanthropic advisors. Their philanthropic advisors are the development staff at Harvard. So I don't think that's the reason why there isn't as much money going to social service agencies.

WILLIAM SCHAMBRA: (Concluding) This is so out of the mold of the usual public policy discussion in Washington, DC, (laughter) and our panel has been tremendously courageous and open with their time and energy with us today. I think they deserve a particular vote of thanks.

(Applause.)

That concludes our program. Thank you all very much.

(End of proceedings.)