



**The Fred Harris
Daniels Foundation**

Update July 28, 2019

Overall Foundation status

Board composition:

- 4 members from each of three family lines
- 4 members from G4, 8 members from G3
- Board will become majority G4 in 2024

Foundation financial status

Corpus:

- Market value as of 6-12-19: \$19,878,757
- Asset mix:

Cash and T-Bills:	16.8%
Fixed Income:	12.6%
Equity:	70.6%
- Return net of fees (FY to June 12): 3.6%
- Annual income: \$ 454,316
- Target giving and expense (5% by law):
\$ 993,937
- Anticipated FY 2018-2019 giving and expense:
\$ 1,200,000

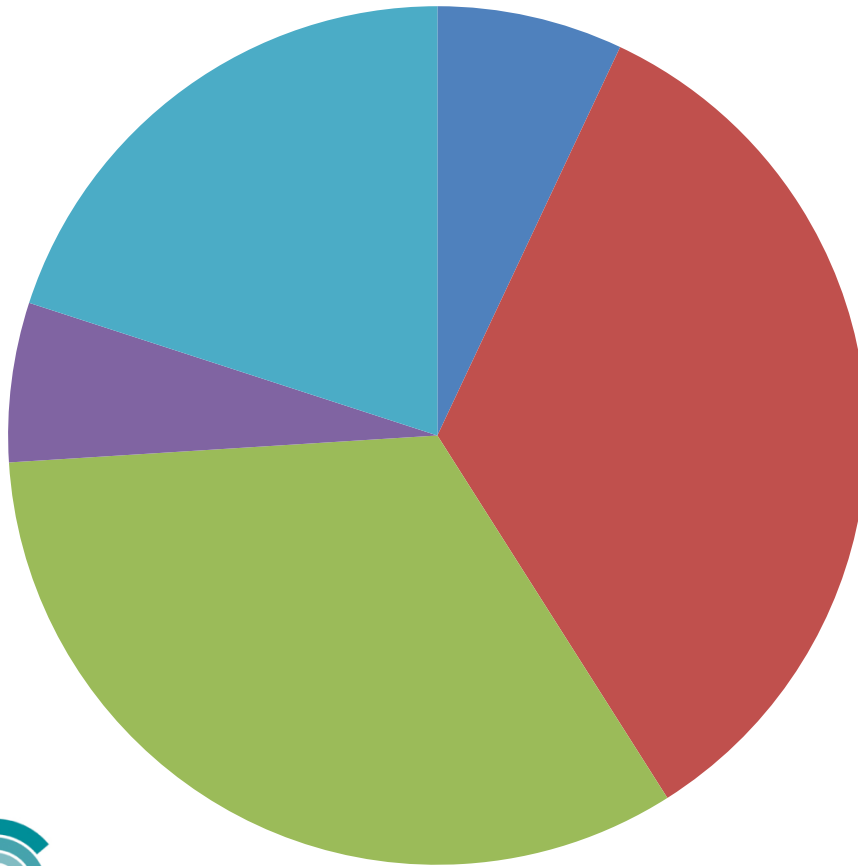
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**“I want you to find a bold and innovative way
to do everything exactly the same way
it’s been done for 25 years!”**

Overall Foundation status

Grants paid FY 2018 – Grant Type



Annual Grants up to \$5,000 - 7%

Annual Grants over \$5,000 - 34%

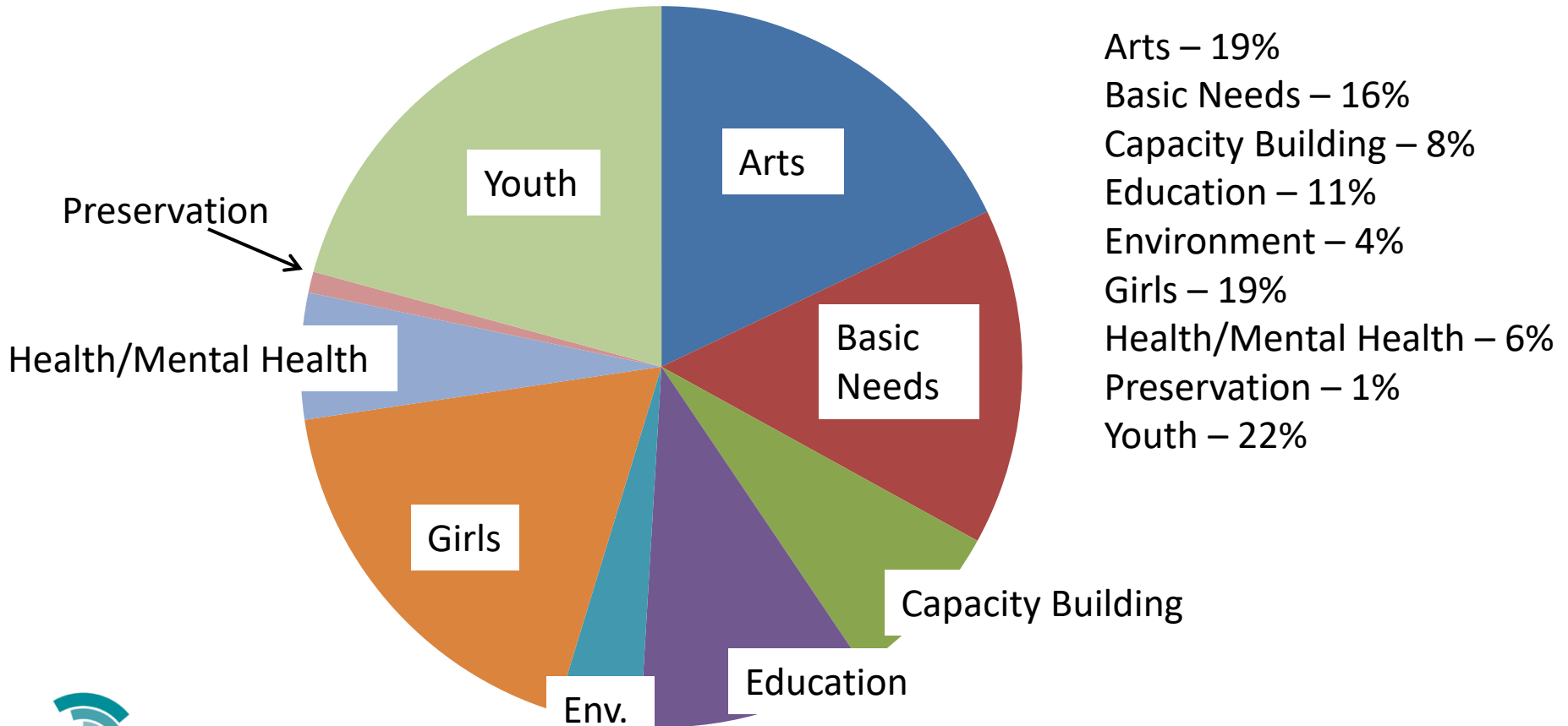
Capital Grants - 33%

G4 Support Grants - 6%

Strategic Grants (Girls) - 20%

Overall Foundation status

Grants paid FY 2018 – Program Type



Overall Foundation status

- Accounting oversight: Bollus Lynch of Worcester
 - Prepares the 990, provides general accounting advice
- Compliance: Hurwitt and Associates on retainer, plus Jim Morse (Esq.) is reimbursed to attend non-profit and foundation CLE training annually

Daniels Foundation Strategic Grant Initiative – Girls age 10-14

- The Foundation's Strategic Grant initiative, now in its 12th year
- Focus exclusively on girls, age 10-14
- Solicits three year grants worth \$225,000 - \$100K in year 1, \$75K in year 2, \$50K in year 3

Daniels Foundation Strategic Grant Initiative – Investing in Girls Alliance

Strategic grant making is coordinated through the Investing in Girls Alliance:

- Collaboration of 15 girl serving agencies in Worcester
- Collaborate to work together on strategic areas of focus
- Foundation aligns it's grant solicitation with the IIGA areas of focus
- Foundation provides funding for the work of the IIGA consultants
- Transition from empirical grant focus to data driven grant focus

Daniels Foundation Strategic Grant Initiative – Data Driven Decisions

Recently finalized data acquisition agreement

- 5 years in negotiation with Worcester City Department of Health and Worcester county school districts
- Annual cost support to administer the Youth Behavior Risk Survey
- Administered annually every other year to middle school youth – administered in alternate year to HS youth
- IIGA coordinates and retains a market researcher and data specialist
- Gender specific data with less than one year delay

Daniels Foundation Strategic Grant Initiative – Data Driven Decisions

- Current negotiations for data sharing among all IIGA partners
 - IIGA data specialist to cull and coordinate utility of data for all IIGA partners
- Seeking opportunities in MA to replicate IIGA model; potential national curriculum for the big 3 girl serving agencies – YWCA, Girls Inc, and Girl Scouts

Generational Transition for family foundations

Research indicates that the chances of sustaining family wealth over generations can be as low as 30%.

Less than 3% of this failure stems from poor estate planning or weak investment returns.

There are best practices which substantially increase the odds:

Generational Transition for family foundations – best practices

Family Cohesiveness <ul style="list-style-type: none">• Family History & Culture• Family Mission Statement• Shared Values• Teamwork & Communication• Family Member Well-being	Governance <ul style="list-style-type: none">• Family Governance• Family Meetings• Family Policies• Conflict Resolution• Succession Planning
Strategic Planning <ul style="list-style-type: none">• Understanding of Economics• Wealth Objectives• Planning for Major Life Events	Philanthropy <ul style="list-style-type: none">• Support for Philanthropy• Shared Philanthropy• Strategic Philanthropy
Mentoring <ul style="list-style-type: none">• Financial Education• Parenting Skills• Support For Entrepreneurship• Family Support Network• Money Smarts	Trusts & Estates <ul style="list-style-type: none">• Communicating Intentions• Grantor & Beneficiary Mentoring• Selection of Trustees & Advisors• Trustee & Beneficiary Relationships

Generational Transition for family foundations – Daniels Foundation



Retirement Policy

- Board members are relatives of Fred Harris Daniels by blood or adoption.
- Members will retire from the Board of Directors at the December meeting preceding their 75th birthday.
- Each family line is responsible for determining the replacement of any retiring member in its line.
- Any family line may turn to the Nominating and Governance Committee for assistance in selecting the replacement for any retiring member. The reasons to request assistance include but are not limited to lack of consensus for naming the replacement or limited interest/availability of eligible candidates.

Retirement Schedule

Board Retirement Dates

Year of turning 75; December slate replacement year

Jon Blake (Dwight)—2021; December 2020

Sarah Daignault (Dwight)—2023; December 2022

Chris Eaton (Clarence)—2024; December 2023

Raider Blake (Dwight)—2024; December 2023

Sarah Morse (Harold)—2025; December 2024

Bill Pettit (Dwight)—2025; December 2024

David Nicholson (Clarence)—2028; December 2027

Fred Daniels (Harold)—2030; December 2029



Engagement of G4

- Personal recruitment
- G4 Funding programs
- Standing invitation to attend Board meetings
- NEXT newsletter
- Family gatherings and G4 Retreats



“While your level of experience is less than ideal, we value your fresh perspective.”

Daniels Foundation

External Mission Statement

The Daniels Foundation is a family foundation supporting sustainable, creative solutions to Worcester's most pressing social challenges by funding programs that help people become more self reliant in their lives and communities.



“That’s our mission statement. We wrote it the same day we switched to decaf.”

Daniels Foundation

Internal Vision

1. The Foundation is a dynamic and enduring symbol of the family's legacy. Family members are proud of and invested in the future success and continuity of the Foundation.
2. The Foundation unites descendants of the three family lines and serves as a tool to engage together in meaningful work in Worcester.
3. The Foundation provides a vehicle for family members to carry out the legacy of the founders and nurtures family connection across branches and generations.



“That’s our mission statement. If people follow that, everything else seems to fall into place.”

Looking forward

Issues:

Maintain the blood/adoption policy or broaden to include extended family

Professional staff

Term limits to allow greater participation

Not enough funding to meet the needs

Narrowing focus to limited areas

Changing or adding new strategic focus

Looking forward

Challenges:

- Weakening commitment to Worcester County
- Time and travel commitment
- Increasing compliance and regulatory knowledge requirements
- Finding and affording effective investment management