

An Open Letter from Charles Bronfman and Jeffrey Solomon

July 13, 2011

Dear Friends,

No matter how sound the takeoff and flight, for a pilot to be successful the landing must be smooth as well. This metaphor captures our thinking as we conclude the work of the Andrea and Charles Bronfman Philanthropies during the next five years. However, in thinking about the airplane metaphor, we can't help but focus on the 747 which carries the space shuttle. It's not simply landing a plane, it's doing so in the knowledge that an effective landing will result in continuous launchings, providing benefits for humankind. We are extremely proud of what we have achieved so far, and we want to get it right as we land the plane.

Let us backtrack a bit.

The purpose of this open letter is to begin to focus on the processes involved in the final five years of a foundation which set out to sunset in 2016. As more and more founders and boards are considering time limitations rather than perpetuity as a strategy, we believe we owe the field a full and honest reporting of the range of issues we have confronted both in making this decision and in its implementation.

While Andy and Charles were generous philanthropists throughout their lives, they decided to formally establish a private foundation in 1985. Since that time, the Andrea and Charles Bronfman Philanthropies as they are commonly known, is the sum of various foundations and family efforts. These were led by operating foundations: the CRB Foundation in Canada, ACBP in the United States and Keren Karev in Israel. While enduring values shaped Andy and Charles' philanthropy, as well as the Foundations' senior management, the evolution of the organizational giving has led to a number of important components that are embodied in the ACBP mission, namely:

1. Enhancing and preserving Canadian history and heritage;
2. Nurturing the unity of the Jewish people, whose soul is in Jerusalem;
3. Improving the quality of life in Montreal, New York and Israel; the communities in which the Foundations operate.

The core method of operation is to invest in next generations through experiential informal education and to demonstrate a caring about people as individuals. We are prepared to assume considerable risk, but do so after careful study and planning. We build upon our learning and acknowledge failure when it occurs, knowing that the lessons of noble failure are often the foundation of great success. Before, during and after the life of the foundation, we focus on

issues of identity, meaning and community. We also appreciate and celebrate that the blessings of foundation life include the opportunity to be a good citizen of both the local and global communities.

The Foundation's approach has been to be disciplined in its own behavior by recognizing that it supports and nurtures organizations core to its mission as well as organizations that reflect the family's history and legacy and those that are close to other stakeholders and partners. As we point out elsewhere, we believe foundations are well served to identify those programs which are core to strategy and those which represent historical commitments or giving based on relationships. Uniquely, ACBP as an operating foundation conceptualized (often with others) and incubated many organizations and programs; nine of which operate at various stages of independence today. As we came closer to the time of spending out, we tried to provide for greater and greater support to the Philanthropies' core mission, gradually paring away at less integral concerns, and to pave the way to independence for the incubated entities.

The decision to gradually divest all of ACBP's resources was made by Charles and Andy after robust family conversations. It became clear that their philanthropic interests were an expression of their own particular values, experiences and interests and therefore that ACBP should phase out its grant-making as they began to anticipate entering a less engaged chapter in their own lives. Tragically, Andy's untimely death in 2006 robbed the foundation of her unique blend of focus, energy and street smarts which so positively impacted our work. At the heart of the family decision is the desire that each generation should be at liberty to engage philanthropically in support of their individual commitments and passions in their own ways. Their children will continue a dynamic philanthropic contribution, but in their own ways and to their own interests. Charles did not want to be the cold fist trying to rule from the grave.

Both of Charles' children have created and are intimately involved in exciting foundations making important contributions in the communities in which they operate. In 2001, Andy and Charles, along with Jeff, chose 2016 as the date by which ACBP would accomplish the goal of ensuring that the missions of the organizations that ACBP has incubated would continue. Indeed, we have played different roles in the lives of our grantees, not only financial but with regard to inspiration, governance, operations, evaluation, quality assurance and development. The unique role of an involved operating foundation is to help achieve impact in manifold ways.

After 2016, our involvement will change in all of these aspects and will be the responsibility of the incubated entities and the wider communities and constituencies they serve to carry the work forward and adapt it to whatever realities exist at that time. Our greatest hope is that they will do so while continuing to live the values and outlook that ACBP has treasured. We will still be active donors but without the infrastructure and support built over the years.

To date, we have granted more than \$325,000,000 to some 1700 organizations. While believing dearly in good citizenship and relationship grants, we are proud that our strategic giving has generally been at 65% or above of all grantmaking. Much of the operating support of nearly \$59,000,000 went to the day-to-day work of incubating and developing the ten existing organizations/programs at the heart of the Philanthropies' mission.

To align with our values, we have taken the following steps in preparation for 2016:

1. We have been transparent with our grantees about the grant support that would be available to them between now and then;
2. We have continued to nurture these organizations, providing advice and back office assistance on a regular basis;
3. We play fluid and varied roles as these organizations grow and mature. From governance to advocacy; development to technical assistance, we attempt to help with a light touch. We attempt to champion and cheerlead; only occasionally offering “tough love.” We hope we provide added value.
4. We have retained an outside firm, Cambridge Leadership Associates (CLA) and other outside advisors to work with us, with the grantees and with their constituencies, to (a) maximize the potential that the missions of these incubated organizations will be preserved going forward; (b) ensure as much as possible that the organizations themselves, if they are to continue, will be sustainable and best in class, and; (c) make certain that the people involved will be treated with sensitivity and concern throughout this transition.
5. Future letters and brief papers will discuss the roles played and the lessons learned as we chronicle the sunset process.

Core to our operating foundation strategy has been a readiness to innovate and experiment. We use our resources and those of partners in the demonstration phase of projects. If the value of the project is proven, we are then ready to help it to move to a larger field of stakeholders. We are committed to creativity and innovation, not to perpetuity for the sake of perpetuity. As with any good investment, there is a time to invest and a time to exit. The next generation of philanthropists and board leaders will be tomorrow’s investors. They will lead to new heights. Where missions have been completed they and we will raise our collective glasses and toast the achievements.

For example, one of our most powerful innovations was the creation of the Gift of New York, a response to September 11th that arranged for every cultural, entertainment and sports venue in the tri-state area to offer access as a gift to families who lost a loved one in order to help with the healing process. Because we believe that healing does not need indefinite external supports, we planned and, indeed, closed the Gift of New York eighteen months after its launch in December 2001. Among the strengths of a time-limited foundation, we believe, is the energy of its founders which creates the necessary components of what has been called catalytic philanthropy. We also recognize that as needs change programs must adapt or wither. We believe in a balance between the mission and the market. We have become grateful for the decision to close ACBP so that our temporal reality allowed us to maintain focus, organizational alignment and intensity in all that we have done to date. This has become a gift and an opportunity.

A philanthropy phasing out grant making is a relatively new phenomenon. There has been little written about the dynamics, challenges and choices that need to be addressed. As noted, for those reasons we will transparently document our process as it unfolds. We will also take responsibility for stimulating a wider and deeper conversation among donors and professionals in the philanthropic community about the philosophic, strategic and day-to-day considerations that

are involved, and our learning and experiences along the way. We invite you to join in that conversation.

While ACBP will be phasing out in 2016, Charles' philanthropy, with Jeff's professional support, will continue, as will those very values that led us to enter the world of philanthropy. They are timeless and core to our very being.

Finally, we at ACBP want to continue the informal roles we have been privileged to play in the philanthropic and Jewish communities: mentoring, working for collaboration across institutional boundaries, nurturing infrastructure of social entrepreneurs, and creating intellectual capital. We have just completed our second book together, *The Art of Doing Good: A Field Guide for Social Entrepreneurs*, and hope to continue our modest contribution to the growth and development of this wonderful field.

Like the pilot approaching the landing, we believe that ACBP's legacy will be measured not only by what has happened to date, but by how smoothly and successfully all this work comes to an end. The most important measure of our success will be the contribution that these incubated organizations (see below) and their missions make as we disengage. Each is unique. We are excited by the opportunities in this moment, and we are eager to work with you on this journey.

Sincerely yours,

Charles R. Bronfman
Chairman

Jeffrey R. Solomon
President

- 21/64 – Strategic Philanthropy Through the Generations (2164.net).
- AIDA: Association of Israel's Decorative Arts, New York, NY – introducing Israel's decorative arts to a larger world (aidaarts.org).
- Birthright Israel, Jerusalem, Israel – bringing the gift of Israel to every young Jewish adult (birthrightisrael.org).
- The Green Environment Fund, Jerusalem, Israel – a funder's collaborative for a healthy, sustainable environment (gef.org.il).
- Historica – Dominion Institute, Toronto, Ontario – programs to inspire teachers and students (historica-dominion.ca).
- McGill Institute for the Study of Canada – promoting a better understanding of Canada, its heritage and its values (mcgill.ca/misc/).
- Project Involvement, Jerusalem, Israel – providing educational enrichment to 265,000 students (karev.org.il).
- Reboot – catalyzing in behalf of inspirational, creative, contemporary Jewish life. (rebooters.net).
- Slingshot – identifying and supporting innovation in the Jewish community (slingshotfund.org).

