

Making Their Privilege Pay

Wealthy generation X-ers are finding it takes more than money to do good deeds

By Kimberly Palmer

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When Karen Pittelman found out her grandfather, a successful real-estate developer, had created a \$3 million trust fund for her, she didn't want to keep the money. At 24, she was frustrated with the world's inequalities and wanted to do what she could to lessen them. She persuaded skeptical parents to let her dissolve the trust and create the Chahara Foundation, dedicated to poor women in Boston. "There's such a joy in taking action for our beliefs," says Pittelman, now 31. "I was committed to being part of social change."

With generation X-ers set to inherit the wealth of baby boomers over the next several decades, more people will soon find themselves in Pittelman's situation. According to the Government Accountability Office, the wealthiest 10 percent of baby boomers hold an average of about \$3.2 million in assets, much of which they intend to bequeath. Researchers at Boston College estimate the total intergenerational transfer of wealth could be \$41 trillion through 2052. Organizations-usually led by young philanthropists themselves-are springing up to help these young inheritors put their newfound wealth toward projects aligned with their values.

As Pittelman experienced, wealth can be isolating and confusing without resources to help one figure out what to do with it. She says that because they are uncomfortable with their wealth, affluent young people-herself included-tend to hide it by ordering the least expensive things on the menu, wearing cheap-looking clothes, and making fun of other rich kids. "I didn't want anybody to know," she says.

Last year, Pittelman, as a consultant for Resource Generation, wrote *Classified: How to Stop Hiding Your Privilege and Use It for Social Change* and coauthored *Creating Change Through Family Philanthropy: The Next Generation* to help other wealthy young people put their privilege to good use. Learning to stop being ashamed of wealth, she says, helps people "shift from being paralyzed to being able to take action."

Being "out." Resource Generation, a New York-based organization for young people with

wealth, has already helped some privileged young adults make that transition. Before Michalya Schonwald, 28, attended a Resource Generation conference in 2004, she didn't know what to say when someone asked her how she afforded her apartment. Now, if someone asks, she explains that she has a trust fund and, if possible, takes the opportunity to talk about philanthropy. Schonwald, a leadership training consultant in Jerusalem, says, "As a result of being 'out' about being of privilege, I've enabled other people in my life to also start funding."

Andrew Pearson, 29, a Resource Generation member who inherited a quarter-million dollars from his grandmother, ignored the money at first. "I didn't know what I was supposed to do with it," he says. Then he met with other Resource Generation members over dinners near his home in Durham, N.C. He learned to talk about wealth and issues such as whether it makes more sense to donate time or money to an organization. "It's hard to have that kind of conversation with someone who can't relate to it," he says. Now he trains other donors at Resource Generation workshops.

Sharna Goldseker, 32, joined the board of directors of her own family's foundation, the Goldseker Foundation in Baltimore, when she was 29. At the time, she felt there was a shortage of resources for young people preparing to lead family foundations, so she helped found 21/64, a New York-based division of the Andrea and Charles Bronfman Philanthropies. The organization develops exercises to help young people think about their funding priorities. One, which she'll use at a retreat for young philanthropists in Baltimore at the end of the month, involves ranking a stack of 25 cards representing values, such as leadership, recognition, and pleasure. "After doing the exercise, they'll say, 'I spent a year walking around with the top value here in my purse,'" Goldseker says.

As part of 21/64, Goldseker also manages Grand Street, a group of 18-to-28-year-olds who meet to talk about what it means to lead a family foundation and how they can continue their family legacies. "They often don't have peers with whom to discuss related issues, so just meeting gives them a great network," says Goldseker. A group of Grand Streeters traveled to Argentina in 2005 and Poland in 2006 to learn more about international philanthropy.

That kind of hands-on involvement is more common among gen X-ers than their predecessors, says Bob Long, vice president for programs at the W. K. Kellogg Foundation in Battle Creek, Mich. Because they grew up in an era when volunteering was usually expected, if not required, young people with wealth often like to donate their time, along with their checks. "When they get fired up, they almost always give more than their money," he says.

They also like to be able to see the results of their donations, says David Stillman, coauthor of *When Generations Collide*. "It's a generation that's extremely skeptical. ... During their formative years, they've seen every institution called into question," he says.

Enjoyment is another prerequisite. "[Gen X-ers] like to use philanthropy as an excuse to socialize, where [funding] can fit easily and unobtrusively into their lives," says Neil Howe, a historian and economist in Great Falls, Va.

Darfur. In 2004, a group of wealthy 20-somethings in Los Angeles launched the Society of Young Philanthropists, a nonprofit that holds social functions to raise money for various causes, because "there was a sense that there wasn't a niche that [young] people could go to," says Dana Corddry, a vice president of the group. Last year, the group raised \$60,000 to help build a clean water system in Chad for refugees from Darfur. It currently has about 2,000 members and is opening offices in New York and San Francisco.

Meanwhile, baby boomers, who are now in their mid-40s to early 60s, are also working to make sure the next generation is ready to receive its inheritances. The Ford, Kellogg, and Surdna foundations have funded Resource Generation over the past several years. "By educating them about philanthropy, we can help young people launch a lifetime of giving," says Susan Berresford, president of the Ford Foundation.

Tracy Gary, who donated all of her \$1.2 million inheritance before turning 35, founded Inspired Legacies, a Houston-based nonprofit that coaches wealthy families and matches their philanthropic goals with nonprofits in the field. Now 55, Gary says when she was looking for advice on philanthropy in the 1970s, she couldn't find any mentors. "So I decided I'd become one," she says.

As for Pittelman, does she ever worry that one day she'll wish she hadn't given away her trust fund? "Maybe I'll wish I had a giant yacht," she says, briefly considering the thought. "Then I'm glad I did it now."

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