

Ep #18: Preparing the Next Generation with Courtney Scott



Full Episode Transcript

With Your Host

Ellie Frey Zagel

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Welcome, this is episode 18, the third out of a three part series in collaboration with the National Center for Family Philanthropy. The topic today is engaging adults in family philanthropy. Enjoy.

Welcome to *The Family Business Leader Podcast*. A podcast for multigenerational family business leaders who want to become the leader they were meant to be. If you're ready to learn how to develop your own authentic leadership style, successfully lead your family business and create your own lasting legacy while still honoring theirs this is the podcast for you. I'm your host, Ellie Frey Zagel, family business leadership coach and third-generation family business leader. Let's get to it.

Hello all, welcome back. This I believe is our last segment of the three part series on engaging adults in family philanthropy that we're doing in partnership with the National Center for Family Philanthropy for their upcoming forum and upcoming meaning it's in October 2022. Today we are talking to Courtney Scott, and I think you're really going to love Courtney as much as I do. She comes from a ranching family and a banking family. And as you know I come from a farm family and a banking family so she and I had lots in common.

We talked about preparing the next generation, how she was prepared, any advice that she would give to others who are thinking about engaging their children, adult or otherwise. And we also talked about wealth discrepancy which I don't think we talk about enough in family philanthropy. My father always, one of his sayings includes, "You could have a very wealthy foundation." And I don't know what the right word is but not have the wealth in the trustees. The trustee isn't wealthy but the foundation can be extremely wealthy.

In this case we don't necessarily talk about it from that angle. We talk about it from what happens if one branch is significantly wealthy, maybe another branch is wealthy on paper but they don't have access to those dollars. The wealth is easily, quickly and easily displayed, the other one can't afford college or any type of schooling, it's a lot harder for them. So, stay to the

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end. She's super wise. And some of the things that she is – when she gets on her soapbox, I'm like, "Yes, yes, let's talk more about that." So, I really enjoyed this conversation, I think you will too. So, without further ado let me introduce you to Courtney Scott.

Ellie: Hi, Courtney, how are you?

Courtney: Hi. Nice to be here, appreciate that.

Ellie: Yeah, thank you so much for being on The Family Business Leader Podcast. Are you ready to get started?

Courtney: Sure am.

Ellie: Awesome. Tell us a little bit about yourself, what brings you here today?

Courtney: Well, I am a third generation of a large family and there is about 50 or 60 of us at large. And my grandparents moved to Sheridan, Wyoming where my grandfather bought a ranch and eventually bought a small bank. Both of them grew to quite a large size and was my father who is the youngest of the second generation of five siblings in total. And I am sort of then the youngest, second to youngest of the third generation. I have spent the last 20 years in the Bay Area but where we call home is Montana and Southeast Montana and that part of Wyoming.

I am slowly moving back to Montana, the state of my life to reengage with my family. I grew up in Billings, Montana and about two hours away was where my grandparents lived, where we have a calf cow operation, still have a cattle ranch there. And our banking business grew to quite a large size and about 10 plus years ago the company went public and we had majority ownership for quite a long time. And really in the last year due to some acquisitions we no longer are in majority ownership. But it is a large source of our family wealth still.

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So spent a lot of time, most of our family attending University of Kellogg, a lot of the family governance classes through that. And my father was a big proponent in family governance and keeping our family together upon the passing of my grandfather, really assisted in our governance structures. So, within our calf cow operation, Padlock Ranch, started a board for that enterprise as well I think started to help professionalize our family business in banking, I don't know, I guess I'd say 30 plus years ago.

Sort of growing upon that my father started the corporate foundation within First Interstate Bank as well, sort of being inspired by his parents who started Elmer & Mildred Foundation in Sheridan, Wyoming where a lot of the kids grew up. That was started I think around 82. And upon the passing of my grandparents, obviously had most of the wealth in the foundation and my dad was the first chairman of that organization.

And so, we have, my family at large we've got a corporate foundation where we still actively are able to serve on the board. And my grandparents' foundation and each of the second generation either has a foundation or are planning on starting a foundation. My father has one active right now so at some point we may have seven family foundations within this family and an opportunity to serve on the corporate board. So quite a lot of philanthropic opportunity within the Scott family.

Ellie: Well, what I think is amazing is that your grandparents raised such philanthropically minded kids, that they all want to give back, they all want to create foundations because sometimes people are like, "I want to keep my money, thank you. I've got other things I want to do. I don't want to do this philanthropy stuff." But it seems like giving back is definitely something.

Courtney: I think it has been, I think that larger sense of responsibility, with great privilege comes great responsibility and Presbyterians and being good community members. I think it was a big part of that local zeitgeist. And being in ranching obviously you have to staff with a lot of people in the community and as well community banking is the importance of bringing people out of poverty and supporting them with small loans and financial

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literacy. And so, I think that it was the mindset of them and maybe the mindset of the times as well.

It is nice, all five siblings, everyone has a different approach and focus. But most definitely are tethered to my grandparents and their belief system to give back.

Ellie: I don't know if you knew of this, but we have two things in common already. I am sure we have many more. Actually, probably three things because it's philanthropy. But I grew up on a farm, we did cash crops, we also had cattle, not a ranch, a much smaller scale. But also, our family wealth came from a multigenerational bank. So, it was a community bank and had branches in three of the communities in which we serve. So, I just kind of wanted to share that. I don't know if I had mentioned that before in our previous meetings.

Courtney: I didn't know that. Cool.

Ellie: So, tell me, you now work with your father's foundation, is that right?

Courtney: So, as I said, I've slowly been trying to move back. I moved to the Bay Area and was encouraged to follow my interest and career which was a great adventure for a considerable amount of time. And the opportunity to engage in family was always there and I always sort of came to the ranch and I sat on the corporate board for a few years. But my father started a foundation with his friend, it was sort of a place base as maybe many people are familiar, sort of like a donor advice structure. They focused in a community foundation and were able to gift outside of a community foundation.

And we are really focused on Indian reservations, two communities specifically in Montana and a few other organizations in which we work for, work with are outside of that area, the geography. But I came back and after serving on the board for about four or five years, found that I was spending a lot of time, personal time doing site visits and a lot of the work

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that it took and started to wanted to professionalize what I was doing with them. And wanted to get paid, wanted some sort of return on my time.

And I was spending a lot of time I think learning a little bit more about philanthropy and learning about what other people were doing in the field. And thoughtfully thought about could I be employed by the foundation? This is my father's foundation so I would be the second generation of this foundation. And what I read from Generations of Giving by Kelin Gersick. I'm sure many people know that name. A family foundation really isn't a family foundation until a second generation joins.

And that became very apparent when I started to join the board. It was my mom and my father, and two independent directors. And it was really sort of wherever the donor suggested through the principles that him and his friend, and the other boards have sort of agreed upon. But once I joined the board I think it became more structurally and more conceptually a family foundation. And so right before the pandemic I was part-time, maybe even 40% of the time being paid.

I looked at the Council of Foundations and we were about a \$14 million foundation. Went on their resource list and found what a program director would be paid which was what I was calling myself at the time and still am. There's obviously room for growth. The only person getting paid, I wasn't coming in as an executive director as I didn't feel that was sort of what I deserved or the appropriate place for me to step in. And I was eager to balance my time with the foundation and then continue doing work in museums, science museums and sort of do it seasonally.

And then the pandemic happened and I think like many foundations, were really called to service, call to respond in the most nimble and aggressive way that philanthropy could give. So not surprising a lot of my museum jobs closed and I found myself working 50 hours. I was hosting, obviously we got Zoom accounts and started to meet with our native leaders as often as we could. And we were having collective community non-profit meetings,

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regional meetings, funder meetings, as many as I imagine many were as well.

But not going too deep into sort of the plight of native communities, it was quite apparent that trying to fight a virus where running water and multiple generations living in a household and limited food access was going to be a real challenge. And the opportunity to sort of put all hands on deck. So, I now am three-quarters of the time employed with the foundation and because of the pandemic my career has really shifted to what feels like a more meaningful direction. But as I imagine we'll continue talking is sort of riddled with its own complications.

Ellie: As you were just sharing, I was like, we can talk about that, we can talk about that.

Courtney: There's a lot there.

Ellie: There's a lot to unpack there. And fortunately to have pride that when you shared that you were nimble, and you were aggressive, and you didn't shut down during the pandemic. Because unfortunately some foundations just kind of didn't meet, they're just kind of, "Well, let's get together next spring." They did for all intents and purposes shut down and I'm not trying to judge or anything like that. But I know Frey doubled down, we not only spent our budget but we also gave to emergency funding, other foundations, kind of sharing their story.

I want to ask this question, I'm sorry I didn't prepare you for this question beforehand because I have never asked this question and I think it's fascinating especially in the context of engaging adults in family philanthropy. You're the first next generation, the first second generation to come onto your father's foundation. And as you mentioned, that's what [inaudible] talks about now you're a family foundation. Looking back what were some of the challenges?

Because there's going to be some people listening who are going to be like, "That's us. We're running. The first, one generation is running it and

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we're trying to engage the next generation." So, what would be your advice to those people who are soon to become actually a family foundation, they're bringing on that next generation?

Courtney: Well, we might need a whole separate podcast on this I would say.

Ellie: We could start here and then we can always [crosstalk] something another time.

Courtney: I know. Well, there was a number of things that I think our family had done to help prepare me that I look forward to sort of telling you about. And I can sort of address some of those things. But I don't think I was very prepared to sort of jump into this work with my father. And he is an incredibly loving, compassionate people focused sort of humanitarian. But as you can imagine, was a part of the generation who took the baton from his father and had to sort of sustain that family business.

And so, there is the role that we all play, and the role that all of his siblings really had to play. And I think those are also part of our psyche. And so, trying to work with my father has been really beautiful but it's been really interesting. And so, as I sort of spoke earlier, that he was sort of the man of governance and that was really important to his identity within the family. So many years later when he starts his foundation, and this is sort of he's expressed kind of clearly in that generations of giving.

He really ran this foundation as a donor advised. And so, there was no governance, not a lot of structure, no budget, and that was the joy. The joy for him was to sort of give where his interests lie, give within the leaders that he met. And I came in and was like, "Are these the right people? How do we meet the right people? Should we be thoughtfully", so we're really a place based foundation. So, we don't have any programmatic focus. But I was sort of saying, "Should we have a programmatic focus?"

So, I think I started to come in and ask these questions. As well there wasn't sort of a lot of governance so it was hard to sort of know if I was

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every going to get support on a broad spectrum of getting these answers, that are really looking to him and saying, “This is your foundation. What does this look like?” And I think thoughtfully he knows those answers but his heart kept driving him back to his father and saying, “Well, these are sort of the things I think about with my father.”

It took a while for me and I still think we’re working on it, sort of shake his own tree and say, “You are your own identity. You are a very dynamic man and partner, husband and have your own story. And so why are you specifically giving into this community? How do we broaden the people that we’re working with?” And so, some of this I imagine was enough for me. There’s been lots of times that I sort of said, “I just want to be a staff. I just want to be a staff member, tell me what I’m supposed to do and I will do it.”

And one of our independent directors sort of said to me, “You will never be just a staff. You are the legacy. You are the next generation who will be taking this baton and sort of then finding your own identity into it.” So, I used mentors. I have a mentor that has been very, very helpful to me here in Montana. Nick, of The National Center for Family Philanthropy has been, God, a beacon for me, just trying to understand what is a foundation, what does this even look like? What does this work look like?

And I think what is really obviously unique about what I’m trying to do and I think a lot of people hopefully listening to this podcast is we’re trying to run a family foundation. And that is not just a foundation, that is relationship internal, it is a lot more work internal and through the board than it is just looking externally and trying to help the community that you’re in service to. And I’d say that is the biggest challenge obviously. And that goes along with where does the wealth come from? What does place based look like?

What are the structures that are thoughtful, that are personal and that are responsive to sort of your own internal policies of a family but also respectful to the community that you’re working in service to? And I think the family just makes it a little bit more complicated but also really I think

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fun if you could do it with sort of trust, and love, and joy, and curiosity, and respect.

Ellie: Thank you so much for sharing that. Actually, I couldn't help but thinking, so your dad's legacy is kind of the governance, the man of governance. And actually, I think that's exactly what you are doing. You're kind of professionalizing this foundation as the next generation. So, kind of carrying on his legacy.

Courtney: Yeah. I would say it's interesting. So, my grandparents' foundation I actually have not served on that board at all. It is really again sort of a place base in Sheridan County in Wyoming. And I've never lived there and they do welcome those who don't live there of course. But it just, it hasn't sort of fit with my life quite yet. But my dad was the first chairman after his father had passed. And they're about a 30 million size corpus.

And so, I think I sometimes look to my dad and say, "What did it feel like for you to serve on that board and want to create the governance structure that you did? Can you reflect on that and recognize where I'm at, trying to look to you?" And I'm very honored to be able to do this work with my dad as he's still alive to be able to ask these questions from him. It is that transition, as the donor is still alive, the sort of creative flexibility of a donor advice which I think why people do those. And try to transition to where I hope we can be, which is a thoughtful family foundation with governance at some point.

Ellie: Are you still a donor advisor, is that still your structure?

Courtney: No. And we never have been but I guess I keep using that terminology just to sort of say, there's not a lot of – I mean I don't want to sort of get the IRS or whoever after me. But there's not a huge amount of stipulations within philanthropic giving, just as long as all the organizations are a 501(c)3. And that you are giving 5% beyond that. There is a lot of freedom in philanthropy and obviously donor advise doesn't have that much because you're typically attached to another organization.

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But I think they were collectively always doing 5% but there was not a lot of structure.

Ellie: And some things that I took from your story is that not only you're helping professionalize but you're also managing up a bit and coaching your father a little bit too, to share his stories, to kind of think maybe a little bit differently. And so, I think that's just really important is maybe we're reaching right now the next generation who wants to get involved. But they see something that is basically run by their parents and they don't necessarily see maybe their values or the professionalism maybe that they're really looking for in a career.

That there is hope that you can do this, it may be a little bit uncomfortable at times but it is possible. So, thank you for sharing that. So, I do want to talk about kind of the preparation that you got maybe growing up to kind of get you where you are today. I mean it seems like you're very philanthropic, whether that's actually money or that's time and talent. Can you just talk a little bit about how those values were instilled in you and maybe some more formal preparation that you had?

Courtney: Yeah. So, we had effort put into sort of philanthropic awareness or personal giving on a family level. And then also what we sort of say in a branch level, so what my parents sort of did on a kind of personal level. We did two separate things that are still active but as you can imagine, have different sort of energy within them depending on who's in those groups at that time and where they're sort of average ages. But we've got Helping Hearts which was five to 18. And it was maybe we formalized it with a name because we put it on a t-shirt at some point. I'm not totally sure.

But also, I think it allowed it to maybe have a budget item within our family's spending. So, we do cousins camps along with the value of sort of being able to work well together and honor each other within governance. Being able to serve on a board together, you just need to also have fun. So, we would always try to emphasize fun. So, Helping Hearts, we would get a little bit of money and plant trees. And it was very action focused. So,

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buying presents for Christmas and being able to distribute them in the community. We would plant trees with the idea that this was a Helping Hearts activity.

And so, I think what that really focused in and was talking about, philanthropy is not just a dollar exchange or giving money, it was about an action. It was that everyone can sort of do this through volunteer hours, or acts of service. And that became an important part of I think our larger family talking point. We just had a cousins camp this last summer and we all went around and talked about sort of where we're volunteering or what we did in high school.

That was an important part of us understanding the community maybe that we're in. Sort of broadening people's awareness of community through these actions. The other thing that we did that happened during my time within the family of this sort of age range was 18 to 35, we created a thing called Generagers which we always were going to change the name but never did. And this actually came out of one of the family business programs that governing family enterprises at Kellogg.

My sister and a cousin created it, so it was sort of multiple branches that came together. And it was really focused in on this idea sort of next generation comfort. So just trying to again, we were able to get a budget item to where we went on a trip together. We did a camping trip and we met with someone from the bank and we had educational focus as well as just being able to share time. There was a philanthropic focus. So, we got 25,000 from my grandparents' foundation and I believe 10,000 from my uncle's foundation.

So, we had \$35,000. And what came out of that which was very interesting was the idea of philanthropy as a job. And I think this was really the early stages for me to understand philanthropy as a profession. So, no surprise, we had this money and we needed to distribute it, everything that people suggested on where to give the money to was where their parents had

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given. We had found out about this through our parents, we wanted to give it to this.

And it was after a year that I started to think maybe we don't really know what the community needs. And we generated an RFP, a request for funds. And so, we created an RFP and we gave it out to all the geographies where we lived and there's maybe 15 of us on this group and we got 94 requests back which was quite an undertaking. But it was an opportunity for us to sort of say, "Wow, how do we evaluate it?" We'd spent a lot of hours on the phones together. And we created a spreadsheet.

And I would say one of the best stories that came out of that was that one of my cousins was so disappointed that his preferred organization that he liked the most didn't get the money and he ended up giving it to them himself. I think the fun was that you learned about new organizations, you got really passionate about some of these organizations and what they were doing in the community. And I think for me made me realize that there's such blind sides that we all have and only does our community really know.

I think our parents actually then gave us the money at some point and then we allocated those funds out to the community that we were interested in. And both of those things were really helpful for me to think about philanthropy and think about how to engage as a family in philanthropy.

Ellie: Yeah. It sounds like you've been like a program manager for a really long time actually. It's something that I can see how you'd be really comfortable that you kind of created within your family an understanding of what that means. And clearly you had a sense that there was a major need and getting 94 proposals with your first RFP, I mean that's incredible.

Courtney: For sure but I think we also had – I think we sent it to Denver, and Billings, and Missoula, and Sheridan. It was all over. I don't even remember exactly how we advertised it. But one of the benefits obviously or one of the things I would say to most people is try to understand who else is doing this work outside of your family and find a mentor. So,

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because we had a corporate foundation we were able to work with a woman who ran that corporate foundation.

And I think it just is sometimes helpful to not talk just to your cousin, or talk to just your dad. And for me it was so nice to have, because my mother's incredibly philanthropic as well. But within sort of more of our family it was more of my father stepping up in those roles. And it was important for me to have a mentor that was a woman and that wasn't a family member. And that still rings true in my professional life that those relationships have really helped me foster my own voice.

That then I feel like I can turn around and come back to my family and feel fresh and different, and not just sort of reiterating what my aunt had said prior. It felt stronger.

Ellie: I love how you said that. Earlier you mentioned not only having a mentor but also reaching out to The National Center for Family Philanthropy. I mean there is something really powerful to realize that you're not alone and that there are resources, amazing resources that can help you on your journey. So now fast forward, obviously you went and did other things and recently came back to this. So how do you now stay engaged, now that you're working in philanthropy, you're working with your father and your mother, how do you keep it fresh and exciting?

I mean sometimes working with your family can be really challenging, let's be honest.

Courtney: Yeah. I think that is a larger sort of life question. I've thought about this a lot in regards to sort of why people engage. And I think that there's a level of curiosity that people have. I think that there's definitely in family, there's a sense of pressure or duty. And I am trying to work on that. I think a lot of what I felt like I have done really to this point is a sense of loyalty and accountability. And I'm trying to sort of move away from that call and try to express love in different ways and try to love my father, and try to love our family outside of just this responsibility.

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That's sort of some personal work I'm working on. Questioning legacy and how do I play a part of this legacy? How do we continue to sort of modernize the good graces that we learn from our forefathers or whatever, and mothers? That's been something I think I've been working on a lot. But I think the one thing that is important to try for parents, or grandparents, or elder cousins to really think about is how to help the next generation or myself, how to continue to identify with the mission. And how to continue to find yourself in this work.

And some of that I think initially my draw was always to feel like I could influence it. That's a real driving energy. That's enough to sort of stir the pot or redirect the ship. And I think I have always, I have really recognized in the last few years that as eager as I am to probably do both of those things, you can only go as fast as the family will allow. It's interesting, so how do I still stay engaged? I think I would say that philanthropy is incredibly inspiring and it is in such an interesting point of flux right now. And there is really, really important work that philanthropy is doing.

And there is incredible foundations that are doing that. I'd like to think that we're a part of that as well. How do you keep the family engaged for sure is a challenge on its own and we have had multiple iterations of a philanthropic committee. It's essentially a non-governing group of people that we created a charter two years ago. And that feels like work. The philanthropy part and the work that I am doing within our foundation is really fun.

And the work that I'm doing with my father to try to understand legacy and understand sort of structure is not totally fun but it is really based in love and based in respect. But as I continue to think about how to engage sort of the next generation, it's really hard. I'm not serving in that generators group any longer. I can't sort of energetically really get people excited about reading RFPs. I mean the generators group has really sort of shifted what they do now.

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When I thought about that, I think the other book that I read a long time ago which is Generation Impact which I'm sure you've read, by Sharna Goldseker and Michael Moody. I think that that book talks about kind of where we're at right now but it talks to just that generation looks different. And so, when I think about how to engage our family, being thoughtful about what are all the different ways that philanthropy exists.

There might be people that are really interested in grants management and software. That is definitely not my interest. And I have found that out through a lot of frustrating hours. But that might be where people are far more interested, some of that Generation Impact really talks about sort of more of the statistical part of the work. I think I struggle with that because this is at least where we have found it's really generational work. But really trying to be thoughtful that there's lots of ways to engage in philanthropy.

And so, within our philanthropic group I have had people come and talk to our group, I've had JPMorgan, they have got a really wonderful philanthropy organization or entity, or whatever. And they came and did four presentations and they were lovely. You just start to realize the same people kind of show up to those. So really how are we engaging with sort of the potential outliers? Or how frustrated should I get if I only have one or two cousins show up to these things? Is it really worth my time?

I'm not really getting paid for it but as my father thinks it's a good use of my team, if not spent sort of working for his foundation, thinking about next generation support. But it's really a frustrating thing. And so, we're trying to think about how to creatively engage generations. I think there are ways to do it thoughtfully through your phone, the idea of continuing to use Zoom, not everyone wants to take vacations with their family, or their cousins. Where I think that was just expected when we grew up and it sometimes is a part of where we're at.

The other book that I think is kind of helping me think about a little bit right now, the time that we're in is this book called Pendulum, I don't know if you've ever heard of that. Roy Williams and Michael Drew and anyway it's

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essentially talking about the shift from the me to the we as you can imagine. So, my grandparents, my father, very much the sort of call to duty, of the response of larger community. And sort of I feel like I'm in that cusp being raised by that.

And now we're very much moving into a different generation and how to engage in philanthropy in that kind of where the me is a big part of kind of the larger zeitgeist of society and what we're kind of heading into. And I think philanthropy will need to kind of respond to that. I'm not as engaged in social media but I think people, families are eager to learn through those kind of mediums. And so, we are thoughtfully trying, we've had family members run some of our social media campaigns. And that's been really, really fun and engaging.

And when I reflect on who I am, the effort that was put in by our family and the effort that was put in by sort of our branch and my parents has brought me where I am at working in philanthropy. And I would say that the efforts, those little efforts for family, for next generation to feel engaged, to have young advisory boards, to listen to where young generations believe social movements are heading. I think engaging, listening, being thoughtful, trying to give them the microphone, give them the platform to sort of tell us where they're volunteering their time, where they're focused in their life.

Those are seeds that do bloom eventually and might be more fostered in their community but need to be planted in the family most definitely.

Ellie: Thank you so much. There's a lot in there, both how you stay engaged with kind of your curiosity, kind of managing your own mindset. And then leading with love, that is something that I find is incredibly important. If you can get from resentment or frustration, or something like that to love, I love you, I don't agree with you but I do love you, a lot of amazing things can happen from that space. Figure out your own role and how do you identify not only your foundation's mission but also your own personal mission.

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And to find yourself within this work. There's something to absolutely be said with a thought like, I can influence this. So, one of the reasons that I stayed in Grand Rapids, Michigan, I moved from Boston, is that thought. And that's a very powerful thought. Boston, I'm one of many, many, many. But in Grand Rapids I can do some really good work here and that is – that's a powerful, exciting feeling that can get you through a lot. And then realizing that you are doing important work. I think that was one of the other things.

Just kind of constantly reminding yourself, this is really important work. It doesn't have to look like this, there's so many different ways that we can do philanthropy. But regardless, this is needed important work in the world. I like also what you said there about engaging people by their interests. There's going to be some things that you just don't want to do but other people are like, "I'm in, I love it, I just want to be at my computer looking at spreadsheets all the time", or whatever that is.

And so, you're kind of reaching out to those people where they are, giving them the microphone, finding out what their interests are, is a great way to get buy-in as well as continuous engagement. And thank you for all of the resources that you're sharing. We'll make sure that these are in the show notes so people can hopefully click on them. I think you've shared some of the challenges that you've had, a lot of the advice that you give.

Is there anything though, a challenge that maybe you haven't shared that you want to share now that you think it's importance for the audience to hear? If not, we're going to talk about money.

Courtney: I think one of the obvious challenges is, is this a mission driven foundation or is this a family centered foundation? And sometimes foundations have to choose. And if you are doing both, those both thoughtfully need to be focused. And so, when I think about my role within my father's foundation, it's quite typical as I learned in that Gersick book that the second generation typically sort of just models what the donor does. And I've sort of seen that.

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But when I think about engaging my siblings, I think about how can we kind of broaden some of these subject matters? And we haven't yet but when I start to talk about that conversation with my father it's not wildly accepted as you can imagine, as a person who had created the wealth, they feel quite strongly that they should decide where the wealth should go in perpetuity which clearly is the most ridiculous word in the English language.

Ellie: Spoken by somebody who totally understands in a family business or a family setting what that means, yeah.

Courtney: Yeah. My father will not know what this world looks like in 100 years, in 200 years. So, perpetuity, especially if it's a trust document or any of those, I don't know, makes me want to cuss and I won't. But it is pretty narrow thinking.

Ellie: Yeah, but it's beautiful though, Courtney. The idea that we wanted to have a family foundation and in perpetuity there will always be a family foundation. There's something really lovely about that. Our families, they weren't successful because they did something in perpetuity. They were successful because they were nimble, and they reacted, and they changed things, and they cut costs, or they cut companies and started new ones. And they were constantly innovative and entrepreneurial.

And so anyway, I didn't realize I had a soapbox on this one but apparently I do so thank you for bringing that up.

Courtney: I for sure do. And I think there are principles, and I think you can have a DNA to your philanthropic work. But if you truly want legacy to be lived into, you have to allow the next generation to feel that they can influence it. And you and I are examples of that. I am doing this work because I feel like I can live into that responsibility and be trusted with that responsibility. And not just to live in the shadow but to own my stance in it all. And my hope is that that's a generational empowerment and how that sort of forms is still yet to sort of be defined.

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But it is a conversation that I think shifts even my grandparents' structure. And sort of asking my father to sort of think outside of the box and not just replicate what his parents had done which no one under 35 could join that board. And that is so limiting and but yet could drive a tractor at 14, this work needs to be more inclusive in many areas of which people play a responsibility, and ideas.

Ellie: Yeah. No, that's super powerful. Thank you. I want to change topic ever so slightly. So, Courtney, in another conversation you mentioned that in your family there may have been different amounts of wealth in different branches. And I think that this is a topic that not a lot of people talk about. I know in my family, as coming from a farming family, I was told to never ever talk about my wealth. So, can you talk a little bit about in your family, what you saw in this idea around wealth, access and privilege?

Courtney: Yeah. I wouldn't say we do it well or really at all. It's been something that we have discussed as a priority and there is different wealth in each of the branches. And that has to do sort of personally within our family, has to do with sort of wealth allocation. And really has some bad history in it to be honest but maybe I won't go there.

Ellie: Yeah, we all have it.

Courtney: We all have it. I think the reality is that I think on one end of the spectrum one thing that I think has challenged and I think it comes more from our generations and maybe even from west and sort of newer money, I guess. Our main wealth generating event was 10 years ago. So, a majority of my cousins, we had land wealth with our ranch. But as you know from ranching, it is not a lucrative business. And we owned banks but that as well is quite capital intensive and so we didn't have a lot of liquidity. We didn't have a lot of wealth necessarily.

And it wasn't something the generation that we talked about it. So, I think that sort of financial literacy has been something that has been quite a challenge or sort of a blind spot within wealth of our family. And within philanthropy specifically I think that one of the things as I mentioned, one of

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the really only responsibilities you have in philanthropy is fiduciary responsibility. And so financial literacy is paramount to that, understanding your 990s, understanding sort of where the wealth is going.

We talk about where your stock is even within the markets, sort of all those things. I mean that is an important part of I think family philanthropy. But in regards to necessary allocation of grants, if the generations are not continuing to grow their wealth, they're obviously spending their wealth. So, the corpus itself could be quite large and come third generation, fourth generation, those who are expected to sit on the board, may not have the kind of wealth.

So, I wouldn't say we're there thoughtfully having these conversations is something I have had cousins talk to me about. The reality that you have to distribute a million, two million, five within my grandparents' foundation and family members maybe don't have the money to pay for college. I mean that is very real. I think that what has been done in our family is there has been funds to support that. So, where you may get support still for academic or maybe even some travel.

Ellie: Through trusts or something like that?

Courtney: Yeah, through trusts and it's really sort of thoughtfully sort of spent trust. I know that there are people who lead discussions that are those sort of sticky discussions of wealth discrepancies and wealth differences. But we haven't navigated those yet. But it will be sort of as a refresher. It wasn't just my grandparents' foundation but each of the second generation started their foundation. So, meaning it is important for that second generation to create a foundation than it is to pass down wealth. There is both of that that is existing obviously.

But also saying that wealth is going into philanthropic than just into sort of my children's trust. So, I think it behooves us to sort of start to have those conversations pretty soon especially as I think the generations, we're in a time of American history where houses are really quite expensive, cars are expensive, amenities, lifestyle, food, things are just more expensive. And

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the global curiosity is also there. So, people are spending their money differently and saving their money differently than I think our grandparents did.

So, to say to ignore it I think is to really impact the next generation involvement. And I think the other thing I would say on this topic, everyone has a different value of a dollar.

Ellie: Talk more about that, what do you mean?

Courtney: I think certain people, I guess I work in the museum field and it's really quite manual labor. And the sort of amount of work that I put in to have a dollar in my paycheck is different than what's expected to someone if you are sitting in the corner seat. And I think this shows in sort of corporate America that there just is real sort of wealth discrepancies and wealth concentrations on the top. And I think maybe this resonates just with families that have a lot of ranching and farming. These are the type of work that a lot of my cousins do.

And they just are not paid as well as if you left these communities and tried to get into the corner office and make a lot of money. And then your association with your wealth is really different. So, I think something that I think is just trying to sort of not only recognize that there's different concentrations within each branch but we all have different associations of responsibility and a different sort of evaluation of what a dollar really, what it takes to have a single dollar.

I've noticed that in my family just the difference between my mother and my father's sort of relationship with money and with the kind of work that they expect of themselves to receive that dollar, or to have that dollar. But just sort of saying, we all have different, not only different definitions of words but sort of different emotional value to some of these words as well and the objects in which we're working in.

Ellie: Well, thank you. I know that was kind of a tough question and a little more philosophical but I thank you so much for kind of sharing that.

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Because you're absolutely right. And I like how you kind of shared it as the value of a dollar. I mean part of it is work ethic, but that's not exactly what you're saying. You're kind of like does money mean something to you, what does it mean to you? There's a lot more to it to unpack than just are you willing to work hard? Do you have to work hard even?

Does a rancher work harder than somebody in the C-Suite? So, it just is a very interesting conversation. And also, one of the things I also took away from that Courtney is that the idea of a trust to kind of help everybody get the same amount of education, or at least a basic level of education. I don't know who said education is a great equalizer. I agree with that and I love to learn. So, I don't know. I just value, really value education.

But I've never thought about because we have family members who don't feel like they can pay for their college education or have to get scholarships or something like that. And to have this into the next generations even as the wealth is spent down, I think could be a really powerful tool to kind of help the next generations do what they want to do. And they may not have the money, and you may not have trust funds but they have at least education. And from there hopefully doors will still be open to them.

Courtney: Yeah. The other thing I would just quickly love to plug is we all need to embrace individuality or embrace that the more diversity just from experience, the better. So, a master's degree, so I value academic experience. But we in our family and I hope this resonates with people that we just started to only kind of promote a certain archetype. It was like you had to be a certain kind of person I think for you to be successful in the family it felt like.

And I'm sure this may be just my vantage point and maybe other family wouldn't believe this but it felt like if you worked at the bank you were thought of as a meaningful contributor to the family. And that was really hard for me. I was an artist and was interested in biology, working in education. I think that we've got three – no, we've got four brothers and one

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sister in the second generation. So really it was sort of like male paternalism was really the strong force.

And that sort of feminine, my aunt thankfully was able to serve on the boards and was I think received within their family. But I felt as though some of the things that were outliers that she had were not always well received. And I sort of have felt that. We talk so broadly about diversity, and equity, and inclusion, and that's really important. We also need to think about it, maybe your family all visually looks alike, but we need to sort of promote getting a job away from the family business and celebrating that, and always having the doors open.

And maybe you don't want to go to spend this money on school or college but travel and just it feels as though we're at a time that we need to also hold ourselves accountable for that sort of diversity within our family and promote, I'm a big fan of the sort of weirder, whacky outliers trying to get them included into philanthropy or included in family governance, will serve us all better.

Ellie: I think that was really well said. I really appreciate that. I'm glad that you brought that up because I think what a beautiful way to kind of end this conversation, just kind on that inclusive, it doesn't matter if you don't look like the archetype that is promoted within your family. You still have value and that is really important, important to identity and celebrate. Thank you so much, Courtney Scott, this is just such a great conversation, you shared nugget, after nugget, after nugget.

Seriously there was like I want to divert here, I can't divert. I really want to go there. I can't divert. Okay. I'm probably going to have to have you back on. But I'm looking forward to our panel conversation at The National Center for Family Philanthropy forum coming up in October. And we can kind of dive into this even a little bit more. So, is there anything that we missed that you wanted to share?

Courtney: No, I don't think so. I think we sort of said the sort of curiosity and continuing to learn. And I sort of, take this as you will but we work in

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native communities where a lot of family are a part of their staff and a part of their boards. And we openly talk about that sort of nepotism is not very good. And I sort of joke that nepotism is what brought me here into family philanthropy. And I have a master's degree in science education and research. And so, I'm thankful to have the job that I have. But I am not taking it lightly and sort of continuing to learn thoughtfully about.

One more plug I'd say for Northwest Kellogg. I just signed up for their non-profit financing toolkit for leaders and I'm excited to learn more about finances because I think we need to constantly be driven by curiosity and how to do this work better. And I know that I take that as something that I'm always trying to improve on.

Ellie: I am with you 100%. Alright, well, Courtney, thank you so much for all you do in this world. This was so valuable. I really appreciate you. Thank you.

Courtney: Of course.

Well, there you have it. Thank you so much for listening to *The Family Business Leader Podcast*. If you've enjoyed today's episode, be sure to share it with someone who needs it. If you'd like more information about family business leadership development, please visit successfulgenerations.com. I can't wait to connect with you again next week, until then.