

# Inside Philanthropy

Who's Funding What, and Why

## At Walton, Individual Family Members Direct a Large and Growing Pot of Funds

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Here's a grant you may not have expected: Last year, the Walton Family Foundation gave half a million to the liberal think tank Center for American Progress. The same grant portfolio sent funds to the conservative Cato Institute and the American Enterprise Institute. Also the African Parks Foundation of America, Deepak Chopra's spirituality-focused Chopra Foundation, Latino advocacy group UnidosUS (formerly La Raza), and the Clinton Foundation.

If you're trying to square these grants with what you know about the Walton family, or its foundation—widely known as one of the biggest institutional funders of charter schools and marine conservation—don't try too hard. They're all part of Walton's Special Projects portfolio, a large pool of funds carved out for legacy interests of founders Sam and Helen Walton, and the personal interests of the couple's descendants and their spouses.

Of course, it's not unusual for a family foundation, even one that's staffed up and strategic in its grantmaking, to have a special projects fund or a pot of money set aside for family members to donate from. But when you're talking about the wealthiest family in the country, one of the wealthiest in the world, that translates to a formidable channel of philanthropy directed by a growing clan with quite a spread of interests.

Out of the foundation's \$454.4 million in 2016 giving, \$131.7 million, nearly 30 percent, came from the Special Projects portfolio. By annual giving, that would put the program alone in the ballpark of the top 50 foundations in the country. It's not as much as WFF's \$190.9 million in K-12 education grants last year, but roughly the same as Walton's other two programs' giving combined (environment and home region). It's an indicator of just how important family involvement is to this philanthropic giant, and it also raises interesting questions about the future of the foundation.

“Our founders, Sam and Helen Walton, envisioned a foundation that would bring together their descendants for generations,” said WFF Communications Director Daphne Moore. “Individually directed’ grantmaking is one way the foundation engages family members—providing a way to make change in areas of personal interest while also continuing to take part in the foundation’s primary program areas.”

Keep in mind, all of WFF's giving is essentially family-controlled, with an all-Walton board of five directors approving decisions. But the difference is that the main grant programs are steered by professional staffs and organized behind strategic goals. The Special Projects program is an eclectic grab bag of hundreds of donations, ranging from \$500 up to \$10 million, determined by

legacy family causes, and the second and third generations of descendants. Moore said that family members direct the grants based on individual interests, while foundation staff manage any needed due diligence, and all grants ultimately go before the board of directors.

Like the foundation, the fund has grown a lot, up from \$79.7 million in 2015 and \$29.3 million in 2014. Sam and Helen Walton's descendants and their spouses can participate, with an overall set budget determined by the board and family members.

“As the family has grown and a third generation has become even more involved in giving back, the budget for individual giving has grown as well,” Moore said.

There were almost 900 Special Projects grants last year (you can [check them all out here](#)), so it's operating almost like a big community foundation (the community being Walton descendants). Grants are only identified by individual family member on occasion, mentioning specific funds directed by heirs.

While it would be folly to try to neatly sum them all up, a lot of the grants do reflect some of the foundation's programmatic goals. For example, charter schools received large grants under the program, as did big greens like EDF and Conservation International. A lot of giving is the kind of thing you'd expect from family donors—churches, universities, and cultural institutions in a handful of geographies.

We've reported on some of this Walton giving—like how the Rob and Melani Walton Fund of the WFF has given millions over recent years to Arizona State University for a [Global Institute of Sustainability](#). Or how the Ben and Lucy Ana Walton Fund has supported work on postpartum depression in Colorado. In 2016, this same Denver-based couple kicked in grant money to support a successful program in the state that provides long-acting reversible contraceptives to low-income and uninsured teenagers and women.

Maybe what's most interesting about the Special Projects are the hints it offers about how Walton Family Foundation grantmaking might evolve in the future. The foundation currently has some pretty distinct agendas, especially when it comes to the school reform movement and expansion of charter schools. But the portfolio suggests that WFF's trajectory might be more malleable than you'd expect, right now and in the future.

“One interesting note is that the foundation's Environment Program was created after it became apparent that several individual family members had an interest in this area, and it made sense to launch a specific foundation program,” Moore said.

The fact that the Walton grandchildren are having a [larger presence](#) in the family's philanthropy, including as evidenced in the growing Special Projects program, could herald changing priorities in the foundation's future (how do your causes compare to those of your grandparents?).

We see this kind of dynamic a lot in family foundations, or foundations that carry on the legacy of a family's wealth. Who controls the resources as generations follow can be a sticky business, as we've often seen in foundations where family board members don't always see eye to eye. Those dynamics take on more importance as philanthropy's influence grows. The fact that widespread family involvement is such a core tenet of a massive foundation like Walton adds another layer of unpredictability.

As the third and then fourth generations of Waltons continue to wield the family's wealth, we'll likely see even more varied giving, and maybe a very different foundation overall than we see today.