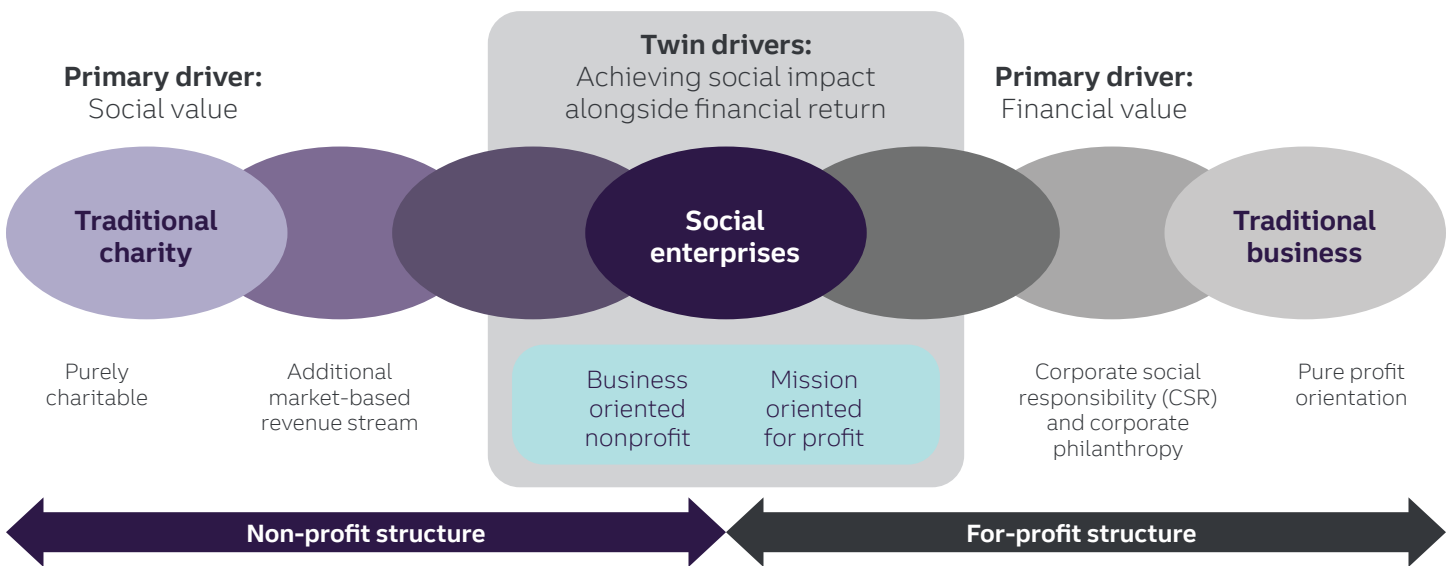


Four elements of effective impact: A process to amplify your values



The changing landscape of impact

Individuals and families considering their impact have a dynamic and rapidly evolving set of tools to drive the results they want to achieve. These tools can be applied to achieve impact through your investing, philanthropy, business operations and consumer choices, as illustrated in the image below.



Truist Wealth's Center for Family Legacy has developed a process to help you be more impactful.



Four elements of effective impact

We have identified four key elements in the ongoing process to amplify and sustain your impact on your community: Clarity; action; analysis; and learning.

This approach is helpful if you are just beginning your impact strategy and is equally useful to experienced, high-impact leaders as an ongoing strategy. While this process should always be rooted in your values, as circumstances and needs change over time, you can begin with any element in this ongoing process to continually deepen and expand your impact.

Please contact your wealth advisor to learn more about our facilitated process and look for additional publications with examples of how these elements work in practice.



Clarity

Clarity is an intentional approach to defining your purpose and has three components:

Vision: An imagined future in which you've achieved success beyond measure. Having a vision beyond the expected is essential to creating change. Spending time creating this shared vision is critical for any group seeking to achieve impact.

Goals: Setting specific goals that are measurable. What specific goals would advance you closer to your vision? Clarification of shared values and preferences will support your efforts to identify shared goals.

Systems approach: This requires considering the intersections of things. Actions and interventions do not exist in a vacuum or silo and are significantly impacted by other actions. It is essential to understand this early on in order to achieve sustained impact.

We have found this element of clarity is most often overlooked in philanthropic and sustainable investing strategies. Skipping this element often results in frustration when grants or investments end up feeling like a disappointment. In our culture, taking action is valued. However, going slowly in the beginning can be more impactful in the long run.

An African proverb says: "If you want to go fast, go alone. If you want to go far, go together." We have found that high impact leaders can be exponentially more effective if they spend the appropriate time developing clarity among their family, advisors, or other collaborators in community impact.



Action

Of course, clarity without action rarely drives impact.

It is important to take action to avoid getting stuck in endless fine tuning and reflection on what the perfect action or intervention might be. At some point choosing a course of action, however imperfect, is essential to have impact beyond yourself.

Action requires **Courageous Risk**, which is making the effort even when it doesn't have 100% chance of success. If you learned to ski, you may have heard the saying: "If you don't fall, you're not skiing hard enough." Actions that have predictable outcomes often keep systems in place and don't create change or advance a vision. Courageous risk is taking action regardless of criticism. When it comes to complex social issues, it takes courage to stand for what you believe.

The flip side of courageous risk is **Humility**. Any work for impactful change requires collaboration. A well-meaning individual who thinks they have a unique capacity to create change can turn off the essential partners and stakeholders necessary for success. Change makers have seen wasteful interventions when donors acted in ways that made local leaders feel irrelevant, or when local customs or culture were overlooked.

Solutions for systems such as education, health care or the environment are not simple. And the interconnections between economics, politics and science can feel overwhelming or even discouraging. However, we don't want awareness of our limitations to cancel action. Discernment between courageous risk and humility is at the heart of effective action.



Analysis

The process of analysis has two components: data discipline; and evaluation.

Data discipline: This can be both quantitative and qualitative. On the qualitative side, data requires a willingness to count things in a consistent way, even when the results don't meet our expectations or assumptions. On the quantitative side, information gleaned from grantees, investors, partners and other stakeholders can provide a trove of knowledge.

In 2017, the foundation and endowment world started closely tracking the percentage of assets managed by women and people of color and they found that it was less than 1.5 percent of assets. Despite the fact that this information spurred considerable attention and action, the percentage hasn't shifted very much over the past several years.* When results are discouraging, it is hard to maintain committed action. Having a disciplined approach can help sustain effectiveness over a long period of time, even in difficult times, in order to bring about real and lasting impact.

Evaluation: Effective evaluation starts before you take action. During the process of clarifying and defining goals, it's important to consider how success will be evaluated. Some of the biggest sources of donor dissatisfaction are a result of unclear or unrealistic expectations.

For example, if you're funding college scholarships, is it the number of students served, the percent who graduate in 4 years, or how quickly students are employed after graduating that matters most to you? Collecting the right information provides the confirmation needed to prove the work is impactful, or to make a case for change.



Learning

"Those who fail to learn from history are doomed to repeat it."

Learning—at every level of this process—provides an opportunity to improve our actions and increase our impact. There are two components to this element:

Collaboration: In the social and environmental sectors, collaboration is essential. Often, work in these areas require coordination across departments, geography, borders and other artificial lines. When considering something like homelessness, there are so many intersecting agencies and resources needed to be understood in order to consider impactful action. Or a conservation issue could cross state and regional agencies that require considerable collaboration among donors, state & federal agencies. Even the largest donor in the world, the Bill & Melinda Gates Foundation, realized that to achieve the impact they wanted they needed to encourage other donors and NGO's to act in unison.

Informed vision: As you collect and analyze data from partners, grantees and others impacted by your work, you will find that your vision may adjust slightly. Maybe you will achieve more than you thought possible and need to expand your vision. You may also come to realize that a certain part of your work was the most meaningful to you. For example, instead of spending millions to find a cure for cancer, you may find that supporting parents and caregivers is the most impactful way to achieve your vision, or vice versa.

Importantly, as a new generation of family gets involved, it becomes important to include them in shaping your on-going learning and informed vision.

For additional stories highlighting these four elements in practice see the story of Kimberly and David in "Impacting your community" featured in the Truist purple paper "The Impact of Purpose," and watch for additional publications, podcast and events from Truist Wealth and the Center for Family Legacy.

* Knight Diversity of Asset Managers Research Series: Industry - Knight Foundation (<https://knightfoundation.org/reports/knight-diversity-of-asset-managers-research-series-industry>)

Case Study: Concern over domestic violence leads to a passion for food and nutrition

The story of the Watson family illustrates one example of how the elements can be applied by a family to deepen their impact. The Watsons set out to address domestic violence in their community, but they did not stop there. After implementing the four elements, they pivoted their strategy to focus instead on food distribution, nutrition and fighting hunger.

The family first tried to gain **clarity** through doing research and learning to better understand and address domestic violence concerns in their community. What they found was that one of the most effective ways to decrease the negative impacts of exposure to violence among young children was by breaking the cycle of generational poverty. In order to intervene in this cycle, they took **action** by funding school-based programs aimed at providing a high-quality education to impoverished youth. After a couple of years, they found they weren't achieving the results they had hoped for. They again collected and **analyzed** data and they **learned** that many of the children were coming to school hungry. Through engaging in the ongoing cycles of clarity, action, analysis and learning, the family changed course to focus on funding food systems for the school and community. Ultimately, they integrated their business expertise and made some for-profit investments in food distribution, food tech and other social entrepreneurial interventions to address food deserts and wellness.

The journey from domestic violence to focusing on food and nutrition was a process that included considerable work and the utilization of every one of the four elements defined here. Over time, the process and impact the family achieved was deeply rewarding because it aligned with their family's shared values and their family history, culture and legacy.

Conclusion

This approach to amplifying your impact is a way to help you, your family and advisors think strategically about sustaining impact and creating a legacy. Creating a legacy of impact isn't the same as having your name on a building or having your grandchildren carry on your "legacy" through a family foundation. Instead, a legacy of impact is about following your values and creating innovative changes around a shared set of preferences that create community impact.

In order to be successful, it is critical that your vision be grounded in your values and purpose. Determining who your advisors and partners are in defining your vision and developing a strategy for impact is one of the most critical decisions you will make. As you think about who you trust most and who shares your values, we believe your family members are the most important advisors and partners in shaping your impact legacy.

Tackling systemic issues and making change in the world is a big task and it can be hard to understand where to begin. Whether you are making changes to your philanthropy, an operating business, your investments or consumer choices, it is critical to begin with your values and take a multi-generational approach. Incorporating a strategy that allows clarity, action, analysis, and learning is an ongoing process that will amplify your impact and define a lasting legacy.

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