

MERCK FAMILY FUND

**Executive Director
Massachusetts**

Protecting the natural environment. Strengthening the urban community.

THE SEARCH

[Merck Family Fund](#) (MFF), an agile and influential family foundation, seeks an Executive Director. MFF was established in 1954 by George W. Merck, president of the pharmaceutical company Merck & Co., as a vehicle to support institutions and issues of personal importance to him and his family. Today, governed by third- and fourth-generation trustees, and with assets of about \$72 million, the Fund is respected for its creative and leveraged grantmaking, its role as a catalyst, and its record of public policy innovation.

Since the early 1990s, when MFF formalized its operations and grantmaking strategy, the Fund has made grants totaling \$90.8 million to over 650 organizations, from nascent environmental justice and youth leadership organizations to large national conservation nonprofits to clean energy and carbon pricing advocacy groups. To complement its traditional grantmaking, MFF uses mission-related investments and social and environmental investing screens to bring its portfolio in line with its values. Formal program reviews are held every seven years and an ongoing “new ideas” mechanism enables trustees to examine previously unexplored facets of program areas, as well as entirely new funding areas.

A characteristic of the Fund is its role in identifying and researching emerging issues and opportunities and using modest financial investment to bring added resources and attention to big challenges. MFF grants, informed by the expertise and networks of its staff and board members, often serve to catalyze other funders.

MFF is supported by four staff, including the Executive Director, Chief Financial Officer, Program Officer, and a rotating intern; a maximum 10-person board of trustees; and a broader group of family members, who together steward the Fund to respond to the critical challenges of our time. MFF has an FY2022 grantmaking budget of roughly \$3 million and an administrative budget of \$700,000. The current geographic focus of the Fund is the Northeast and Southeast regions of the United States.

MFF’s next Executive Director will be expected to build upon the Fund’s impactful track record and lead the organization as it advances its program goals and further engages fourth-generation family members in the years ahead. The position calls for a creative leader with outstanding skills in networking, collaboration, and communication, as well as intellectual breadth, diplomatic savvy, and an enterprising spirit. Team leadership and financial management expertise are required, as is familiarity with philanthropy as a grantmaker or grantee. Resonance, and preferably experience, with MFF’s program interests is essential, as is a personal and professional commitment to advancing diversity, equity, inclusion, and racial justice. Experience with endowment and investment management and mission-related investments is preferred.

A five-member trustee committee has been named to conduct this search. The search committee will be assisted by Isaacson, Miller, a national executive search firm. All inquiries, nominations, and applications

should be directed in confidence to the firm as indicated at the end of this document. Applications received by March 15, 2022 will be assured full consideration.

BACKGROUND

George Wilhelm Merck

Heir to three centuries of chemists and pharmacists, George Wilhelm Merck joined his family's pharmaceutical enterprise, Merck & Co., in 1914. After working in nearly every department and operation, in 1925 he ascended to the presidency, where he would distinguish himself as a skilled business leader and scientist who honored public service and committed himself to corporate responsibility. During his tenure, Merck scientists synthesized vitamins B1, B6, and pantothenic acid and were further credited for developing streptomycin, synthesizing cortisone, and isolating the anti-anemia vitamin B12. Merck & Co. was also a pacesetter for charitable giving, providing streptomycin at no profit after a tuberculosis outbreak in Japan after World War II, donating Mectizan to one million people in the developing world suffering from river blindness, and being one of the first companies to donate to the United Negro College Fund. In 1952, George W. Merck appeared on the cover of Time Magazine with a caption bearing his motto: "Medicine is for the people, not for profits."

Outside of his leadership of Merck & Co., George W. Merck was a conservationist who bought land for common enjoyment and was actively engaged as a director of the American Cancer Society, American Forestry Association, American Foundation for Tropical Medicine, National Conference of Christians and Jews, and the Save-the-Redwood League.

Merck Family Fund

In 1954, George W. Merck established the Merck Family Fund to continue his many philanthropic endeavors and as a way for his family to work closely together on meaningful initiatives. For close to 40 years, MFF existed as an unstaffed entity run by family members, and grants reflected the often-disparate individual interests and hometown organizations of the family. In the 1990s, in tandem with significant growth that the Fund experienced due to the thriving stock market, MFF's structure and focus as a grantmaking institution began to take shape. The Fund implemented two far-reaching decisions: (1) to focus the areas in which grants would be made and (2) to invest in staff to manage the increasing administrative responsibilities and provide programmatic leadership. After much deliberation, a consensus was reached to support two primary areas: protecting the environment and strengthening the urban community. In turn, four principles were initially developed to help guide grantmaking:

1. Address the root causes of problems.
2. Consider funding organizations that have low probability for receiving funding from traditional sources because they are untested or because they might be considered controversial.
3. Fund organizations for which an MFF grant would constitute a meaningful contribution.
4. Give "start-up" grants to new organizations in the early years of their development.

MERCK FAMILY FUND TODAY

Today, MFF's grantmaking remains dedicated to environmental protection and the wellbeing of urban communities. However, the definitions of these broad focus areas have been continually refined and

sharpened to reflect the interests of trustees and the needs of the time. The Fund conducts a comprehensive program review meeting every seven years in which trustees and members revisit MFF's grantmaking and delve into the challenges most deeply linked to a collective vision and personal interests. The next program review will take place in 2023 or 2024.

MFF has also developed a "new ideas" process, which allows individual trustees, with intensive staff support, to pursue a new grantmaking idea or lens of focus. This creates a framework for MFF to test and evaluate an idea outside of the regular seven-year review cycle and is an exciting learning opportunity for trustees and members to pursue their own passions. Through this process the Fund has recently explored areas including participatory funding; battery storage technology; excessive US transit infrastructure construction costs; and intersectional philanthropy, such as closing fossil fuel power plants in low-income areas in New York City.

Throughout its history, MFF has directed its grantmaking both to established and grassroots organizations, with the belief that both play an important role in addressing entrenched challenges. MFF continues to push for solutions to these challenges by supporting the communities most directly impacted, which are most often low-income communities of color. The Fund, therefore, supports the efforts of grantees to pursue diversity, equity, and inclusion (DEI) and racial justice in their work. Internally at MFF, trustees and staff are in the midst of their own process of racial justice and equity training and have recently engaged a consultant to guide them.

Current Program Areas

Sustaining Our Environment

Conserving ecologically valuable land.

MFF promotes land protection and sustainable use policies to ensure clean air, clean water, and healthy lands. The Fund has prioritized support for grantees that advocate for and secure public financial resources and commitments to land protection; demonstrate community engagement and certified sustainable management of land, particularly concerning forestry and farming; and provide leadership to existing and emerging coalitions. The current geographic focus of this program area is the southeastern United States, with priority given to the Southern Appalachians and the states of Georgia, Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

Promoting energy efficiency and carbon pricing.

The Fund supports energy efficiency policies and implementation efforts in the Northeast and Southeast, and the development of political and economic drivers at the state and federal level to establish or expand carbon pricing mechanisms. MFF's grantees advocate for residential and commercial codes and standards that result in measurable energy efficiencies; demonstrate financing models that create affordable capital for investments in efficiency; provide incentives or mandates that result in utility-based efficiency programs; and engender bi-partisan study, design, and acceptance of carbon pricing alternatives.

Making paper production sustainable

Paper production is a highly toxic, carbon-emitting, water-intensive, and forest-reliant industry. MFF has supported increasing rates of recycled paper in large paper sectors, reducing sourcing from endangered forests, and maximizing clean production. Throughout the nearly 15 years MFF has funded this program

area, there have been many accomplishments and successes. However, with other pressing concerns and new interests arising from trustees, the Fund will be cutting back in this area and is not accepting new proposals.

Urban Agriculture and Youth Leadership

MFF supports programs that harness the power of young people in under-resourced communities of color to create urban farms, local markets, and address food justice issues. Community-based food growing is an entry point to many systemic issues, including environmental justice, health and nutrition, sustainability, and the creation of social capital. Local cultivation also raises awareness about rights and access to land and culturally appropriate healthy food. MFF grantees provide high-quality leadership development and employment for youth; support productive urban farming projects; increase local access to fresh food; and educate and engage residents in food and land access and security issues, campaigns, and policy change. The geographic foci of this program area are Massachusetts, New York City, and Philadelphia.

Special Project Grants

MFF trustees guide the Fund to invest in areas of current and urgent importance, even if these areas do not directly fall within stated program areas. Most recently, the COVID-19 crisis, heightened awareness of racial injustice, and immediate threats to democracy have impelled trustees to direct support to each of these critical issue areas. MFF has also undertaken initiatives that go beyond conventional grantmaking. For example, MFF played a key role in conceiving, developing, and launching the Regional Greenhouse Gas Initiative (RGGI) Project Series, which has provided high-quality independent analysis of the performance and potential of the RGGI carbon trading program.

Grantmaking

MFF conducts a biannual grantmaking cycle in which it invites between 30 and 50 organizations to submit full proposals, which can include everything from requests for operating support to funding for specific projects to capital support. MFF typically makes one, two, or, occasionally, three-year commitments to grantees depending upon need, confidence in the organization, and the Fund's commitment to the project. MFF's median grant size is \$35-40,000, its current average grant length is 12 months, and it typically funds between 85 and 95 organizations per year. Many of its grantees are returning grantees.

In FY2022, MFF's grantmaking budget is approximately \$3 million. MFF intends to disburse \$1 million to urban agriculture and youth development; \$1 million to promoting energy efficiency; and \$950,000 to promoting carbon pricing, conserving valuable land, and making paper production sustainable. Additional funding to special projects will be determined by the trustees.

Investing

The Fund's current endowment is overseen by the finance committee of the board, with assistance from an investment firm that oversees numerous investment managers. With strong financial returns, the Fund's historic spend rate has hovered between five and six percent. The board is committed to preserving the corpus for long-term sustainability.

Recognizing the power of strategic investments to advance its mission, the Fund has also intentionally shifted its portfolio investment strategy to better align with its core values. This includes strategic environmental, social, and governance (ESG) investing and a long-standing commitment to divest from certain industries that harm the planet and its people. MFF was an early adopter of fossil fuel-free investing and consistently advocates with its fund managers to ensure value alignment. This advocacy has pushed many of MFF's fund managers to introduce more rigorous ESG investing policies with their other clients.

Mission-Related Investments

Mission-related investments (MRIs) are a more recent addition to the MFF portfolio. Since 2015, the board has approved \$1 million to investments that overlap with grant program areas. MRIs enable MFF to put capital to work in early-stage companies that make a positive difference in the world. To date, MFF has made 14 investments, including a loan to a fee-for-service urban rooftop garden company and two loans to companies providing financing options for residential and commercial property owners to perform energy efficiency retrofits. Thus far, all loans are in good standing, and three loans have been repaid in full. In the future, MRIs have the potential to occupy a greater proportion of MFF's portfolio and are a source of considerable interest to trustees and other family members.

Governance

MFF is governed by a maximum 10-member board of trustees, all of whom are lineal descendants of George W. Merck. Trustees may serve two consecutive three-year terms, with an option for re-election after one year away from the board. The board president rotates on a three-year cycle and is most closely engaged during that time in the work and governance of the Fund.

In addition to MFF trustees, who hold legal governance authority, 12 Merck family descendants currently serve as "members" of the Fund with limited voting authority. They are joined by an additional group of "non-voting members" who choose to be less involved. All Merck family descendants are eligible to become formally involved with MFF as members on their 18th birthdays. Membership is the first step towards becoming a trustee and is also a valuable mechanism for former trustees to remain involved with MFF. Trustees and members represent a wide age range across family branches, offering a healthy balance of experience, perspective, and fresh ideas.

The Fund holds two grant review meetings per year, in May and November; an annual meeting in February; and a summer catch-up call. These meetings are often conducted in tandem with a grantee site visit. The board's eight committees meet more frequently and currently include audit, engagement, executive, finance, governance, mission-related investment, racial justice and equity, and research and development. Both trustees and members participate on board committees.

Organization

MFF is a private family foundation with an FY2022 administrative budget of \$700,000 and a staff of four, including the Executive Director, the Chief Financial Officer, the Consulting Program Officer, and an intern. MFF's annual year-long internship program has been highly successful, launching a string of young professionals into public-purpose careers while providing important support to the team.

As the Fund is currently organized, Jenny Russell, MFF's long-serving Executive Director, not only provides executive oversight but also manages the Sustaining Our Environment portfolio, about 60% of the grant dollars. Ruth Goldman, as part-time Consulting Program Officer, manages the Urban Agriculture and Youth Leadership portfolio. James Maguire serves as CFO, with financial and administrative responsibilities, and has been instrumental in the Fund's impact investing work. The current transition is prompting the board to consider the best organizational structure for the future, under new executive leadership.

MFF is currently located just outside of Boston, in Milton, Massachusetts. The Fund is open to moving its offices to another location in Greater Boston and may also consider hiring an Executive Director who wishes to reside elsewhere in the Northeast.

Leadership Transition

MFF's highly respected Executive Director, Jenny Russell, plans to retire in June 2022 following over 24 years of exceptional leadership. A stalwart in the environmental community, Russell has provided creative and strategic insight into where the Fund, with limited resources, can make a difference in addressing large problems. She has also deftly balanced her philanthropic work with intensively supporting and facilitating the engagement of family members. She has made a major contribution to the Fund by developing the engagement of the fourth generation.

In addition to her overall leadership of the organization, Russell has personally overseen the Sustaining Our Environment grant portfolio. Moving forward, it is an open question whether the next Executive Director should carry all these responsibilities or whether the environment portfolio should shift to a new staff member, allowing the incoming leader to focus on overarching strategy and program development, board relations, public representation, special initiatives, and organizational management. This will depend on the experience and interests of the new Executive Director and the course of action and organizational structure they propose to the search committee and board.

Russell leaves an organization with an outstanding lean staff team, a committed board, a network of collaborators, and a compelling case for future impact and lasting change. In advance of the Fund's next major program review, the incoming Executive Director will have the opportunity to immerse themselves in the history and work of MFF and to build strong relationships with family members.

KEY OBJECTIVES FOR THE EXECUTIVE DIRECTOR

- Ensure that MFF stays agile and responsive to changing conditions, new trends, and unexpected challenges. Preserve and advance MFF's model of leveraged grantmaking, using relatively modest grants and staff effort to stimulate increased funding for relevant organizations or issues.
- Bring well-researched options to the board for new or strengthened programming, consistent with family interests. Set the stage for a comprehensive strategic review in 2023 or 2024.
- Serve as a vibrant public representative of MFF. Circulate widely and participate actively in relevant affinity groups, convenings, and other venues to build networks, learn, share ideas, and leverage the Fund's work. A robust and proactive external presence with partners in the field will be essential.

- Continue to explore and develop new methods of creative impact beyond grantmaking, such as mission-related investments and special projects on the cutting edge of public policy and social change.
- Strengthen the Fund's capacity to assess and evaluate the results of its work.
- Increasingly embed values of equity, access, diversity, and justice into the Fund's internal and external work.
- Keep trustees and members well informed and excited about the Fund's activities and provide them with concise, rigorously presented information to make sound decisions. Facilitate their continued learning about the fields and communities they support and about the impact of MFF's grantmaking.
- Engage new and next-generation family members in the Fund's work. Encourage new voices and perspectives.
- Leverage the strengths and expertise of MFF's outstanding small staff and provide ongoing opportunities for them to grow and assume more responsibility.
- Exercise sound fiscal, administrative, and operational management.

QUALIFICATIONS AND EXPERIENCE OF THE EXECUTIVE DIRECTOR

An ideal candidate for this exciting role will be a collaborative, outgoing leader who embodies the dedication, foresight, and innovative spirit that has characterized MFF for decades. The position calls for confidence and creative vision, strong interpersonal skills, and a willingness to roll up one's sleeves and participate in all aspects of the Fund's work.

The next Executive Director will bring many of the following qualifications, professional experiences, and personal attributes:

- Informed passion and sense of urgency for the mission, ideals, and values of Merck Family Fund.
- Senior experience in a philanthropic or non-profit setting advancing issues related to one or more of the Fund's program interests, ideally coupled with experience in leadership development.
- Familiarity with philanthropy, as a grantmaker or grantseeker. Exposure to family foundations would be a particular advantage.
- Experience serving on, reporting to, or working in close partnership with an active governing board.
- Demonstrated experience with and appetite for being an effective external representative, influencer, and movement leader.
- Deep respect for the grantee community and the importance of its strong partnership with the Fund. Sensitivity to the power dynamic inherent in a grantmaker role.
- Expertise in public policy and systems change and an understanding and appreciation for philanthropy's role in driving that change.
- Experience building and participating in successful, sustained partnerships, including cross-sector collaboration.
- Excellent strategic and critical thinking abilities and analytic skills. Willingness to challenge conventional thinking and take well-reasoned risks.

- Experience as a supportive team leader. An inclusive management style that values the capabilities, experience, and professionalism of staff, while providing clear guidance.
- Demonstrated commitment to the values of justice, equity, diversity, and inclusion.
- Strong financial and budgetary acumen. Experience with impact investing and mission-related investments is a plus.
- Outstanding presentation and communication skills. The ability to convey complex information clearly and concisely in both written and oral forms.
- Willingness to be hands-on, with minimal administrative support.
- Diplomacy required to balance the varying interests of trustees and members who are drawn from one family.
- Exceptional listening skills. Humility, curiosity, tenacity, patience, approachability, and good humor.

FOR MORE INFORMATION OR TO APPLY

Merck Family Fund has retained Isaacson, Miller, a national executive search firm, to assist in this search. All inquiries, nominations, and applications (including resumes and one- to three-page letters of interest) should be directed in confidence to:

Karen Wilcox and Tatiana Oberkoetter
www.imsearch.com/8300

Applications received by March 15, 2022 will be assured full consideration.

The Merck Family Fund is committed to equal employment and promotional opportunities for all employees. It is the policy of the Fund not to discriminate because of genetics, race, color, religious creed, national origin, sex, age, physical or mental disability, handicap, sexual orientation, or ancestry in hiring, training, evaluation, job assignments, pay, benefits, promotion, layoff, and discharge, or in other terms, conditions, or privileges of employment.