Philanthropy- Conference

PHIL Avrunnar—
Conference

4TH STORY of Level 1 printed in FULL format.

The Ottawa Citizen

October 23, 1999, FINAL

SECTION: Business; D3

LENGTH: 646 words

HEADLINE: It's time to share the wealth: The rich need to do more with their money, philanthropists hear. Kevin Galvin reports.

DATELINE: WASHINGTON

BODY:

WASHINGTON - The explosion of wealth in Silicon Valley has generated tales of young entrepreneurs who drive fast cars, build cool houses and indulge in extreme sports. But Kevin Fong wants them to think about doing more with their money.

Mr. Fong, a participant in a conference on the future of philanthropy at the White House yesterday, is dedicated to building the ''social entrepreneurs of the future.'' His aim is to spread the message that there are ''some new ways to talk about philanthropy.''

U.S. President Bill Clinton and Hillary Rodham Clinton hosted the conference to highlight the tradition of philanthropy in America and consider how helping others can be more effective in the coming decades.

''This is an important issue at an important moment,'' Mr. Clinton said. ''The face of this tradition is changing. Philanthropy is like our country now -- more diverse as new groups seize and share opportunity in the new economy.'' The U.S. must not only ''increase the volume of money but increase the base of giving,'' he said.

The program was broadcast via satellite and shown later on public television, reaching a potential audience of 10 million. America Online Inc. founder Steve Case highlighted the Internet provider's newly created ''philanthropic portal.''

Other participants included Patty Stonesifer, president of the $18-billion Bill and Melinda Gates Foundation, actor Paul Newman, and 'NSync singer Justin Timberlake, who was announcing the creation of a foundation to support musical education in public schools. Sponsors include the Mott Foundation, the National Endowment for the Humanities, the J. Paul Getty Trust and the Iscol Family Foundation.

Mr. Fong, a general partner at the Ventura, California-based Mayfield Fund, emphasized the importance of reaching out to young people who may not yet be thinking about the role they can play in their community -- and offering them new ways to give.

For example, he pointed to a little-known practice by some start-up companies of donating private stock to local philanthropic funds. When a company goes public, that stock can generate millions.

''If these companies get to be successful in two to four years, the wealth that's been created by the entrepreneurs and founders and venture capitalists can be translated into the philanthropic community side of things,'' Mr. Fong said.

The conference also took stock of traditional philanthropic endeavours in the U.S. and assessed the importance of understanding how different ethnic communities approach the notion of supporting each other collectively.

Emmett Carson, president of the $425-million Minneapolis Fund and a conference participant, said the mainstream philanthropic community needs to do more to embrace minority groups and immigrants. To that end, he said, non-traditional notions of philanthropy have to be taken into account.

Latinos take a communal approach, neighbours helping neighbours, Mr. Carson said, while Somalis, for example, work through a clan structure. The highest form of giving for Jews is to give anonymously.

''There are cultural differences, '' Mr. Carson said. ''That's not to say they are less generous in any way.''

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Top 10 philanthropists in the United States

1. Bill and Melinda Gates Foundation, $18-billion endowment.

2. Lilly Endowment, more than $15 billion.

3. Ford Foundation, $10.7 billion.

4. David and Lucile Packard Foundation, $9.6 billion.

5. Robert Wood Johnson Foundation, $7.8 billion.

6. W.K. Kellogg Foundation, $6 billion.

7. Pew Charitable Trusts, $4.7 billion.

8. John D. and Catherine T. MacArthur Foundation, $4.1 billion.

9. Robert W. Woodruff Foundation, $3.7 billion.

10. Andrew W. Mellon Foundation, $3.3 billion.

Source: Chronicle of Philanthropy

GRAPHIC: P Black & White Photo: Win McNamee, Reuters / America Online founder Steve Case listens yesterday during the first panel of the White House conference on philanthropy. The conference aimed to find new ways to persuade

Americans to become more charitable.
LANGUAGE: ENGLISH

LOAD-DATE: October 25, 1999

Associated Press

President Clinton and Hillary Rodham Clinton held a conference at the White House yesterday to highlight the tradition of philanthropy and to consider how helping others could be made more effective.

Clintons Hold Forum on Philanthropy

WASHINGTON, Oct. 22 (AP) — The explosion of wealth in Silicon Valley has generated tales of young entrepreneurs who drive fast cars, build big houses and indulge in extreme sports.

But Kevin Fong, a general partner of the Mayfield Fund, an investment concern based in Menlo Park, Calif., wants them to think about doing more with their money.

Mr. Fong, a participant in a White House conference today on the future of philanthropy, said he was dedicated to building the "social entrepreneurs of the future." His goal, he said, is to spread the message that there are "some new ways to talk about philanthropy."

President Clinton and Hillary Rodham Clinton held the conference to highlight the tradition of philanthropy in the United States and to consider how helping others could be made more effective.

The program was broadcast via satellite and on public television, reaching a potential audience of 10 million.

One of the conference participants, Stephen M. Case, founder of the Internet provider America Online, highlighted a new "philanthropic portal" at America Online.

Other participants included Patty Stonesifer, president of the Bill and Melinda Gates Foundation; the actor Paul Newman, and Justin Timberlake of the pop group 'N Sync, who announced the creation of a foundation to support musical education in public schools.

Mr. Fong of the Mayfield Fund emphasized the importance of reaching out to young people who might not be thinking about the role they could play in their community, and offering them new ways to give.

For example, he pointed to a little-known practice by some start-up companies of donating private stock to local philanthropic funds. When a company goes public, that stock can generate millions of dollars.

The New York Times

SATURDAY, OCTOBER 23, 1999

LEVEL 1 - 15 OF 55 STORIES

The Chronicle of Philanthropy

October 21, 1999

SECTION: GIVING; Pg. 1

LENGTH: 2497 words

HEADLINE: Moving Giving off the Dime

BYLINE: THOMAS J. BILLITTERI

BODY:

The Central Union Mission here opened its doors to the homeless and hungry in 1884, and over the years the charity has weathered the contrary ways of American donors.

During the Great Depression, giving to Central Union rose. "People had more sense of urgency about helping other people," says David Treadwell, the charity's executive director. But today, as America rides the crest of a prosperity wave, Central Union must struggle to persuade small, one-time donors to become major, committed ones. "People read about how great the stock market is doing and they're afraid to miss out," Mr. Treadwell says.

He has put his finger on one of the troublesome aspects of private giving in America. Despite a record peacetime economic expansion, charitable giving in some ways remains stuck in neutral.

While the total dollar amount of giving has been increasing, for three decades Americans have never given more than 2.1 per cent of their annual pre-tax income to charity. Not only that, but giving by individuals has not exceeded 1.6 per cent of gross domestic product, which measures the nation's output of goods and services.

Against this backdrop, the Clinton Administration this week plans to hold a high-profile White House Conference on Philanthropy, a one-day event that is aimed at elevating the issue of private giving and volunteering to one of national importance. Experts in the non-profit world generally laud the effort, but they say Washington must do far more than mount a bully pulpit in an effort to persuade Americans to be more charitable. Policy makers, they say, must treat philanthropy with the same degree of importance that they assign to the federal budget, the stock market, and other measures of national vitality and economic health.

Specifically, charity advocates want the government to refine the federal tax code in ways that encourage more giving, especially among middle- and lower-income donors; to devote more resources to collecting reliable data on why, how, and how much people give; and to learn more about the uses -- and misuses -- of philanthropy in social policy.

If the White House simply says, "Let's just have more giving," that is not quite enough, says Charles T. Clotfelter, director of the Center for the Study of Philanthropy and Voluntarism at Duke University. "The questions are, do we have the right amount of giving, is it directed in the correct way, are we providing the right incentives for people to give, and do people have enough information to make choices?"

The White House has some good news to build on, of course. Total contributions from individuals grew from $ 71.3-billion in 1975 to $ 134.8-billion in 1998, after adjusting for inflation, according to the latest estimates from Giving USA, a statistical almanac published by the American Association of Fund-Raising Counsel. What's more, giving by the most affluent Americans is on the rise. In 1996, people with incomes of $ 1-million or more reported giving an average of $ 137,000 to charity, up from about $ 113,000 in 1995.

Yet, when measured against the yardstick of personal and national prosperity, American generosity has hardly budged for decades.

In 1968, amid a potent upturn in inflation, a rise in taxes to pay for the Vietnam War, and a personal-savings rate of nearly 8 per cent of take-home pay, Americans gave 2.1 per cent of their pre-tax income to charity. In 1998, with inflation and unemployment low, household income high, and a savings rate of only 0.5 per cent, Americans gave even less of their treasure to charity than in 1968: only 1.9 per cent of pre-tax income.

New data from Independent Sector, a Washington advocacy group of charities and foundations, affirm the trend. A study of giving and volunteering to be released this week shows that average household contributions dropped slightly from 1995 to 1998, to 2.1 per cent of household income.

"With wealth going up, when we already consume a good deal, and when our economy is good enough that savings seem less important, one would expect that more of that surplus would go to charity," says Julian Wolpert, a Princeton University professor who studies patterns of charitable giving.

Even gifts from the super-rich -- $ 16-billion this year alone from Microsoft founder Bill Gates and his wife, Melinda, for example -- have not assuaged the concern about the level of giving in America.

"We do see some increase in giving among the wealthy," says Virginia A. Hodgkinson, a Georgetown University philanthropy scholar and a former vice-president of Independent Sector, "but nothing in comparison to their growth in wealth."

Why personal generosity remains flat is cause for spirited debate. But with little reliable data on giving habits, the deliberations are far from conclusive.

Some observers, such as Susan Saxon-Harrold, vice-president for research at Independent Sector, say that the average charitable gift per household remains low because more people of modest means are joining the ranks of donors. Still other observers cite an erosion of spiritual and moral values for the stagnation in generosity.

"The moral training of our nation has been on the downhill," says Mr. Treadwell, of Central Union Mission. "You hear about a Bill Gates giving $ 16-billion, but other people are unwilling to sacrifice $ 16 because they're wrapped up in selfishness."

Notwithstanding the theories, many charity advocates believe that Americans, on average, have more room to be generous.

Claude Rosenberg, a former investment manager who founded an organization called Newtithing Group, in San Francisco, to encourage greater philanthropy, has reviewed Internal Revenue Service figures to determine that Americans could donate another $ 242-billion this year "without it creating any sacrifices for anybody." More than three-fourths of that giving, he says, could come from the richest 3 per cent of Americans who file tax returns.

Many wealthy people "are really not sure how much they should give or even where to put" their charitable dollars, Mr. Rosenberg says. "In fact, many of the people are so overwhelmed with solicitations already that they almost throw up their hands and say, 'I don't know what I'm going to do.' So they just procrastinate."

As Mr. Rosenberg suggests, wealthy people hold special potential for charities. But relying on the rich to shore up the nation's record of generosity has its limits.

For one thing, says Mr. Clotfelter of Duke University, while the number of affluent people in America is growing, "the wealthy are not numerous, so they can't really contribute that much" to raising the national average on giving as a percentage of personal income. In 1996, the number of people with adjusted gross incomes of $ 1-million or more grew 28 per cent from the year before, to 111,000, showing that the ranks of the wealthy are on the rise. But those wealthy filers still represented only about 1 in 800 U.S. taxpayers.

Moreover, many observers say that cuts in the top income-tax rate over the decades have diminished an important incentive for people -- especially rich ones -- to give: the opportunity to keep their money out of the government's hands.

When the top tax rate was above 90 per cent in the 1940s, 1950s, and 1960s, a wealthy donor wound up spending less than 10 cents to give a dollar to charity; hanging on to the dollar meant losing 90 cents of it to the Internal Revenue Service.

But in recent years Congress has slashed the top tax rate -- to 50 per cent in 1983 and then to 28 per cent in 1986, before raising it again in the 1990s to the current 40 per cent. Today, it costs a donor in the top tax bracket as much as 60 cents to give a dollar to charity.

"On one side, there is more wealth," Mr. Clotfelter concludes, "but on the other side, the wealthy don't have as much tax-related incentive to give."

Of course, not everyone agrees that taxes -- or the possibility of escaping them -- are the way to promote giving. "I don't think being heavily taxed makes people feel very charitable," says Alan Reynolds, director of economic research at the conservative Hudson Institute. "It makes them feel ripped off."

Mr. Reynolds's comment points up the starkly drawn battle line over taxes and philanthropy. Those lines are no more clear than in the debate over whether to eliminate the so-called death tax on the estates of the wealthy.

Conservatives have long said that estate taxes lead to the demise of family businesses, raise interest rates, and bring in little net revenue to government. Supporters contend that the taxes spur philanthropy and discourage dynastic concentrations of family wealth.

Eliminating the estate tax "won't automatically increase or decrease giving," says Paul G. Schervish, director of the Social Welfare Research Institute at Boston College. But, he says, it would "provide a better terrain for increased charitable giving because it will enable people to have more of their income and wealth to dispose of."

Still, David Joulfaian, an analyst in the U.S. Treasury Department's Office of Tax Analysis, suggests in a recent paper that eliminating the estate tax could cost charities between $ 1-billion and $ 1.5-billion a year. Eugene C. Steuerle, a senior fellow at the Urban Institute, a Washington think tank, also concludes that the estate tax creates an important incentive for wealthy people to give to charity. People with a net worth of $ 10-million or more at death bequeath about a third of their estates to charity, with the estate tax playing a significant role in many of those decisions, he says.

Whatever the course of national tax policy, many analysts are sanguine about the future of giving. Some cite the growth of the Internet as a fund-raising tool, saying it will lead many Americans to give for the first time or to give more than they have in the past. Others expect a spate of bequests when today's Silicon Valley millionaires reach old age.

But the biggest reason for the optimism can be summed up in one word: demographics. In coming decades, the World War II generation is expected to transfer trillions of dollars in wealth to heirs, to charity, and to government in the form of estate taxes. Charity could reap a significant harvest from that transfer.In a new study, Mr. Schervish forecasts that the total wealth transfer will be "many times greater" than current estimates of about $ 13-trillion, and he foresees the awakening of "a sleeping giant of charitable giving" as a result.

But many analysts are adopting a wait-and-see posture on wealth-transfer projections, saying the reality will depend on what happens in the stock market. A run-up in stock prices could propel the value of the transfer to $ 30-trillion or more. A Wall Street meltdown, on the other hand, would mean all bets were off.

What's more, even if tens of trillions of dollars indeed do change hands in the next half century, charities aren't insured a resulting bonanza.

"There's hope, but no assumption" of that, says Sylvia Ronsvalle, executive vice-president of Empty Tomb, a religious, research, and social-services organization in Illinois. Among religious fund raisers, she says, the prevailing view is that without better education on philanthropy, billions of dollars could pass to heirs or be paid out in estate taxes with nary a thought about charity.

"Unless some education takes place in the near future," Ms. Ronsvalle says, "people will die without wills -- or by default that money will go to families because it won't occur to people to give to charities."

With so many unsettled questions about giving in America, the non-profit world is looking for leadership from policy makers in Washington. Their hope: that the White House Conference on Philanthropy will spur Washington to take the subject of charity more seriously.

The greatest need, many observers say, is for better basic data on philanthropy. Says Mr. Wolpert of Princeton: "The private sector relies a lot on all kinds of data that is paid for lavishly by government. We need to know a lot more about the non-profit sector and about philanthropy."

Besides improving government's commitment to data collection, charity advocates say, the White House needs to play a stronger leadership role in amending the tax system to encourage philanthropy.

One way might be to allow donors to take a double deduction for gifts to charities that certify they will use the contributions exclusively to help the poor.

While some non-profit groups, such as Harvard University, have amassed record endowments, many soup kitchens and shelters are struggling to stay open, notes Curt Weeden, president of Corporate Contributions Management Academy, a Palm Coast, Fla., organization that trains business executives on philanthropy. "Our prosperity often masks some of the problems we have," he says. "Folks living at or below the poverty line are still in very significant need of support."

Other tax ideas also need a serious look from the White House and Congress, charity advocates say. They point to two provisions that died last summer in the bitter fight over taxes. One would allow older people to shift assets from individual retirement accounts to charity without incurring income taxes; the other would allow people who don't itemize on their federal income-tax returns to take a charitable deduction for gifts up to $ 100 per family.

Even more fundamental than tax changes, charity advocates say, is a need for Presidential leadership in examining the proper role of philanthropy in American society -- particularly in an era when both major political parties favor shifting the administration of more and more social-welfare programs from government to non-profit groups.

The way to help philanthropy more dramatically than through a one-day White House conference, Mr. Wolpert says, "is to show some strong advocacy for the people who would benefit either from philanthropy or from government programs." The White House, he says, should "dramatize the problem of poor children in this country, with a clear message that both charity and government have important roles but that the charitable role is only a tiny proportion of what needs to be done. The major responsibility remains with government."

If participants at the White House conference want a reminder of the role that charity plays in caring for the poor, they need only look out the window of

1600 Pennsylvania Avenue. Across from the executive mansion is Lafayette Park, where the down and out of the nation's capital often gather in twos and threes. Among them are clients of the Central Union Mission.

"The guys who spend the night with me," says Mr. Treadwell, reflecting on this week's philanthropy conference, "go to Lafayette Park and watch the White House during the day."

LANGUAGE: ENGLISH

LOAD-DATE: October 26, 1999

5TH STORY of Level 1 printed in FULL format.

The Washington Post

October 23, 1999, Saturday, Final Edition

SECTION: A SECTION; Pg. A16

LENGTH: 685 words

HEADLINE: Clinton Urges a New Web of Giving

BYLINE: Charles Babington, Washington Post Staff Writer

BODY:

President Clinton, noting that the Internet revolution is creating young millionaires almost daily, hosted a White House conference yesterday urging "a new generation of philanthropists" to lead the nation to higher levels of charitable giving, already a $ 175 billion enterprise annually.

The conference, featuring celebrities from the music, film and high-tech industries, was designed to put a younger, hipper face on philanthropy, which often is associated with hoary names such as Rockefeller and Mellon. The president and first lady used the occasion to urge all Americans--individually and through corporations--to give more money to charities, whether their wealth is from new technologies or old.

"I am glad that the sheer volume of charitable giving is going off the charts," Clinton told his audience in the East Room. But he noted that overall giving has held steady in recent years at about 2 percent of the gross domestic product, roughly the same as 30 years ago.

"I think as we've had this phenomenal increase in wealth in our country, I would feel even better if the percentage of our national income devoted to charitable giving had gone up just a little bit," Clinton said.

The conference comes as some politicians are calling on nonprofit groups to do more to help poor people, drug addicts and others in need. Presidential candidates George W. Bush, the Republican governor of Texas, and Vice President Gore have said "faith-based" institutions should replace some government agencies in providing such services. Religious institutions long have been the biggest beneficiaries of charitable donations, receiving about 44 percent of the $ 175 billion given last year, according to the White House.

The administration said it wants a tradition of philanthropy to take root in a new generation known for savvy entrepreneurs who make millions by starting Internet companies. Conference participants noted that some such privately held companies give stock to charities, which stand to receive huge benefits if the company goes public and its stock prices soar.

"Silicon Valley and the whole venture capital, high-tech community needs to be at the forefront of what we're doing because of the same reason Willie Sutton robbed banks," Clinton said. "That's where the money is."

America Online Inc. Chairman Steve Case, who joined Clinton on a panel on "New Philanthropy in the New Millennium," described an AOL Web site, www.helping.org, that steers potential donors to 620,000 charities. "We can take all these tens of millions of people who are starting to change their lives because of the Internet and help them to change society because of the Internet as well," Case said.

Clinton also hosted a panel discussion meant "to teach the ethic of giving" to those coming of age in the high-tech era. Panelists included singer Justin Timberlake, 18, of the band 'NSync, who told the audience: "I got to be honest. This isn't your normal pop group's demographic." He said he recently set up a nonprofit foundation to promote music programs in schools, a pet project of Hillary Rodham Clinton's.

Other conference participants included Patty Stonesifer, president of the $ 18 billion Bill and Melinda Gates Foundation, and actor Paul Newman, who gives away the profits from his brand-name salad dressings and other products.

The White House conference was broadcast live on some public access television channels and to more than 100 sites across the country where groups held their own philanthropy conferences.

Many public television stations will air the conference in coming weeks, organizers said.

With baby boomers poised to inherit $ 12 trillion from their parents, Clinton said, his administration is taking steps to encourage and facilitate charitable giving.

"We need to think about, in government, whether we can do more things to generate more constructive philanthropy," he said, adding that he will establish an interagency task force to strengthen the "philanthropic partnership" of government, nonprofit groups and individual citizens.

LANGUAGE: ENGLISH

LOAD-DATE: October 23, 1999

LEVEL 1 - 13 OF 55 STORIES

M2 PRESSWIRE

October 22, 1999

LENGTH: 1464 words

HEADLINE: THE WHITE HOUSE
"White House Conference on Philanthropy: Gifts to the Future"

BODY:
Today the President and First Lady, with the National Endowment of the Humanities (NEH), will convene the first-ever "White House Conference on Philanthropy: Gifts to the Future." The conference will bring together individuals who are engaged in philanthropy

- including charitable donors, youth, policy experts, and representatives from non-profit organizations, foundations, and educational programs

- to highlight the unique American tradition of charitable giving; to discuss the diverse and changing face of philanthropy; and at a time of the strongest economy in a generation, to explore how to preserve and expand this tradition for future generations.

Focusing On Philanthropic Giving As The New Millennium Approaches: As the new millennium approaches, the American tradition of philanthropic giving may take a new turn. Several recent economic, demographic and technological advances and trends have made this an important time to focus on charitable giving, such as:

- Giving has reached a new high, rising over 10% in 1998, the third consecutive year in which giving increased.

- Dramatic gifts from some of America's wealthiest citizens have drawn new attention to philanthropy and inspired debate about appropriate giving levels.

- At the same time, there is a growing recognition that as the demographic profile of the United States changes, giving by African Americans, Hispanic Americans, and other people of color is essential to the long-term health of the nonprofit sector and the expansion of our collective philanthropic tradition.

- Just as the strongest economy in a generation has produced unprecedented new wealth, the baby boom generation is poised to inherit $12 trillion from their parents.

- New technology is creating new avenues for giving, through for-profit and nonprofit Internet sites.

- And finally, new donors, particularly those who have made their fortunes in the technology boom, have become innovators in the world of philanthropy, as they look for greater involvement in the causes they support and greater accountability for results. These "venture philanthropists" find kindred spirits among new social entrepreneurs who are applying new thinking and business solutions to the problems that plague our communities.

Clinton Administration Commitments:

At the conference, the President and Mrs. Clinton will announce new Administration commitments to improve our understanding of giving and to encourage subsequent activities and dialogue on giving.

Encouraging Productive Partnerships Between Government and Nonprofits

- Today, President Clinton will announce that he is creating a new Task Force on Nonprofits and Government to strengthen and support the important collaborative efforts of the nonprofit sector and government. In 1998, an estimated $175 billion was given by Americans to a wide variety of causes and organizations. In many cases, nonprofit organizations convert America's giving into results - helping people in need, providing health care and educating our nation's youth. Nonprofits are uniquely able to identify problems and promote change at the community level. As the sector grows, increasing opportunity arises to forge more effective partnerships between nonprofits and government to address public needs. The Task Force will develop a public inventory of "best practices" in existing collaborations between the Federal Government and nonprofits and work with nonprofits to apply these models to other governmental efforts. The Task Force will also examine ways the Federal Government can better draw upon the experience and innovations of nonprofits, evaluate trends on nonprofits and philanthropy, and work with nonprofits to explore new policies that encourage philanthropy and service and help nonprofits develop and grow.

- In view of the growing size and importance of the nonprofits sector, a new "Tax Exempt and Government Entities" division was recently established at the Internal Revenue Service (IRS). As part of this effort, the Treasury Department also recently announced the formation of a "Tax Exempt Advisory Committee" to provide a public forum for discussions between the IRS and representatives of nonprofits organizations. This Advisory Committee will enable the IRS to receive regular input with respect to the development and implementation of tax policies and practices affecting nonprofits.

- Examining Tax-related Issues and Research Opportunities: The Department of the Treasury also will hold a meeting with organizations involved in the conference to discuss tax policy and research issues affecting the nonprofit sector.

- Expanding Our Understanding of Charitable Giving: The Council of Economic Advisers will undertake an analysis of the role of philanthropy in the economy, including discussion and interpretation of trends in charitable giving, factors that affect giving, and how the aging of Baby Boomers and other trends are likely to affect giving in the future. Please see attached fact sheet.

Corporate and Private Commitments to Expand Giving:

The President and Mrs. Clinton also will highlight several new private initiatives to encourage the expansion of charitable giving, such as:

- AOL Foundation: The AOL Foundation will highlight its launch of

Helping.org, a revolutionary e-philanthropy portal that provides Americans who want to lend a helping hand with the fastest, safest, easiest and most cost-effective way to donate money or volunteer time to the charity of their choice. Helping.org connects users to over 620,000 charities and more than 20,000 volunteer activities, providing an important new resource for the more than two-thirds of American households that already make charitable contributions, as well as those new to philanthropy.

- The Bill and Melinda Gates Foundation: A group of organizations concerned with youth giving and service, including the United Way of America, Save the Children, US Committee for UNICEF, City Year, and the Corporation for National Service, have made a commitment to work together on a youth and philanthropy initiative. The Gates Foundation will announce its intention to support the next phase of their planning, including a follow-up conference and will encourage other organizations to support this important effort.

- Girl Scouts of the USA: The Girl Scouts of the USA will unveil its new philanthropy patch entitled "Strength and Sharing." Beginning in 2000, Girl Scouts of all age levels will earn interest patches that will help them recognize and learn from philanthropists in their own families, places of worship, schools, Girl Scout troops, and neighborhoods. The program will allow girls to identify and assist organizations and institutions that meet community needs and understand how their own time and money can make a difference in their communities.

Building on the White House Conference on Philanthropy:

- On the occasion of the White House Conference on Philanthropy, the National Information Charities Bureau (NCIB), together with the Department of Commerce, GreaterGood.com, CharitableWay.com, and the AOL Foundation will host the "E-Philanthropy: Technology and the Nonprofit Community" forum to discuss the how the ever-increasing use of the Internet will impact the unique American tradition of charitable giving. At the White House conference, William Massey of NCIB will report on the morning session of the E-Philanthropy conference.

- The Corporation for National Service will host a morning conference on youth and philanthropy called, "Raising the Roof: Youth Voices on Giving." At the White House conference, Malik Evans, a sophomore at the University of Rochester, will report on what was discussed at the youth conference.

Engaging Communities Around the Country:

A portion of the "White House Conference on Philanthropy" will be broadcast via satellite, presenting an extraordinary opportunity for communities across the country to participate in this important discussion. Over 3,500 sites in 40 states will view the conference via satellite, with the assistance of a grant from the Charles Mott Foundation and the support of SCETV, and the Department of Education. An additional 10.1 million viewers around the country will have access to viewing the conference through PBS and cable channels' live broadcasts.

The White Conference on Philanthropy is made possible with the support of The National Endowment for the Humanities, South Carolina Educational Television, The Charles Stewart Mott Foundation, Community Foundation-Silicon

Valley, The J. Paul Getty Trust, the Iscol Family Foundation, The Marcie Polier Family Foundation, the American Red Cross, and the United Way of America.

LANGUAGE: English

LOAD-DATE: October 25, 1999

Sample Invitation List break-out

Co-sponsors	10
Heroes	6
Speakers	5
Established organizations	
National nonprofits	8
Corporations	5
Foundations	20
Citizen groups/Community activists/Religious	
Citizen groups/community activists	5
Religious	5
Education/Research	
Educators/youth organizations	10
Researchers	5
New Donors/New Wave of Giving	
Youth	5
"Silicon Valley"	8
Innovators	10
Affinity groups	20
Internal	
VP	10
HRC	10
POTUS	10
Leg	8
Cabinet	5
Intergovt'l	5
Misc.	10
TOTAL	~~[illegible]~~ 180

WHITE HOUSE PHILANTHROPY CONFERENCE WORKPLAN-08/24/99
OCTOBER 22, 1999-EAST ROOM, APPROX. 150 PARTICIPANTS

DELIVERABLE	MANAGER(S)	DEADLINE	STATUS
• **Determine Conference Program** • Confirm location and date • Select title (suggested—*Gifts to the Future: New Philanthropy For the New Millennium*) • Create format—number of sessions, speakers/town hall/panels, agenda, etc.	• **Shirley/ Ellen**	• **July 30**	• **Date/location confirmed with POTUS and FLOTUS** • **Program structure still TBD**
• **Draft Budget/Secure Fiscal Agent** • Draft budget • Identify, contact and confirm fiscal agent(s) • Recruit in-kind support	• **Shirley/Ellen/ Malcolm**	• **September 7**	• **Calls made/ decisions pending** • **Dept. of Ed. possible/ Sun Microsystems declined**
• **Secure Satellite Downlink Partners** • Conference goals • Total downlink sites: 1,000 • Total local philanthropy forums: 300, with 150-200 confirmed by Sept. 22 • Code satellite site tech support pages (vet language with Malcolm) • Create computer access for Michael (internet/email/Word) • Create conference phone line/voicemail	• **Michael Grantham**	• **October 22** • **August 27** • **Done** • **Done—call in number 202-395-7112**	• **Michael Grantham to be hired as downlink coordinator, Aug 16-Oct. 29**

• Determine next steps with ARC/UA, introduce Michael Grantham	• **Michael Grantham**	• **August 26**	• **ARC and United Way taking lead in organizing quality forums with local constituencies; joint letter sent 8/06**
• Finalize URL name for website		**August 24**	• **TBD by working group**
• Identify/meet with potential partners to provide networks for satellite sites		• **Ongoing**	• **List drafted, to be updated weekly**
• Identify Federal Agency Satellite Networks/send 'Save The Date' letters		• **August 27**	• **Agencies contacted; letters to be sent 8/27**
• Finalize registration process and website content • Secure website domain • Launch website		• **September 2** • **September 6** • **September 8**	• **Expand Corp. in procurement to be contracted for web design and support**
• Identify government and other organizational related links for website		• **Ongoing**	

• Provide satellite coordinates on website • Provide satellite test pattern times on website		• **October 7** • **Following securing of satellite time**	

• **Research/Create Invitation List**
  • Identify individuals/entities to invite across four invitee categories
  • For each invitee provide: contact name, organization name, address, phone, fax and email; and briefly describe why person should be invited
  • Determine ideal percentage of invitees groups
 	
• **Mail Invitations**
	• **MaryEllen/ Malcolm/ Kim**
	
	• **Ellen/Shirley/ Kim**
	
	• **Kim/Social**
		• **July 14**
		
		• **August 25**
		
		• **Sept. 14**
			• **Invitee categories identified**
			• **Draft of WHMC list received by FLOTUS office, COB 7/14**
			• **New master list to be reviewed 08/25 mtg.**

• **Research/Select Speakers**
  • Based on agenda items, research possible speakers
  • For each identified speaker, gather contact information and bio
  • Locate prior speaking engagements/articles written as a means to preview
	• **Malcolm/ Leela/Kelly**	• **First draft of list to EL and SS for review, COB 7/30**	• **Fist draft complete/to be reviewed by team**

• **Research/Select Philanthropic Heroes**
  • Identify 20-25 individual philanthropic heroes, with diversity in age, race, ethnicity, sex and type of giving (e.g., human services, education, arts, etc.)
  For each candidate include:
  -contact name, organization, address, phone, fax and email; and short vignette of their heroic giving
  -supporting materials (e.g., article, videos, etc)
	• **Malcolm/ Kelly**	• **First draft of list to EL and SS for review, COB 7/30**	• **Fist draft complete/to be reviewed by team**

• **Generate List of Research Needs/ Polling Needs** • Identify necessary information (e.g., visuals, handouts, etc.): -Polls on people's (especially youth) views of giving -Data on individual giving -Surprising facts -Patterns by different ethnic groups/other groups -Role of religion -Innovative	• **Malcolm/ Kelly/Leela/**	• **First draft of one-pagers to SS for review, COB 8/06**	• **Research conducted/ need to select relevant info:** • **First draft of research summaries to SS, 8/10** • **Nickelodeon contacted, participation TBD**
• Contact video producer • Finalize video concept and list of interviewees	• **Leela** • **WHMC/SS**	• **July 30** • **September 10, initial mtg. 8/24**	• **Sunburst Creative to produce video**
• Complete filming • Edit and deliver rough-cut for first review	• **Sunburst** • **Sunburst**	• **September 24** • **October 1**	

• **Outline Promotion Plan** • Develop press releases • Determine timing • Create magazine insert	• **Shirley/Ellen/ Malcolm/ Michael G. (with input from Marsha and Ann Lewis)**	• **September/ October**	• **To begin**
• **Create Conference Materials** • Generate list of what to include in conference packets/press materials (e.g., research data, resource lists, graphs, contact names, follow up information, etc.) • Contact AAFRC to review proposed materials	• **MaryEllen/ Malcolm**	• **September**	• **To begin**
• **Develop Follow Up Plan/Deliverables** • Respond to Treasury • Contact CNS • Call Foundations for deliverables • Determine conference "challenge" to be issued—discuss with DPC (mtg. scheduled w/BR 9/3)	• **Ellen** • **Shirley** • **Ellen/Melanne**	• **August/ September**	• **To begin**
• **Assist Speechwriters** • Research key issues • Provide acknowledgments/talking points	• **Malcolm**	• **October 7**	• **To begin late Sept.**
• **Manage Overall Logistics** • Follow up with POTUS request [Done] • Determine VP participation (OVP mtg. 8/25) • Determine Social Office contact [Done: Kim W.] • Select production team, reserve satellite time • Determine audio and visual needs	• **MaryEllen/ WHMC**	• **Ongoing**	• **Production team contacted [Sunburst Creative], formal paperwork TBD**

• **Develop Comprehensive Timeline** • Create overall workplan—with deliverables and deadlines • Finalize workplan and assign manager to monitor overall progress [Done: Leela, until August 27, MaryEllen , from 8/30-10/22!]]	• **Leela / MaryEllen** • **Shirley/Ellen**	• **July 9** • **July 16**	• **Workplan drafted** • **Completed-7/14, to be updated weekly**

GIFTS TO THE FUTURE: NEW PHILANTHROPY FOR THE NEW MILLENNIUM
White House Conference-East Room, October 22,1999

PROGRAM DRAFT-07/30/99

1:00 OPENING VIDEO (3-4 minutes)

- What is philanthropy
- Portrait of inspirational giving over time—outline link to the non-profit sector and emphasize that all American's benefit from these institutions
- Portrait of the many faces of giving

1:04 HRC REMARKS (10-15 minutes)

- Frame the day (traditions and trends)
    - Philanthropic giving is a form of citizenship that strengthens our democracy
    - Philanthropic giving is practiced by every segment and level of society
    - 'Heroes' of American philanthropy have many faces [actual 'heroes' to participate throughout conference]
    - Giving, like citizenship, must be taught, and is best learned by doing

1:20 POTUS (10 minutes)

- American philanthropy is changing and will be characterized by new forms of giving in the new Millennium
- Recognize the relationship between government and giving/recognize programs such as the federal giving campaign
- Inspire giving through example/deliverables
    - Make individual/organizational announcements (groups stand for recognition)
    - Announcement of Gift Day (02/29/00) /Presidential Proclamation

1:30 OPENING SESSION (90 minutes)
[POTUS AND FLOTUS MODERATE DISCUSSION WITH SPEAKER]

- Why we give/Where would we be without it
    - Philanthropy binds our communities together. Non-profit organizations are crucial to the vitality of a democratic society—libraries, hospitals, museums and civic groups, etc.
    - Philanthropy brings us out of national crises—when disasters hit Americans come together to assist one another in dramatic ways [e.g., Hurricane Andrew/ Oklahoma City, etc.]
    - These single events and prized institutions (libraries) clearly demonstrate the difference philanthropy makes in American lives

- Distinctiveness of American giving/International Context
    - This is what America has, it is a powerful model being replicated around the world
- The many faces of philanthropy—highlight diverse heroes with unique contributions, emphasize message 'we are all philanthropists'

3:00 BREAK (30 minutes)

- State Dining Room, light refreshments served

3:30 SESSION TWO/TOWN HALL (60 minutes)

- New wave of American philanthropy—overview new types of giving, venture philanthropists, role of technology in giving, "accessibility" of giving
- Teaching the tradition—address need to teach next generation, growth of service learning in schools, introduction of "philanthropy" curriculums and philanthropic kids clubs

4:30 HRC ROUSING CLOSE- "JUST THINK" (10 minutes)

- Think of what we could do if we expand
- Get out there and make things happen/ take today's message back to your communities
- Must sustain

4:40 RECEPTION (60 minutes)

- Distribute packets
- State Dining Room, drinks and hors d'oeuvres served

PHILANTHROPY CONFERENCE: FILM OR VIDEO SEGMENTS.

I. Purposes:

1) To explain American philanthropy's role throughout our history as a pillar of civil society, to explain the importance of private giving to our society's nonprofit sector, and communicate visually the diversity of American giving.

2) To reinforce conference messages:

   * That every segment of American society has a role to play;
   * That many outstanding donors do not fit the media stereotypes and include young people, new immigrant groups, and people of modest means;
   * That philanthropy can and should be taught.

3) To provide recognition via quick profiles of the "heroes of philanthropy" (who may not be good speakers) whose stories also will convey conference messages about the diversity of donors and the variety of methods and motives.

II. Use of videotaped segments in conference:

1) Opening montage or introduction could quickly profile current state of giving and allude to impending transfer of wealth and changing nature of philanthropy.
2) Later segments (after break) could show these new faces and profile our heroes.

III. Some story ideas:

Tell an unexpected story about Silicon Valley giving: interview established leaders about the region's growth and disparities in wealth, but emphasize the Hispanic and Asian youth in San Jose who advise the CF-SV.

Alternative: film Michigan Yackety yackers advising a community foundation there.

Profile the Steans Family Foundation in Chicago. Show the foundation office in its neighborhood and interview the father and 3 daughters.

Profile Matel Dawson, or perhaps Oseola McCarty, and probe their reasons for giving.

Interview a "celebrity" donor: Alan Alda, for example, on how his family foundation works, or Paul Newman on his ventures.

Trace a donation from the First Nations group to its recipients, say a social agency or a school on a reservation, Interview FN officials in their offices here. Connect philanthropic giving to community issues.

WHITE HOUSE PHILANTHROPY CONFERENCE WORKPLAN-07/23/99
OCTOBER 22, 1999-EAST ROOM, APPROX. 150 PARTICIPANTS

DELIVERABLE	MANAGER(S)	DEADLINE	STATUS
• **Determine Conference Program** • Confirm location and date • Select title (suggested: *Gifts to the Future: New Giving for the New Millennium*) [Done?] • Create format—number of sessions, speakers/town hall/panels, agenda, etc.	• **Shirley/ Ellen**	• **July 30**	• **Date/location confirmed with POTUS and FLOTUS** • **Program structure still TBD**
• **Draft Budget/Secure Fiscal Agent** • Draft budget • Identify, contact and confirm fiscal agent(s) • Recruit in-kind support • Call Jill Iscoll	• **Malcolm/ Leela** • **Shirley/ Melanne**	• **July 30**	• **Calls made/ decisions pending**
• **Determine Satellite Downlink Partners** • Draft budget • Secure partners • Create registration process	• **Malcolm/ Leela**	• **July 16, budget and partners** • **End of August, registration process**	• **Michael Grantham to be hired as downlink coordinator, Aug 16-Oct. 29** • **ARC and United Way taking lead in organizing quality forums with local constituencies**

• **Research/Create Invitation List** • Identify individuals/entities to invite across four invitee categories - For each invitee provide: contact name, organization name, address, phone, fax and email; and briefly describe why person should be invited	• **Malcolm/ Leela** • **MaryEllen/ Kim**	• **July 14** • **July 23**	• **Invitee categories identified** • **Draft of WHMC list received by FLOTUS office, COB 7/14** • **New master list to be reviewed/ comments to MM, COB 7/28**
• **Research/Select Speakers** • Based on agenda items, research possible speakers • For each identified speaker, gather contact information and bio • Locate prior speaking engagements/articles written as a means to preview	• **Malcolm/ Leela/Kelly**	• **First draft of list to EL and SS for review, COB 7/30**	• **Ongoing**
• **Research/Select Philanthropic Heroes** • Identify 20-25 individual philanthropic heroes, with diversity in age, race, ethnicity, sex and type of giving (e.g., human services, education, arts, etc.) For each candidate include: -contact name, organization, address, phone, fax and email; and short vignette of their heroic giving -supporting materials (e.g., news articles, videos, etc)	• **Malcolm/ Kelly**	• **First draft of list to EL and SS for review, COB 7/30**	• **Ongoing**

• **Generate List of Research Needs/ Polling Needs** • Identify necessary information (e.g., visuals, handouts, etc.): -Polls on people's views of giving -Data on individual giving -Surprising facts -Patterns by different ethnic groups/other groups -Role of religion -Innovative • Assign topics and create one-pagers on each • Contact video partner—agree on fee and format	• **Malcolm/ Kelly/Leela/ Rupa/Jessica/ Rachel** • **Leela**	• **First draft of one-pagers to SS for review, COB 8/06** • **July 30**	• **Research conducted/ need to select relevant info.** • **Summary template created/topics assigned** • **To begin**
• **Outline Promotion Plan** • Develop press releases • Determine timing • Create magazine insert	• **Shirley/Ellen**	• **August/ September**	• **To begin**
• **Create Conference Materials** • Generate list of what to include in conference packets/press materials (e.g., research data, resource lists, graphs, contact names, follow up information, etc.)	• **Leela**	• **Draft by end of August**	• **To begin**
• **Develop Follow Up Plan/Deliverables** • Respond to Treasury • Contact CNS • Call Foundations for deliverables • Determine conference "challenge" to be issued	 • **Ellen** • **Shirley** • **Ellen/Melanne**	• **August/ September**	• **To begin**
• **Assist Speechwriters** • Research key issues • Provide acknowledgments/talking points	• **Malcolm**	• **October 7**	• **To begin late Sept.**

• **Manage Overall Logistics** • Follow up with POTUS request [Done] • Determine Social Office contact [Done: Kim W.] • Select production team, reserve satellite time • Determine audio and visual needs • Create and maintain website information • Manage cybercast and downlink process	• **MaryEllen** • **WHMC**	• **Ongoing**	• **Ongoing**
• **Develop Comprehensive Timeline** • Create overall workplan—with deliverables and deadlines • Finalize workplan and assign manager to monitor overall progress [Done: Leela, until August 31]	• **Leela / MaryEllen** • **Shirley/Ellen**	• **July 9** • **July 16**	• **Workplan drafted** • **Completed-7/14, to be updated weekly**

WHITE HOUSE PHILANTHROPY CONFERENCE
OCTOBER 1999

Message
- American philanthropy is changing and will be characterized by new forms of giving in the new millennium
- American philanthropy is unique, and is practiced by every segment and level of society
- Philanthropic giving is a form of citizenship that strengthens our democracy
- Giving, like citizenship, must be taught, and is best learned by doing

Objectives
- Increase awareness about America's philanthropic tradition and its role in shaping our democratic institutions, as well as awareness about how philanthropy may change in the new Millennium
- Create a sense of urgency about the need to teach the tradition in order to sustain it
- Demonstrate that *all* Americans, regardless of race, sex, age or socioeconomic status, are philanthropists
- Recognize innovations in the field of philanthropy
- Inspire increased charitable giving across all segments of society

Where/ When
- White House-East Room
- Late October 1999—four to five hours [exact date and time TBD]

Format
- TBD

Audience [approximately 150 individuals]
- Participants should be identified for each of the following four categories, and prioritized [A, B, C]:
  - Established Organizations (foundations/corporations/non-profits)
  - Citizen Groups/Community Activists/ Religious Organizations
  - Academics/Educators
  - New Donors/New Wave of Giving (newly wealthy, affinity groups, youth)

Outreach
- We plan to make the Conference available through satellite downlinks and via cybercast

Sponsors/Staff Contacts
- The Office of the First Lady- MaryEllen McGuire x62016
- The White House Millennium Council- Malcolm Richardson x57105

Agenda

WHITE HOUSE CONFERENCE ON PHILANTHROPY- East Room
[HOLDING DATE: 10/99]

PROGRAM DRAFT-07/02/99

1:00 OPENING VIDEO (3-4 minutes)
-What is philanthropy
-Portrait of inspirational giving over time
-Portrait of the many faces of giving

1:03 HRC REMARKS (15-20 minutes)
-Frame the day (traditions and trends)
-Philanthropic giving is a form of citizenship that strengthens our democracy
-Philanthropic giving is practiced by every segment and level of society
-'Heroes' of American philanthropy have many faces [actual 'heroes' to participate throughout conference]
-Giving, like citizenship, must be taught, and is best learned by doing

1:20 SESSION ONE/OPENING SPEAKER AND TOWN HALL (60 minutes)
-Speaker/The Unique American Tradition
- Why we give
- Where would we be without it- philanthropy binds our communities together.
  -Non-profit organizations are crucial to the vitality of a democratic society--- libraries, hospitals, museums and civic groups.
  -Philanthropy brings us out of national crises--- when disasters hit Americans come together to assist one another in dramatic ways [Hurricane Andrew/ Oklahoma City]
  -These single events and prized institutions (libraries) clearly demonstrate the difference philanthropy makes in American lives

-Town Hall w/selected participants (speaker types and individual heroes) covering:
- International Context -This is what you have, it is a powerful model being replicated around the world
- Community Building/ Role of Affinity Groups -Segments of society got where they are because of this type of philanthropy, helping selves and others

2:20 BREAK (30 minutes)
State Dining Room-light refreshments

2:50 REOPENING WITH VIDEO (2-3 minutes)
-Humorous film on meaning of the word philanthropy, emphasizes lack of understanding that we are all philanthropists and what philanthropy is/means

2:55 POTUS (10 minutes)

-American philanthropy is changing and will be characterized by new forms of giving in the new Millennium
-Recognize the relationship between government and giving/recognize programs such as the federal giving campaign
-Inspire giving through example/deliverables
    -Make individual/organizational announcements (groups stand for recognition)
    -Announcement of Gift Day (02/29/00) /Presidential Proclamation

3:05 SESSION TWO/ TOWN HALL (60 minutes)
[POTUS AND FLOTUS AS MODERATORS]

-Town Hall w/selected participants (speaker types and individual heroes) covering:

- New wave- speak to new types of giving, venture philanthropists, role of technology in giving, "accessibility" of giving
- Teaching the tradition- address need to teach tradition, growth of service learning in schools, introduction of "philanthropy" curriculums and philanthropic kids clubs

4:05 HRC ROUSING CLOSE- "JUST THINK" (15 minutes)

-Think of what we could do if we expand
-Get out there and make things happen/ take today's message back to your communities
-Must sustain

4:20 RECEPTION (60 minutes)

Budget

PHILANTHROPY CONFERENCE BUDGET ESTIMATES

I.	**Event expenses** Refreshments [16,000] Conference Materials [14,000]		$30,000
II.	**Satellite downlink and cybercast**		130,000
III.	**Video production and duplication**		50,000
	Survey research (polling data)	20,000	
	Travel costs for low income youth	5,000	
IV.	**Follow-up materials**		15,000
	TOTAL COST:		**$250,000**

PHILANTHROPY CONFERENCE BUDGET BREAKDOWN—07/29/99
SATELLITE DOWNLINK, CYBERCAST AND VIDEO COST ESTIMATES

II. A. Satellite downlink and cybercast production

Producer fee (Director, Asst Director x 2 days, stage manager and assistants)		$25,000
Production cost breakdown:		
Mobile Unit Facilities rental	28,000	
KU uplink	4,000	
Satellite time	8,000	
PA System	3,000	
Lighting equipment	2,500	
Technical crew	15,000	
Tech crew overtime	7,500	
Lighting crew	5,000	
Lighting crew overtime	2,000	
Crew travel costs	10,000	
Tape stock	1,000	
Catering	2,000	
Pre-production planning	5,000	
Sub-total production cost:		93,000
Total production cost:		118,000

II. B. WHMC Downlink coordinator

12 weeks @ 1,000 per week	12,000
TOTAL SATELLITE DOWNLINK/CYBERCAST COST:	**$130,000**

III. Video production and duplication

Introductory video segments (from stock footage)	2,000	
Commissioned video biographies (6@ $3,000)	18,000	
Crew travel to six sites	10,000	
Post-production editing and duplication	20,000	
TOTAL VIDEO COST:		**$50,000**

TOTAL SATELLITE DOWNLINK, CYBERCAST AND VIDEO COST: $180,000

White House Conference on Philanthropy- WHO Contacts (7/14/99)

Department	Name	Extension	Room
OFL	Shirley Sagawa	66266	OEOB 101
WHMC	Ellen Lovell	62000	708 Jackson Pl
OFL	MaryEllen McGuire	62016	OEOB 101
WHMC	Malcolm Richardson	57105	708 Jackson Pl
WHMC	Leela DeSouza	62006	708 Jackson Pl
OPL/Women's Ofc	Kelley O'Dell	67301	OEOB 15
OFL Press	Marsha Berry	62960	OEOB 103
COS	Michelle Ballantyne	61783	1stFL/WW
COMM	Tom Janenda	66274	OEOB 173
POTUS Sched	Heather Davis	62811	OEOB 184
Pol Affairs	Andrew Mayock	61831	OEOB 113
OPL	Maureen Shea	62721	OEOB 118
Leg Affairs	Marty Hoffman	66493	107EW
NEC	Patrick Dortan	65364	OEOB 235
PPO	Bob Nash	65286	OEOB 158
Cabinet Affairs	Irma Martinez	67025	OEOB 160

COMM	Ann Lewis
COMM	Loretta Ucelli
Mrs. Gore	Trooper Sanders
Press	Jennifer Palmierir
Press	Beverley Barnes
OVP	Lisa Berg
DPC	Karin Kullman
DPC	Bruce Reed
NEC	Jon Kaplan
IGA	William White
OVP	Ansley Jones

Invite List

INVITE CATEGORIES/ PHILANTHROPIC HEROES
WHITE HOUSE CONFERENCE ON PHILANTHROPY
OCTOBER 1999

Invitation List
To be considered, suggested invitees must be passed along with a priority designation [A, B, C] and *all* of the following information: name, title, organization, address, phone, one-three lines on who they are/why they should be considered, and the category for which the individual is being recommended. Invite categories are as follows:

1. Established Organizations
    - Foundations
    - Corporations
    - Non-Profits

2. Citizen Groups/Community Activists/Religious Organizations
    - Citizen Groups
    - Community Activists
    - Religious Leaders

3. Academics/Educators
    - those who contribute to research in field
    - those who are passing on the tradition (developing ed curriculums, etc)

4. New Donors/New Wave of Giving
    - newly wealthy
    - affinity groups
    - youth

Philanthropic Heroes
Throughout the course of the Conference we will be recognizing 10-12 individuals who exemplify American giving. These "philanthropic heroes" will be chosen across all segments of society emphasizing that *all* Americans, regardless of race, ethnicity, age, sex or socioeconomic status, give to their communities. If you have an individual you would like to nominate for recognition, please provide us with his/her biographical information (including newspaper accounts of their giving if any) along with their name, address and phone number. Remember we are striving for diversity—ie nominees may include corporate leaders, children involved in community projects, or individuals of modest means who have spent a lifetime giving.

***All invitation lists and "hero" nominations are due to MaryEllen McGuire in OEOB 101 by COB Wednesday, July 21st for preliminary review.**

Heroes

MEMORANDUM

TO: Shirley Sagawa
Ellen Lovell
MaryEllen McGuire

FROM: Malcolm Richardson
Leela de Souza

SUBJECT: **PHILANTHROPY CONFERENCE HEROES LIST—FIRST DRAFT**

DATE: July 30, 1999

I. Distinguished life of giving/service:

John Gardner	Palo Alto, CA
Walter Annenberg	King of Prussia, PA
Brooke Astor	NY, NY

II. Large recent gifts:

Bill and Melinda Gates	Seattle, WA
David Packard (deceased: could honor his daughter Susan Packard Orr).	Palo Alto, CA
George Soros	New York, NY
Michael Dell (size?)	Austin, Texas
John Kluge	Charlottesville, VA
Paul Newman	Westport, CT
Eli Broad	Los Angeles, CA
Gordon Moore (Intel founder)	Woodside, CA

III. Widow's mite (outstanding gifts by personal sacrifice):

Oseola McCarty (laundress who donated life savings)	Hattiesburg, MS
Matel Dawson (forklift operator, donated $1million + to higher Ed.)	Detroit, MI
Ethel Hawkins (low-income earner, donated $100,00 +)	Pine Bluff, AR

IV. Enterprising Youth (conducting fund-raising drives):

Matthew Nonnemacher ('million penny' drive)	Hazelton, PA (United Way)
Katie Kurtz (raised funds for hurricane relief)	Chicago, IL (Oprah's Angels)
Gil Castellanos (organized town drive for Kosovo refugees)	Elmhurst, IL (Red Cross)
Frederick County Maryland 8th grade class (raised $15,000 through internet drive for Albanian refugees)	Maryland (Red Cross)

V. Youth in Philanthropy (identified by community foundations, women's funds, etc.):

Michigan Yackety-Yakers (group of five recommended by Chris Kwak, Rob Collier and Dorothy Johnson from the Council on Michigan Foundations):

Shamika Darisaw	Flint, Michigan
William Gravelle	Sault Ste. Marie, MI
Christina Kim	Ann Arbor, MI
Chayo Long-Mendez	Battle Creek, MI
Jesse Harcourt	Bellaire, MI

Other youth heroes:

names to come from Peter Hero	Silicon Valley Community Foundation
names to come from Janis Reichman	Hawaii Community Foundation
names to come from Tracy Wayson	Milwaukee Foundation/Little Women's Fund
names to come from Betsy Brill	Girls Best Friend, Chicago, IL
names to come from Peg Turlburtt	Michigan Women's Fund

IV. Advocates/Teachers:

Kathy Agard	Leads national K-12 curriculum effort
Alan Fifer	Longtime leader at Carnegie Corp, IS, etc.
Virginia Hodgkinson	Great leader for research community; forceful advocate for equity
Kathleen McCarthy	A leading scholar, especially of women's philanthropy; created first university center devoted to researching philanthropy
Brian O'Connell	Former head of Independent Sector launched the Give Five campaign
Claude Rosenberg	New Tithing (if not a speaker)

Harry Saal	Mentor of young donors in Silicon Valley; community leader
Danny Siegel	Zvi Tsedakah Fund (promotes giving and service to Jewish youth)
Oprah Winfrey	Publicizes acts of charity and gives recognition to ordinary Americans as part of her Oprah's Angels network; created "World's Largest Piggy Bank" to raise funds for her causes

Speakers

MEMORANDUM

TO: Shirley Sagawa
Ellen Lovell
MaryEllen McGuire

FROM: Malcolm Richardson
Leela de Souza

SUBJECT: **PHILANTHROPY CONFERENCE SPEAKER LIST—FIRST DRAFT**

DATE: July 30, 1999

[LISTED BY TOPIC]

I. SETTING THE CONTEXT: THE UNIQUE AMERICAN TRADITION

IA. BUILDING COMMUNITY/CIVIL SOCIETY

John Gardner—suggested Peter Hero and many others as the top choice. Gardner embodies the third sector movement and has been a wise champion of philanthropy and the nonprofit sector. Frail, but still quite active.

Harry Saal—articulate Silicon Valley leader. Has prodded new wealthy to give. Speaks well and is knowledgeable about current efforts to promote philanthropy. Has good command of the history of the field and reasons for need of philanthropy, etc.

Susan Berresford—President, Ford Foundation. Recommended by Alberta Arthurs

Robert Putnam—Harvard professor, civil society expert, good speaker

IB. INTERNATIONAL PERSPECTIVE ON U.S. TRADITION

Werner Weidenfeld—Chair of the Management Committee of the Bertelsmann Foundation, (the largest in Germany) and an expert on US-German relations. [Bertelsmann is promoting foundation movement in Germany and Europe and has helped create German community foundations.] Said to be very fluent in English and a good speaker.

Desmond Tutu—suggested by Alison Wiley. Forum of Regional Grantmakers. He spoke eloquently at a COF meeting about role of Am. Philanthropy in South Africa.

Ambassador James (Jim) Joseph [South Africa]—former head of Council on Foundations; articulate spokesperson for philanthropy and student of international philanthropy. [African-American]

Jim Wolfensohn—President, World Bank; also has family foundation, good speaker, strong interest in philanthropy.

George Soros—leading international philanthropist, practices what he preaches; could discuss the unique attributes of American philanthropy and its international resonance.

Other suggestions from Alberta Arthurs:

Per Wastberg—Swedish author and VP, International PEN

Lourdes Arizpe—Mexican anthropologist and former VP, UNESCO

Vice Chancellor, University of CapeTown. First black woman to hold such a post; beneficiary of American grants. [Alberta couldn't remember her name; will check.]

IC. CREATION OF NEW WEALTH/BRIDGE TO THE FUTURE

Bill and Melinda Gates
Kevin Fong—partner Mayfield Fund, leader in SV venture philanthropy movement
Bill and Camille Cosby
Steve Kirsch—CEO of InfoSeek
Timothy Koogle—CEO of Yahoo
Mary Pembroke Perlin—advisor to Gates; co-founder of SVP
Vanessa Kirsch (no relation to Steve)—President, New Profit, Inc.

II. INNOVATORS/NEW FACES

Community Foundations/Pooled Funds

- Emmett Carson—President and CEO, Minneapolis Foundation
- Peter Hero—President, CFSV
- Rebecca Adamson—President, First Nations Development Institution
- Lourdes Miranda—title?, Community Foundations of Puerto Rico

Women's Funds
[more to come from Kelley O'Dell]

- Tracy Gary—recommended by JAG
- Peg Talburtt—President, Michigan Women's Foundation
- Marie Wilson—President, Ms. Foundation
- Ellen Gurzinsky—Executive Director, The Funding Exchange

Family Foundations

- Harrison Steans—President, Steans Family Foundation
- Ann Sheffer—President, Betty Sheffer Foundation
- Alan Alda

Mutual Funds/e-philanthropy, and For- profit Firms

- Cynthia Egan—President, Fidelity Charitable Gift Fund
- X, from Greatergood.com
- Paul Newman—Founder, Newman's Own.

III. TRANSMITTING THE TRADITION

III. A. NATIONAL EFFORTS TO PROMOTE PHILANTHROPY

- Nancy Roberts, The Giving Project and Connecticut Council on Philanthropy

Articulate champion of the major national initiative to increase personal giving. Roberts stresses the gap between Connecticut's wealthy – the state ranks #1 in per capita income – and the inner cities in Bridgeport, New Haven, Hartford and other cities where social services are often destitute in municipalities with declining tax bases.

- Mary Pembroke Perlin, Pacific Northwest Giving Project (Microsoft Millionaires, Social Ventures Partners)

A key player in increasing philanthropy in the Seattle area. She directed Microsoft's corporate philanthropy and served as an early adviser to Bill Gates. Currently works with the area's "Microsoft Millionaires" and directs the Giving Project. Personable, confident speaker.

- Claude Rosenberg, New Tithing

Retired money manager who is now devoting his efforts to a national campaign to educate donors about their actual potential to increase gifts. Rosenberg stresses giving based on net worth, not current income and speaks, writes tirelessly on the need to have Americans give more.

- Harry Saal, Leave a Legacy

See earlier description of Saal. He might be a good spokesperson for this national campaign of the planned giving professionals. I believe he directs it in the San Francisco-SV area.

- Alison Wiley or Albert Ruesga, Forum on RAGS

The association of regional grantmakers leads a national effort, the National Initiative to Promote Philanthropy, or the Giving Project, which provides grants and technical assistance to community foundations, RAGs, and other groups working to increase levels of giving.

- Oprah Winfrey, Oprah's Angels and The World's Largest Piggy Bank

This well-known television personality is a philanthropist herself, but is perhaps most influential by the publicity her nationally syndicated program provides to ordinary citizens who are volunteering or donating. Oprah's Angels provides recognition and the World's Largest Piggy Bank serves to raise funds for causes highlighted on the program.

- X, from Kellogg Foundation

[Chris Kwak? Tom Reis? Bill Richardson? Yackety-Yacker participant?]

- X, from Lilly GIFT program

III. B. TEACHING THE TRADITION

- Dorothy Johnson—President, Michigan Council on Foundations [Leads Kellogg YAC]
- Tracy Wayson—Executive Director, Milwaukee Foundation/Little Women's Fund
- Peter Karoff—President, TPI
- Vanessa Kirsch—President, New Profit Inc.

Deliverables

Malcolm Richardson
07/29/99 03:07:53 PM

Record Type: Record

To: Shirley S. Sagawa/WHO/EOP@EOP, Ellen M. Lovell/WHO/EOP@EOP

cc: Leela deSouza/WHO/EOP@EOP, MaryEllen C. McGuire/WHO/EOP@EOP, Kelley L. O'Dell/WHO/EOP@EOP

Subject: Deliverables

I spoke with the National Society of Fund-Raising Executives (who are a different org. from Nancy Raybin and the AAFRC) about our conference, and their government relations officer, Walter Sczudlo, had a number of ideas for us.

(1) Re-issue the "philanthropy stamp" and announce it at the event. The background is that NSFRE and other groups like Independent Sector persuaded the Postal Service to launch a 32-cent stamp honoring philanthropy -- and it appeared just four months before the rate change. USPS now has a million of the 32 centers in inventory, and Walter warns that they may resist a new issue -- but it would be very popular with our target audience. Perhaps, Ellen, we could also get the USPS to squeeze in the phrase "Gifts to the Future: 2000" or "Honor the Past, Give to the Future"?

(2) Have the Treasury issue a special bulletin of its Survey of Income Statistics (I'll get the exact title) that breaks out charitable deductions by income groups and does also on a state by state basis. Currently, groups like Walter's have to take the raw data and do the breakouts themselves. This would make the fund-raisers happy because it would give them a user-friendly tool -- much like school district report cards -- to benchmark local giving levels. it would also be very popular with the academic researchers.

(3) and the grand finale ... NSFRE is holding a large annual meeting in Washington on October 22 beginning at noon. They would love to have the POTUS and FLOTUS speaking to them via satellite downlink to kick off their conference ....

PHOTOCOPY
PRESERVATION

Fiscal Agent

MaryEllen C. McGuire
08/04/99 03:10:03 PM

Record Type: Record

To: Malcolm Richardson/WHO/EOP@EOP, Ellen M. Lovell/WHO/EOP@EOP, Leela deSouza/WHO/EOP@EOP

cc: Virginia L. Cearley/WHO/EOP@EOP, Josefina Velasco/WHO/EOP@EOP
Subject: Fiscal Agent

I just spoke to Shirley from the road for a second time and have the following comments/info:

Jill Iscoll has **volunteered** her services as fiscal agent. Shirley says to grab the opportunity and prefers we partner up with Dept of Ed as well. Apparently Josefina has had some sort of conversation with them already. Before we go any further with them we need to find out if Gates is on their prohibited list. Leela was going to touch base with Josefina. Also, Jill had given us some names of people to call/follow up with on fundraising. SHirley hasn't made any of those calls yet but says Malcolm knows what they are and should proceed in her absence. She WILL call the Gates people this afternoon.

Shirley wants to confirm that Ellen is meeting with the AOL people. Apparently this is another 'Jill follow up' Ellen was responding to. Ginger could you let me know?

Shirley spoke to Kellogg and they suggested we fundraise from up to 10 different organizations, ask each for a little more than we probably need (ie $30/35 each versus $20/25) and put excess money into a "Conference Follow Up" fund. Of course we would have to administer this follow up ourselves. Shirley and I think this a great idea but something to think through administratively.

So far in terms of funders Shirley likes the idea of:
Gates
Kellogg
Jill Iscoll
a community foundation
Sun Microsystems
Kaufmann (Shirley knows someone to call)
Mott (we need a contact- do you know someone over there)
Peter Hero
Family Foundation- apparently some family foundation is offering up money to fly low income people in, Shirley said Malcolm knows who they are.
-- Kellogg contributed ideas to the list above.

Hope this is helpful. Call with questions x62016.

DEAR LORD BE GOOD TO ME THE SEA IS SO WIDE AND MY BOAT IS SO SMALL

Children's Defense Fund

THE BLACK COMMUNITY CRUSADE FOR CHILDREN

FACSIMILE TRANSMITTAL SHEET

To: Bruce Reed

Organization: DPC

City/State: Washington

FAX number: 456-2878

From: Amy Judge

CDF dept.: IGR

FAX number transmitted from: 662 3550

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Sunday, August 22, 1999.

[Note: August 22, 1999 is the third anniversary of the federal welfare law.]

Contact: **Deborah Weinstein**
(202) 662-3565

Extreme Child Poverty Rises By More Than 400,000 in One Year, New Analysis Shows

States Must Do Far More to Make Welfare Changes Safe and Effective for All Children, Says Children's Defense Fund

Washington, DC. -- The number of American children living in families with incomes below one-half of the poverty line rose to 2.7 million in 1997, up by 426,000 from the previous year, according to an analysis of government data released today by the Children's Defense Fund (CDF).

Moreover, the increase in children below half of the poverty line – termed "extreme poverty" in the report – was directly linked to the weakening protective role of cash assistance and food stamps, CDF found. One-half of the poverty line in 1997 was equal to $6,401 a year for a three-person family (equivalent to $123 a week) or $8,200 a year for a family of four. The analysis differs from past reports because it takes into account taxes and noncash benefits such as food stamps, not just cash income (which includes sources such as earnings and public assistance).

Most of the increase in children below one-half of the poverty line occurred among single mother families, the group most affected by recent welfare changes, CDF found. The number of extremely poor children in single-mother families jumped by 372,000 – or 26 percent – from 1996 to 1997, according to CDF's analyses of data from the Census Bureau's annual Current Population Survey.

The sudden jump in extreme child poverty is especially startling because it occurred despite an unusually strong economy. Prior to the 1997 increase, the number of children living below half the poverty line had dropped for four straight years, the CDF analysis found.

"More families have been successful in finding work, and some of these are escaping poverty. But more than 400,000 children have been pushed much deeper below the poverty line," said Deborah Weinstein, director of CDF's Family Income division. "For many families, increases in earnings have been outweighed by the loss of aid. Too often, families lose food stamps or other help that by law they should continue to get. These families can plunge through the holes in the safety net into extreme poverty."

"States are not doing enough to help the worst-off families find and keep jobs. Food stamps, child care, training, and other work supports can lead to stable work, instead of deeper poverty," said Weinstein, adding that for some families facing multiple hurdles, still other interventions will be needed.

August 22 will mark the third anniversary of the welfare law signed by President Clinton. "When children fall into extreme poverty, they suffer significant increases in stunted growth, lower academic test scores, and lower earnings years later. States must use the funds available to them now to prevent these lifelong losses for children," said Weinstein. Most states have not spent all the federal welfare funds given to them under the 1996 welfare law.

The study found a direct link between increased extreme child poverty and the dwindling protective role of public assistance and food stamps. In 1996, family income from cash assistance and food stamps kept more than 3.6 million children above half of the poverty line, according to the analysis. By 1997, however, these two programs kept less than 3 million children from extreme poverty – meaning they protected 652,000 fewer children than the year before. Had this protective role merely remained constant, the number of extremely poor children would have *shrunk* by 226,000 in 1997, the report found, due to rising employment and growth in non-welfare income among the poorest families. Instead, the weakening of assistance allowed 426,000 more children to fall below half the poverty line.

CDF specially noted the crucial role of food stamps. "In dollar terms, food stamp income didn't decline as much as cash welfare in 1997 for single mother families. But losing food stamps was often the final loss that tipped the family into extreme poverty," explained CDF analyst Arloc Sherman. "Food stamp losses are the big reason we found increases in extreme child poverty, while the official government numbers – which do not count food stamps – do not." Sherman noted that many families who lose food stamps when leaving the cash assistance rolls probably qualify to keep them, but may not know they remain eligible. In addition, most states require families to take time off from work for frequent trips to the welfare office to document their continuing eligibility for food stamps. These rules may make it impossible for working parents to get the assistance their children need.

To make the new welfare systems safe and effective for all children, CDF recommended that states make sure that food stamps and health coverage reach low-income families, whether or not they receive cash welfare. "Outreach by public and private agencies can help to inform families about their eligibility for food stamps, and eligibility should be restored for all legal immigrant children," said Weinstein. "States need to change food stamp office hours and procedures to make them working parent-friendly." CDF also recommended expanded work supports like child care and transportation; effective job training; and a flexible response to severe barriers to employment, which include domestic violence, chronic illness, illiteracy, or pockets of high unemployment. "Some states have started to offer the supports families need," Weinstein said, "but the jump in extreme child poverty shows that, in too many cases, the states aren't doing nearly enough to help the neediest families."

The mission of the Children's Defense Fund is to *Leave No Child Behind*® and to ensure every child a *Healthy Start*, a *Head Start*, a *Fair Start*, a *Safe Start*, and a *Moral Start* in life and successful passage to adulthood with the help of caring families and communities.

Extreme Child Poverty Rises Sharply in 1997

By Arloc Sherman

Children's Defense Fund

The Children's Defense Fund
25 E St NW
Washington DC 20001
www.childrensdefense.org
(202) 628-8787

August 22, 1999

Acknowledgments

Many thanks to the W.K. Kellog Foundation and the Ford Foundation for generous support of the Children's Defense Fund's research on the impact of welfare policy changes on children and their families.

About CDF

The mission of the Children's Defense Fund is to *Leave No Child Behind*® and to ensure every child a *Healthy Start*, a *Head Start*, a *Fair Start*, a *Safe Start*, and a *Moral Start* in life and successful passage to adulthood with the help of caring families and communities.

CDF provides a strong, effective voice for all the children of America, who cannot vote, lobby, or speak for themselves. We pay particular attention to the needs of poor and minority children and those with disabilities. CDF educates the nation about the needs of children and encourages preventive investments in children before they get sick or into trouble, drop out of school, or suffer family breakdown.

CDF began in 1973 and is a private, nonprofit organization supported by foundations, corporation grants, and individual contributions. We have never taken government funds.

Extreme Child Poverty Rises Sharply in 1997

Introduction

Much attention has been paid to the dramatic drop in welfare caseloads that followed the signing of the 1996 welfare law on August 22, 1996. Since then, government figures have revealed an increase in employment for the welfare population, which is important good news. For most of the families leaving the rolls, however, earnings have not risen enough to raise their children out of poverty. For many, employment is unstable at best. Often, available jobs are not enough to offset the loss of government help – a loss that, despite state and federal policies to the contrary, often includes food stamps and medical coverage as well as cash assistance.

One result, according to the findings in this report, appears to be a significant rise in 1997 in the number of children experiencing the most extreme form of poverty. Among children in single-mother families – the group most affected by the welfare law – the number of children living below one-half of the poverty line rose by 26 percent from 1996 to 1997. Additional findings indicate that this surge in extreme childhood poverty was due to the weakening protective role of public cash assistance and food stamps.

The new findings strongly suggest that some families are not yet receiving the help they need to make a successful transition from welfare to work. The findings are consistent with other recent studies, which have found deepening poverty among the poorest families with children, as well as joblessness, inadequate wages, and inability to pay for food and shelter among a sizeable minority of former welfare recipients.

This report is based Children's Defense Fund (CDF) analyses of annual Census Bureau survey data. Extreme poverty in this report is defined as family income below one-half of the federal poverty line – that is, below $6,401 a year (equivalent to just $533 a month or $123 a week) for a three-person family or below $8,200 for a family of four.

The report uses an inclusive definition of income that accounts for taxes and the value of certain noncash help (such as food stamps) as well as conventional sources of cash income counted in official government figures (such as wages and salaries, self employment earnings, government benefit payments, child support, and dividends). (See the technical appendix for detailed definitions.) Although this expanded income definition is broader than the official definition, it is commonly used by researchers both within and outside of government.

The New Findings: Extreme Child Poverty Grows in 1997

Using this expanded definition of income, CDF found that:

- The number of children living in families with incomes below one-half of the poverty line increased by 426,000 (from 2.3 million up to 2.7 million) between 1996 and 1997.

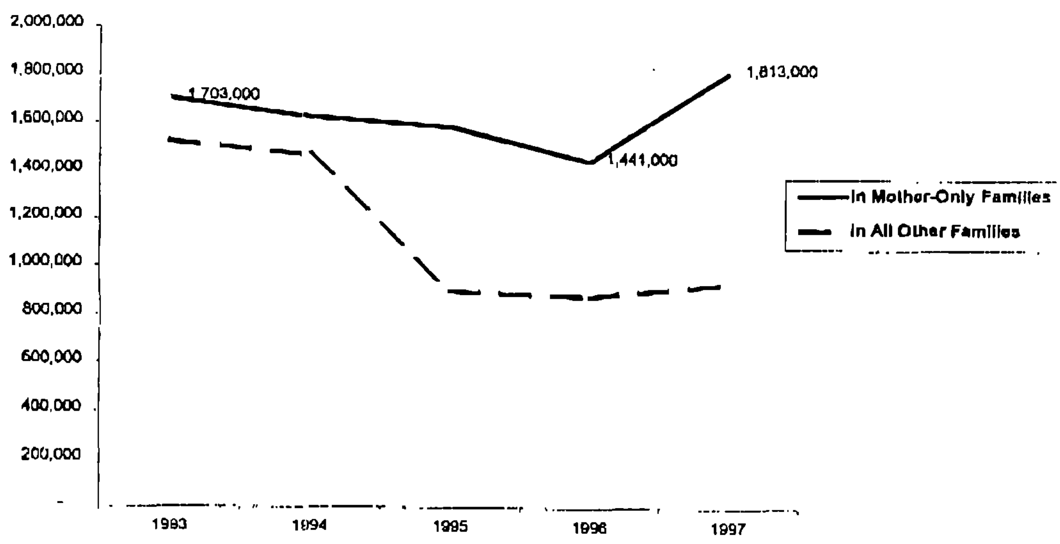
- Most of this increase occurred in mother-only families, the group most affected by the welfare law. The number of extremely poor children in such families surged by 372,000 children – or 26 percent – in 1997, a statistically significant increase.

- By 1997, 1.8 million children in mother-only families lived below half the poverty line.

- In 1997, 10.8 percent of children in mother-only families lived below one-half of the poverty line, up from 8.6 percent the year before.

- The number of extremely poor children in other families (those headed by males or married couples) grew much less, rising by just 54,000 (6 percent) to reach 927,000 in 1997.

Number of Children Below Half the Poverty Line
Using an Expanded Definition of Income, 1993-1997



Source: CDF analysis of March Current Population Survey (March 1994 - March 1998)
See Appendix Table 1 for data.

The increase in extreme child poverty revealed by this expanded measure is surprising for at least two reasons. First, it is sudden. Prior to increasing in 1997, this measure had been falling for four straight years. Second, it runs counter to broad economic trends. The increase coincided with an unusually strong, sustained, and widespread economic boom, which resulted in higher incomes, more employment, and declines in the overall rate of poverty for both children and adults.

In contrast to overall poverty, however, extreme child poverty is a more revealing measure for tracking potential negative effects of welfare changes. That is because most children who receive cash assistance are already in poverty but may not be in extreme poverty. Therefore, it is not appropriate to measure declines in their economic well-being by examining in their poverty status; but it is appropriate to track their exposure to extreme poverty.

Reasons for the Increase in Extreme Child Poverty Among Mother-Only Families

The 1997 increase in extreme child poverty has passed unnoticed until now because official tabulations of Census Bureau data for children under one-half of the poverty line do not account for noncash aid and taxes. Analyses using the official definition of income do not show a significant change in extreme child poverty in 1997.[1]

The Weakening Protective Role of Public Assistance and Food Stamps

Why did CDF find a significant rise in extreme poverty when the official figures did not? One major reason is the role of food stamps. Welfare recipients often stop getting food stamps when they leave the welfare rolls – even though many remain legally eligible for food stamp help. Further, most legal immigrants lost food stamp eligibility in the 1996 welfare law. The following table for mother-only families – the group most affected by welfare changes – shows that simply counting food stamps in the measure of income uncovers a substantial increase in extreme child poverty that is not seen under the official income definition.

These figures suggest that additional outreach to re-enroll these families in the food stamp program could help address the increase in extreme child poverty among mother-only families. Restoring aid to legal immigrants would be another positive step.

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[1] As previous CDF publications have noted, the official cash income definition showed an increase of 394,000 extremely poor children from 1995 to 1997. This increase was noteworthy for three reasons. First, it occurred at a time of general economic growth and falling overall child poverty. Second, it coincided somewhat with increases in state-initiated welfare changes. Third, CDF analyses showed that it could be explained by the diminishing protective role of cash assistance in keeping family incomes above one-half of the poverty line. (See CDF, *Welfare to What?*, 1998.) On the other hand, the official figures on extreme child poverty showed that most of the increase occurred in 1996 and not in 1997, when states were presumably implementing even greater welfare changes. Moreover, a large minority of the increase occurred among married-couple families, which are less affected by welfare changes than are mother-only families. Therefore, the timing and demographic pattern of the earlier data suggested only an ambiguous relationship between welfare changes and welfare policy changes.

Children in Mother-Only Families
Below One-Half of the Official Poverty Line,
By Definition of Income, 1996 and 1997

Income Definition	1996	1997	Change	Percent Change
Cash Income (Official Measure)	4,399,000	4,394,000	-4,000	0%
Cash + Food Stamps	2,576,000	2,864,000	+288,000	+11%
Cash + Food Stamps + School Lunch + Housing + EITC – Taxes (CDF measure)	1,441,000	1,813,000	+372,000	+26%

Note: Table shows children younger than 18 in female-headed families (including "unrelated subfamilies," that is, families not related to the head of the household in which they live) with no spouse present.

Source: CDF analysis of March 1997 and March 1998 Current Population Survey data.

Additional analyses confirm a direct link between the 1997 increase in extreme child poverty and the dwindling protective role of public assistance and food stamps. In 1996, family income from cash assistance and food stamps together kept more than 3.6 million children out of extreme poverty. These were children whose families' incomes from other sources (that is, excluding public assistance and food stamps) were below half the federal poverty line. But counting income from public cash assistance and food stamps put them over that threshold.

By 1997, however, these two government income sources kept fewer than 3 million children from extreme poverty. Thus, *the total number of children protected from extreme poverty by cash aid and food stamps dropped by 652,000 in one year alone.* Had the protective role of these two programs merely remained constant, with 3.6 million children kept from extreme poverty, the number of extremely poor children would have *shrunk* by 226,000 in 1997, due to rising employment and other factors that boosted the non-welfare income among the poorest families. Instead, the weakening of assistance allowed 426,000 children to fall below half of the poverty line. (See Appendix Table 5 for additional details.)

The data indicate that, for these children – whose support from the public safety net has weakened more than their family earning power has improved – extreme childhood poverty was the direct result of declines in government assistance.

Which mattered more, loss of cash assistance or food stamps? Previous analyses of income trends have found that, in dollar terms, means-tested cash assistance fell more than food stamps did for the average mother-only family.[2] Nonetheless, the data shown in this report indicate that, for many families, that loss of food stamps – while perhaps smaller – was frequently the final loss that tipped a mother-only family into extreme poverty.

Larger Families Appear to Face Harder Struggle

Not all types of mother-only families experienced equal increases in extreme poverty in 1997. In fact, much of the increase in extreme childhood poverty among such families occurred in families containing more than two children, the findings suggest.

The circumstances of large families are particularly important for children because a disproportionate number of children live in large families. While large families – with more than two children – comprise only about one in five mother-only families in America, they account for two out of five of the children living in mother-only families. (The size of these "large" families, however, is generally not excessive: on average they have only 3.5 children.)

Among children in these larger mother-only families, the rate of extreme poverty skyrocketed from 10.8 percent in 1996 to 15.3 percent in 1997. In families containing just one or two children, by contrast, the rate rose more slowly, from 7.1 percent to 7.7 percent. Large families accounted for more than 90 percent of the total increase in 1997 in the number of extremely poor children living in single-mother families. The number of extremely poor children in large single-mother families jumped by 50 percent (to 1.0 million), but rose just 3 percent in single-mother families with one or two children. These findings appear to be consistent with earlier results from state studies, which found that, among former TANF recipients, those with more children suffer lower work rates and greater income losses.

One possible explanation for this pattern might be problems with child care. Larger families who leave welfare in search of work may be experiencing special difficulties in finding and keeping a job due to the high cost of child care for their children. Child care expenditure data make clear why these costs might be prohibitive for a large family. The latest Census Bureau figures (for 1993) indicate that the average working mother with just one preschool child in paid child care paid $66 a week for child care – equivalent to about $3,300. For a family of three or more children and very low potential earnings, the result may often be that the cost of child care is simply too great.

A second factor could be greater loss of benefits when families move from welfare to work. States traditionally varied their AFDC cash assistance payments by family size, providing more help to larger families in response to their greater needs. But employers do not typically pay higher wages for larger families. Therefore, a large family that moves

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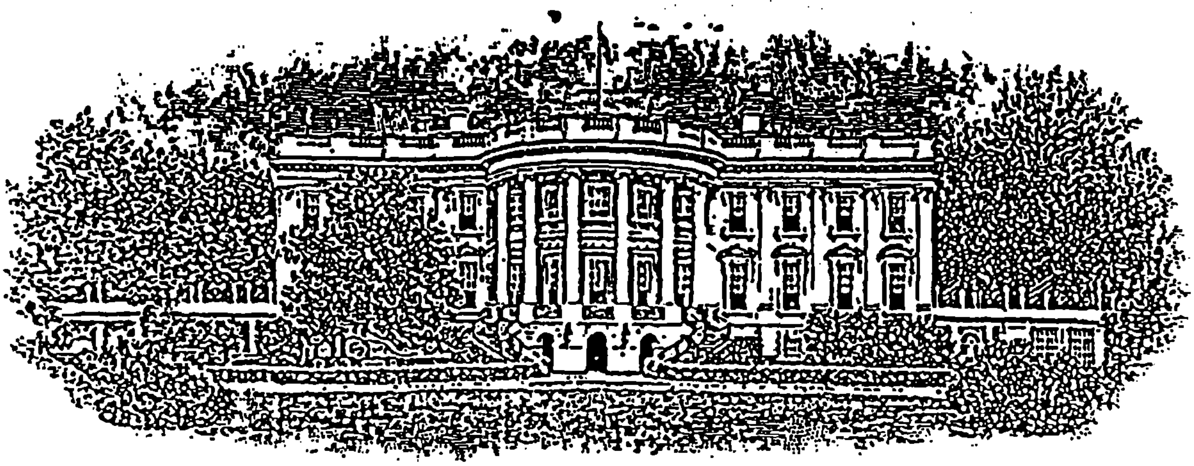
[2] Richard Bavier, "An Early Look at the Effects of Welfare Reform," draft manuscript, June 14, 1999. Bavier is an analyst at the Office of Management and Budget.

08/19/99 THU 11:50 FAX 001

The White House



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PAGES (WITH COVER): 2

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Eric Liu
62878
fax

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