SUBJECT: White House Conference on Philanthropy
Friday, October 22, 1999

DATE: October 12, 1999

Themes

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Purpose? To challenge every American to become a philanthropist or expand their giving.

Why now? In the new millennium, the American tradition of philanthropic giving may take a new turn.

- Giving has reached a new high, rising over 10% in 1998, the third consecutive year in which giving increased.
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- Just as the strongest economy in a generation has produced unprecedented new wealth, the baby boom generation is poised to inherit $10 trillion from their parents.
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- 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.

Who will participate? Some of America's leading philanthropists, thinkers, and social sector leaders will examine these trends, and discuss what we can do to preserve our giving tradition. Included are a dozen heroes of philanthropy – every day Americans of all income levels, races, and backgrounds – whose gifts are an example to us all and deserve to be celebrated.

What will the program feature?

The program will explore several key themes:

- "venture philanthropy" (the new way of more involved giving that characterizes Silicon Valley donors),
- giving among communities of color,
- the implications of new technology on philanthropy, and
- teaching the giving tradition to a new generation of youth.

What will the outcome be?

- Paint a new, more realistic picture of philanthropy in the minds of Americans
- Generate new activity and discussion about expanding the tradition
- Inspire Americans to evaluate their own giving

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Heroes: Brief Biographies

MYRIAN ARGUELLO BODNER
Louisville, Kentucky

Considered one of the world's worst natural disasters, Hurricane Mitch left hundreds of thousands homeless, and killed an estimated 10,000 people across Central America in 1998. Longtime U.S. citizen and native Nicaraguan, Myrian Bodner, a Louisville, Kentucky homemaker, was devastated by the news. "It was absolutely horrible. All the crops were gone. It was going to take human resources to build the country up."

To alleviate the suffering, Myrian first worked with longtime friend and registered nurse, Jennifer Salazar, to gather medical supplies to ship overseas. First they approached Supplies Over Seas, a medical foundation, to provide them with medical essentials, then they asked UPS to fly the cargo to Managua free of charge. Shortly after, hospital beds, IV holders and other supplies arrived in Nicaragua to be distributed by the Red Cross. Myrian was there to help.

Upon completion of this first success, Myrian then reached out to the Mustard Seed Communities and her local church and collected $250,000 worth of other daily essentials later distributed by Food for the Poor. Aside from acting as a conduit for these works, Myrian and her family have financially supported each endeavor Myrian orchestrated. Myrian felt she had to help, "Those were faces that I knew - that I've known all my life."

GIL CASTELLANOS
Elmhurst, Illinois

After seeing news accounts of the refugee crisis in the Yugoslavian province of Kosovo, 10-year-old Gil Castellanos was alarmed. Immediately he began talking with his mother Laura about the effects of war and asked her what he could do. Laura told Gil to keep the refugees in his prayers-- Gil said that that was not enough.

Working with his 11-year old sister Ashley, 4-year-old brother Michael, and three children from two other families – Janet, Ray and Diane Barry and Taylor Thorpe, Gil created *Simply from the Heart*, a door to door effort to raise $1 from each resident of his hometown. Accompanied by parents, and under local supervision of The American Red Cross of Greater Chicago, Simply from the Heart's six week effort raised $6,159 for Kosovar refugees.

MATEL "MAT" DAWSON, JR.
Detroit, Michigan

Raised by parents who taught him to work hard, live simply and save money, Matel Dawson has spent his whole 59 year career at Ford Motor Company building wealth to share. By following his parents' advice, this 78 year old forklift operator worked overtime and invested his money, allowing him over the past eight years, to give away more than $1 million.

One of the many things Matel's money is used for is to help students do what he could not - complete an education. At Wayne State University in Detroit his Mat Dawson Jr. Endowed Scholarship provides full four year tuition to deserving students, regardless of race, gender or religion. Handing out the scholarships personally is his way to "meet the kids, follow their progress and know who they are." Other recipients of Matel's philanthropy are the United Negro College Fund ($230,000), Louisiana State University ($200,000) and the NAACP ($150,000).

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In addition to his work on the family foundation, Mr. Steans is involved with numerous Chicago based non-profits as both trustee and director.

Heroes: Brief Biographies

MYRIAN ARGUELLO BODNER
Louisville, Kentucky

Considered one of the world's worst natural disasters, Hurricane Mitch left hundreds of thousands homeless, and killed an estimated 10,000 people across Central America in 1998. Longtime U.S. citizen and native Nicaraguan, Myrian Bodner, a Louisville, Kentucky homemaker, was devastated by the news. "It was absolutely horrible. All the crops were gone. It was going to take human resources to build the country up."

To alleviate the suffering, Myrian first worked with longtime friend and registered nurse, Jennifer Salazar, to gather medical supplies to ship overseas. First they approached Supplies Over Seas, a medical foundation, to provide them with medical essentials, then they asked UPS to fly the cargo to Managua free of charge. Shortly after, hospital beds, IV holders and other supplies arrived in Nicaragua to be distributed by the Red Cross. Myrian was there to help.

Upon completion of this first success, Myrian then reached out to the Mustard Seed Communities and her local church and collected $250,000 worth of other daily essentials later distributed by Food for the Poor. Aside from acting as a conduit for these works, Myrian and her family have financially supported each endeavor Myrian orchestrated. Myrian felt she had to help, "Those were faces that I knew - that I've known all my life."

GIL CASTELLANOS
Elmhurst, Illinois

After seeing news accounts of the refugee crisis in the Yugoslavian province of Kosovo, 10-year-old Gil Castellanos was alarmed. Immediately he began talking with his mother Laura about the effects of war and asked her what he could do. Laura told Gil to keep the refugees in his prayers-- Gil said that that was not enough.

Working with his 11-year old sister Ashley, 4-year-old brother Michael, and three children from two other families – Janet, Ray and Diane Barry and Taylor Thorpe, Gil created *Simply from the Heart*, a door to door effort to raise $1 from each resident of his hometown. Accompanied by parents, and under local supervision of The American Red Cross of Greater Chicago, Simply from the Heart's six week effort raised $6,159 for Kosovar refugees.

MATEL "MAT" DAWSON, JR.
Detroit, Michigan

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Philanthropy Statistics, 1998

Total Giving in the United States (AAFRC's "Giving USA 1998")

- Total giving increased 10.7% (9% in inflation-adjusted terms) in 1998 to $174.52 billion

- Total giving represented 2.1% of gross domestic product in 1998. The last time giving was above 2% of GDP was in 1971

Foundations Statistics

- The total assets of U.S. foundations in 1998 were $329.9 billion
- There has been a sharp increase in foundation formation. The number of active foundations grew by six percent in 1998, the largest annual increase since 1992. Since 1980 the number of grantmaking foundation has doubled, reaching 44,000.
-

Sources of Contributions (AAFRC's "Giving USA 1998")

- Individual giving rose by 9.7% (8% in inflation-adjusted terms) over 1997 – the third consecutive year of gains. The total amount of giving by living individuals was $134.84 billion and represents 77.3% of total 1998 contributions. Personal giving represented 1.9% of personal income in 1998. The last time giving represented 1.9% of personal income was in 1973.

- Non-corporate foundation giving rose 22.8% in 1998 to a total of $17.09 billion.

- Giving by bequest rose by an estimated 7.8% in 1998 to a total of $13.62 billion.

- Corporation giving rose 9.3% to a total of $8.97 billion

Areas of Largest Increase (AAFRC data)

- The largest *percentage* of increase was to public/society benefit organizations, which rose by 29.5%. Many of these are supporting organizations that themselves make grants to other nonprofits. This category also includes civil rights, public affairs, consumer protection, scientific research, and community development organizations.

- The second largest *percentage* increase occurred to environment/wildlife organizations, which rose 28.3%

- Religious congregations and denominations continue to receive the largest share of *dollar support* with 43.6% of allocated dollars, up 4.65% from 1997, for a total of $76.06 billion.

- Education is the second largest recipient of *dollars* with $24.56 billion

Giving Behavior (Paul Schervish et al at the Boston College Social Welfare Institute)

Giving by Low-Income Americans:

- 44% of families in the under-$10,000 income range make gifts, contributing $1,742 million

- 64% of families in the $10,000 - $19,999 family income range make gifts, contributing a total of $3,988 million

From "Giving and Volunteering in the United States, 1999" from Independent Sector

- Over 70% of households reported contributions for 1998

By Age (Independent Sector, 1999):

- 41% of teens contributed to charitable organizations and gave an average of $82 in the past year to charity. Of those teens who gave money, 65% contributed to religious organizations

Volunteer Behavior (Independent Sector's "Giving and Volunteering in the United States, 1999")

- 50% of adults aged 18 and over volunteered in 1998
  This is the highest recorded level of participation in volunteering during the Independent Sector's series

- An estimated 109 million people volunteered an estimated 19.9 billion hours in 1998.

- The volunteer workforce represented the equivalent of over 9 million full-time employees at a value of $225 billion.

  By Age:

- 43% of seniors aged 75 and over reported volunteering – an increase of eight percentage points since 1995.

- 59% of teenagers ages 12 to 17 in 1996 volunteered in the past year. Those 1.3 million teen volunteers gave an estimated 3.5 million hours per week totaling 2.4 billion hours of time.

SPEAKER BIOGRAPHIES

REBECCA L. ADAMSON
Founder and President
First Nations Development Institute

Rebecca Adamson, a member of the Cherokee tribe, is Founder and President of First Nations Development Institute. She has worked nationally as an advocate of local tribal issues and worked with grassroots tribal communities for over 24 years. A founding member of Native Americans in Philanthropy and Funders Who Fund Native Americans, Ms. Adamson currently serves on the President's Council on Sustainable Development/ Sustainable Communities Task Force and is a member of the Social Venture Network (San Francisco, CA) and Women & Philanthropy.

Among the many boards she serves on are the Council on Foundations, the Corporation for Enterprise Development, Independent Sector, the Ms. Foundation for Women, WETV and the National Committee for Responsive Philanthropy. She is also an advisor to many national and international policy organizations, foundations and task forces.

Ms. Adamson was awarded the Council on Foundation's 1996 Robert W. Scrivner Award for creative and innovative grantmaking and the National Center for American Indian Enterprise Development's 1996 Jay Silverheels Award. Ms. Adamson was named a Woman of the Year by Ms. Magazine in January 1997 and a Social Entrepreneur of the Year by *Who Cares* Magazine in 1998.

Ms. Adamson holds a Master's in Science and Economic Development from New Hampshire College in Manchester, New Hampshire where she teaches a graduate course on Indigenous Economics within the Community Economic Development Program.

EMMETT D. CARSON
President and CEO
The Minneapolis Foundation

Emmett D. Carson is president and CEO of the Minneapolis Foundation, one of the largest, oldest and most complex community foundations in the country. He oversees the Foundation's grantmaking, loan making, communications, fund development and investment management activities. As spokesperson, he is responsible for developing collaborative relationships with all sectors and segments of the community as well as with other organizations nationwide. Since his arrival in 1994, the Minneapolis Foundation has embarked on a ten-year $20 million initiative to improve the lives of children and families in poverty, raised record annual gifts ($46 million in fiscal year 1999) and increased total assets under management from $186 million to over $400 million.

Dr. Carson came to The Minneapolis Foundation from the Ford Foundation in New York, where he was as program officer, first in the area of social justice and then in governance and public policy. He managed a $10 million grantmaking budget as part of his responsibilities for domestic and international support of community foundations and the nonprofit sector.

Prior to that he served as project director of the Study on Black Philanthropy at the Joint Center for Political and Economic Studies in Washington, D.C., where he designed and directed the first national study of the charitable giving and volunteer behavior of black and white Americans. Dr. Carson has received numerous awards and fellowships, including a listing as one of the Top 50 Power and Influence people by *The Nonprofit Times* in 1998.

Among his many board memberships, he is a member of the board of the Council on Foundations, an overseer of the Carlson School of Management at the University of Minnesota and serves on the advisory committee of The Urban Institute Center on Nonprofit and Philanthropy. In Minnesota, he serves as a director of the Minnesota Council on Foundations, a governor of Eleven Who Care, KARE-11 Television, and a trustee of Minnesota Meeting.

A native of Chicago, Emmett Carson received a Phi Beta Kappa B.A. in economics from Morehouse College in Atlanta, Georgia, and M.P.A. and Ph.D. degrees in public and international affairs from Princeton University. He is author of several books and dozens of articles on American philanthropy.

STEVE CASE
Co-Founder, Chairman And CEO
America Online, Inc.

Steve Case is Chairman and Chief Executive Officer of America Online, Inc., based in Dulles, Virginia, the world's leading interactive services company. Under his leadership, AOL supports programs that use interactive technology to empower the disadvantaged. To achieve this goal the company created the AOL Foundation in 1997, which uses educational programs, community building and increasing access to interactive services to improve the lives of families and children. These efforts include:

- Providing teams of educators and community leaders with seed money to develop innovative ways to improve student performance through the integration of interactive technology.
- Supporting the volunteer activities of AOL employees
- Promoting telecommunications innovations that strengthen rural community service
- A partnership with the Benton Foundation and the National Urban League, to create the National Digital Divide Clearinghouse, a unique resource that brings together the information on initiatives to narrow the gap between technology haves and have-nots.
- Creation of a philanthropy portal called helping.org, making it easier for people to give their time and money to charities.

Recently, AOL also launched the Giving Tree Service which offers employees information to help them increase the impact of their charitable giving, find ways to get more involved in their community and join "giving circles" with AOL colleagues who share similar interests.

In 1998, Mr. Case and his wife, Jean, created the Case Foundation to serve as a catalyst for action among public, private, non-profit service organizations; civic and faith groups; and individual citizens. The Case family's personal foundation works to address the various challenges of underserved children by embracing a social venture philanthropy model.

Born and raised in Hawaii, Steve Case graduated with a degree in Political Science from Williams College.

LORRAINE CORTES-VASQUEZ
President
Hispanic Federation of New York

MALIK EVANS
Student/ CNS Roundtable Representative

KEVIN FONG
General Partner
The Mayfield Fund

Kevin A. Fong, a General Partner of the Mayfield Fund, specializes in forming and investing in early-stage companies in the communications and software sectors. The Mayfield Fund is a private venture capital partnership based in Menlo Park, California.

Mr. Fong is a director of the Community Foundation of Silicon Valley and one of two co-chairs of its Silicon Valley 2 (SV2), a new fund created for young professionals that promotes intelligent, active and effective giving to nonprofit organizations. He has worked with the community foundation to establish a new regional initiative to increase and promote corporate and individual giving among Silicon Valley residents.

Mr. Fong serves on the Boards of the Western Association of Venture Capital, and Networld/InterOp. He is also a columnist for *Network World* and has worked in management, marketing and technical engineering capacities for companies that include Bell Northern Research, Plantronics and Hewlett-Packard. He also acquired entrepreneurial experience at DAVID Systems, a venture-backed start-up.

He holds an MBA and an MS in Electrical Engineering from Stanford University, and a BS in Electrical Engineering from the University of California, Berkeley.

PETER D. HART
Founder
Peter D. Hart Research Associates

Peter D. Hart founded Peter D. Hart Associates, a public opinion research firm, in 1971. Since that time the firm has conducted more than 5,000 public opinion surveys including interviews with more than two and a half million individuals.

Mr. Hart has been the pollster for NBC News and *The Wall Street Journal* since 1989. In the political realm, he has represented more than 40 U.S. senators and 30 governors, ranging from Hubert Humphrey to Jay Rockefeller and done public policy and cultural issue analysis for clients such as the Smithsonian Institution and the Kennedy Center. In the international realm, he has conducted studies in South America, Europe, Asia, and Africa. The firm also has performed strategic planning projects for such corporate clients as Time Warner Inc., American Airlines, Microsoft, and AT&T.

Mr. Hart appears frequently on major television programs that discuss public policy issues, including *Meet the Press, The Today Show,* and *The NewsHour with Jim Lehrer*. Along with Robert Teeter, he has been selected by NBC News and *The Wall Street Journal* to conduct their public opinion polling- the first time any outside firm has been retained by a news organization to conduct surveys that bear the name of the sponsoring organization.

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Patty Stonesifer helps lead the Bill and Melinda Gates Foundation's mission to improve access to advances in global health and learning as we move into the 21st century.

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SPEAKER BIOGRAPHIES

REBECCA L. ADAMSON
Founder and President
First Nations Development Institute

Rebecca Adamson, a member of the Cherokee tribe, is Founder and President of First Nations Development Institute. She has worked nationally as an advocate of local tribal issues and worked with grassroots tribal communities for over 24 years. A founding member of Native Americans in Philanthropy and Funders Who Fund Native Americans, Ms. Adamson currently serves on the President's Council on Sustainable Development/ Sustainable Communities Task Force and is a member of the Social Venture Network (San Francisco, CA) and Women & Philanthropy.

Among the many boards she serves on are the Council on Foundations, the Corporation for Enterprise Development, Independent Sector, the Ms. Foundation for Women, WETV and the National Committee for Responsive Philanthropy. She is also an advisor to many national and international policy organizations, foundations and task forces.

Ms. Adamson was awarded the Council on Foundation's 1996 Robert W. Scrivner Award for creative and innovative grantmaking and the National Center for American Indian Enterprise Development's 1996 Jay Silverheels Award. Ms. Adamson was named a Woman of the Year by Ms. Magazine in January 1997 and a Social Entrepreneur of the Year by *Who Cares* Magazine in 1998.

Ms. Adamson holds a Master's in Science and Economic Development from New Hampshire College in Manchester, New Hampshire where she teaches a graduate course on Indigenous Economics within the Community Economic Development Program.

EMMETT D. CARSON
President and CEO
The Minneapolis Foundation

Emmett D. Carson is president and CEO of the Minneapolis Foundation, one of the largest, oldest and most complex community foundations in the country. He oversees the Foundation's grantmaking, loan making, communications, fund development and investment management activities. As spokesperson, he is responsible for developing collaborative relationships with all sectors and segments of the community as well as with other organizations nationwide. Since his arrival in 1994, the Minneapolis Foundation has embarked on a ten-year $20 million initiative to improve the lives of children and families in poverty, raised record annual gifts ($46 million in fiscal year 1999) and increased total assets under management from $186 million to over $400 million.

Dr. Carson came to The Minneapolis Foundation from the Ford Foundation in New York, where he was as program officer, first in the area of social justice and then in governance and public policy. He managed a $10 million grantmaking budget as part of his responsibilities for domestic and international support of community foundations and the nonprofit sector.

Prior to that he served as project director of the Study on Black Philanthropy at the Joint Center for Political and Economic Studies in Washington, D.C., where he designed and directed the first national study of the charitable giving and volunteer behavior of black and white Americans. Dr. Carson has received numerous awards and fellowships, including a listing as one of the Top 50 Power and Influence people by *The Nonprofit Times* in 1998.

Among his many board memberships, he is a member of the board of the Council on Foundations, an overseer of the Carlson School of Management at the University of Minnesota and serves on the advisory committee of The Urban Institute Center on Nonprofit and Philanthropy. In Minnesota, he serves as a director of the Minnesota Council on Foundations, a governor of Eleven Who Care, KARE-11 Television, and a trustee of Minnesota Meeting.

A native of Chicago, Emmett Carson received a Phi Beta Kappa B.A. in economics from Morehouse College in Atlanta, Georgia, and M.P.A. and Ph.D. degrees in public and international affairs from Princeton University. He is author of several books and dozens of articles on American philanthropy.

STEVE CASE
Co-Founder, Chairman And CEO
America Online, Inc.

Steve Case is Chairman and Chief Executive Officer of America Online, Inc., based in Dulles, Virginia, the world's leading interactive services company. Under his leadership, AOL supports programs that use interactive technology to empower the disadvantaged. To achieve this goal the company created the AOL Foundation in 1997, which uses educational programs, community building and increasing access to interactive services to improve the lives of families and children. These efforts include:

- Providing teams of educators and community leaders with seed money to develop innovative ways to improve student performance through the integration of interactive technology.
- Supporting the volunteer activities of AOL employees
- Promoting telecommunications innovations that strengthen rural community service
- A partnership with the Benton Foundation and the National Urban League, to create the National Digital Divide Clearinghouse, a unique resource that brings together the information on initiatives to narrow the gap between technology haves and have-nots.
- Creation of a philanthropy portal called helping.org, making it easier for people to give their time and money to charities.

Recently, AOL also launched the Giving Tree Service which offers employees information to help them increase the impact of their charitable giving, find ways to get more involved in their community and join "giving circles" with AOL colleagues who share similar interests.

In 1998, Mr. Case and his wife, Jean, created the Case Foundation to serve as a catalyst for action among public, private, non-profit service organizations; civic and faith groups; and individual citizens. The Case family's personal foundation works to address the various challenges of underserved children by embracing a social venture philanthropy model.

Born and raised in Hawaii, Steve Case graduated with a degree in Political Science from Williams College.

LORRAINE CORTES-VASQUEZ
President
Hispanic Federation of New York

MALIK EVANS
Student/ CNS Roundtable Representative

KEVIN FONG
General Partner
The Mayfield Fund

Kevin A. Fong, a General Partner of the Mayfield Fund, specializes in forming and investing in early-stage companies in the communications and software sectors. The Mayfield Fund is a private venture capital partnership based in Menlo Park, California.

Mr. Fong is a director of the Community Foundation of Silicon Valley and one of two co-chairs of its Silicon Valley 2 (SV2), a new fund created for young professionals that promotes intelligent, active and effective giving to nonprofit organizations. He has worked with the community foundation to establish a new regional initiative to increase and promote corporate and individual giving among Silicon Valley residents.

Mr. Fong serves on the Boards of the Western Association of Venture Capital, and Networld/InterOp. He is also a columnist for *Network World* and has worked in management, marketing and technical engineering capacities for companies that include Bell Northern Research, Plantronics and Hewlett-Packard. He also acquired entrepreneurial experience at DAVID Systems, a venture-backed start-up.

He holds an MBA and an MS in Electrical Engineering from Stanford University, and a BS in Electrical Engineering from the University of California, Berkeley.

PETER D. HART
Founder
Peter D. Hart Research Associates

Peter D. Hart founded Peter D. Hart Associates, a public opinion research firm, in 1971. Since that time the firm has conducted more than 5,000 public opinion surveys including interviews with more than two and a half million individuals.

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THE CHRONICLE OF PHILANT

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Moving Giving off the Dime

Can White House increase share of U.S. income that goes to charity?

By THOMAS J. BILLITTERI

WASHINGTON

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

Continued on Page 10

David Treadwell, of Washington's Central Union Mission: "You h... r a... but other people are unwilling to sacrifice $16 becau... th...

Index

A Surge of Volunteers

Americans are volunteering in record numbers, a new survey reports. But average monetary contributions are up only slightly—and as a percentage of

Despite Economic Boom, Americans Donate Small Portion of Income to Charity

Continued from Page 1

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?"

Rise in Total Given

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,

Continued on Page 12

Page 12 — Continued from Page 10

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."

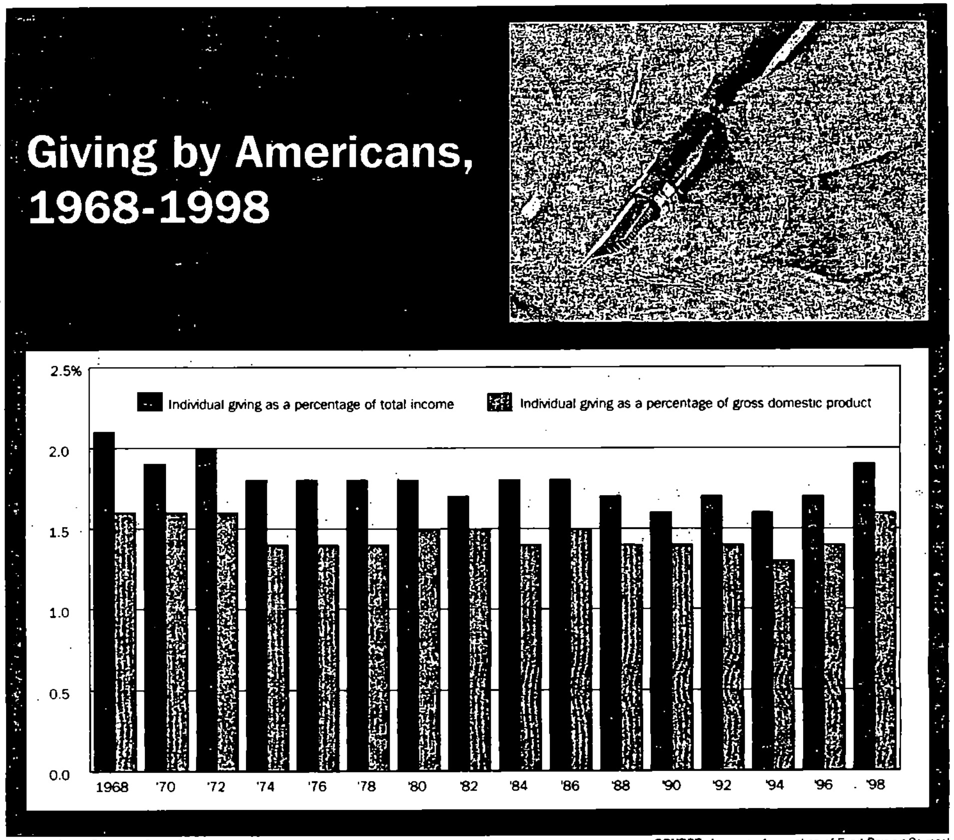


PHOTO: © Jon Feingersh/Stock Market

SOURCE: American Association of Fund-Raising Counsel

Spirited Debate

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."

Limits on Generosity

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 before, to 111,000, showing that the ranks of the wealthy are on the rise. But those

Conti on Page 14

Big Gifts Do Little to Change National Giving Averages

Gates Pours $6-Billion More Into Foundation . . . Gates Foundation to Give $1-Billion for Scholarships . . . Microsoft Founder to Become Biggest Benefactor in History

Read the headlines, and you'd think that Microsoft mogul Bill Gates could single-handedly raise the national averages for per-capita giving to charity. This year alone, Mr. Gates and his wife have poured $16-billion into the Bill & Melinda Gates Foundation, more money than any other U.S. donors have given to charity by far.

But big gifts are one thing. Moving the national averages are another. Even the Gateses' breathtaking largesse won't make a significant difference in the level of giving when expressed as a share of personal income or gross domestic product.

That's because national giving averages rely largely on information that donors report to the Internal Revenue Service—specifically, the amount of charitable deductions that donors are allowed to claim each year on their income taxes. And not even the Gateses—the world's wealthiest couple—make enough to let them write off their donations all at once.

Under federal tax law, donors can never claim a charitable deduction for gifts that total more than 50 per cent of their adjusted gross income. Write-offs on contributions to private foundations are limited even more—to 30 per cent of the donors' annual income for gifts of cash, 20 per cent for gifts of property such as stock.

Because the Gateses' gifts have been in Microsoft stock, to claim a deduction on the $16-billion all in one shot, they would need a combined adjusted gross income of about $80-billion this year. Mr. Gates's compensation from Microsoft in 1999? $623,373.

Even if the Gateses could claim a deduction for, say, $5-billion of this year's $16-billion in donations, personal U.S. giving as a percentage of gross domestic product would remain virtually unchanged, at about 1.6 per cent, based on data from *Giving USA*, a statistical almanac published by the American Association of Fund-Raising Counsel.

In fact, big gifts never seem to have much of an effect on national average-giving figures. A look back at another heyday of philanthropy—the Roaring '20s—underscores the point.

In 1928, donors made 500 lump-sum gifts of $1-million or more to charity, Ohio State University professor emeritus Robert H. Bremner wrote in his book, *American Philanthropy*. Yet even those gifts—huge for America's pre-Depression economy—failed to raise the overall level of giving in the nation.

Charitable gifts claimed by taxpayers on their I.R.S. returns totaled $533-million in 1928, $25-million more than in the year before. But giving as a share of Americans' income? It dropped in 1928—to 1.84 per from 1.94 per cent the year before.

—THOMAS J. BILLITTERI

Page 14

Charities Look to Washington for Policies to Help Spur Philanthropy

Continued from Page 12

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.

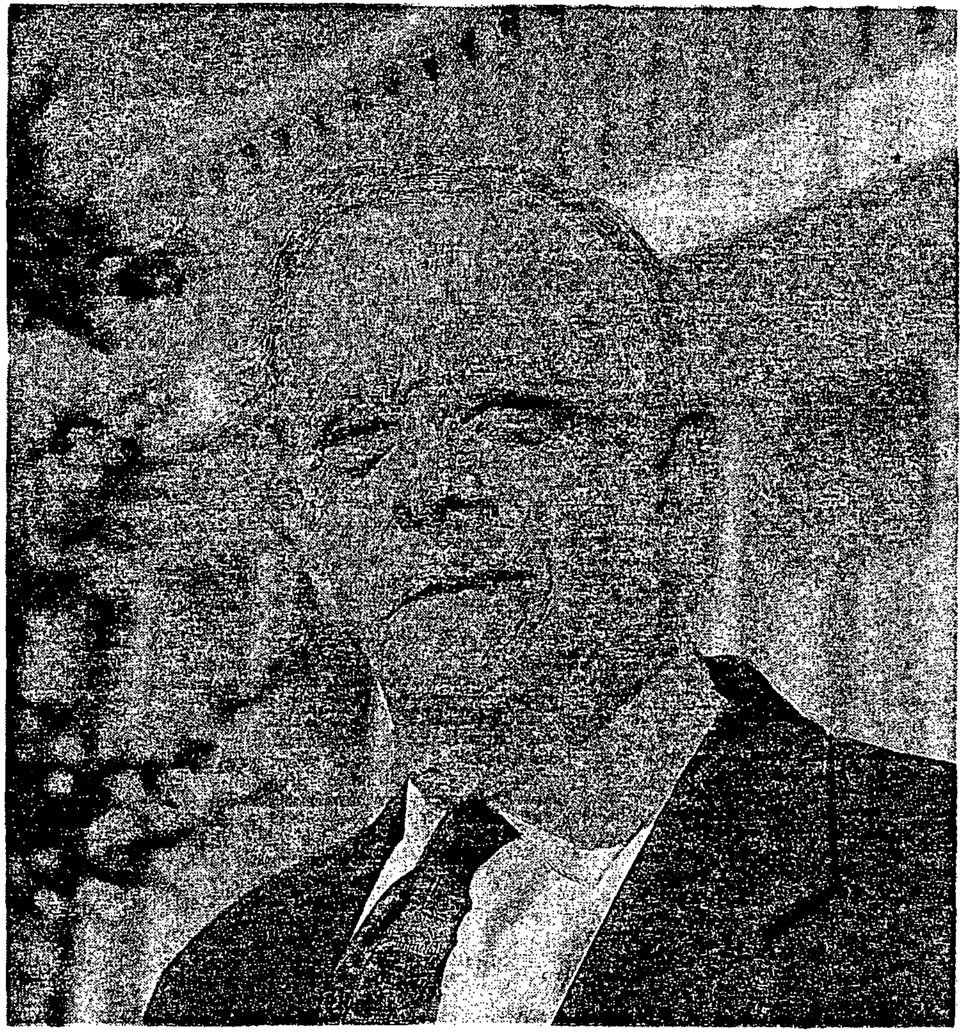
"On one side, there is more wealth," Mr. Clotfelter concludes, "but on the other side, the wealthy don't have as much tax-related incentive to give."

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."

Estate-Tax Debate

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.



ADDISON GEARY, FOR THE CHRONICLE

Princeton University professor Julian Wolpert: "With wealth going up and when our economy is good enough that savings seem less important, one would expect that more of that surplus would go to charity."

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.

Trillions of Dollars

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 sleep-

Continued on Page 16

Growing Ranks of Fund Raisers Haven't Increased a Key Measure of Giving

From Morality to Taxes, Experts Seek to Explain Americans' Lack of Generosity

Continued from Page 14

ing 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."

Two Tax Provisions

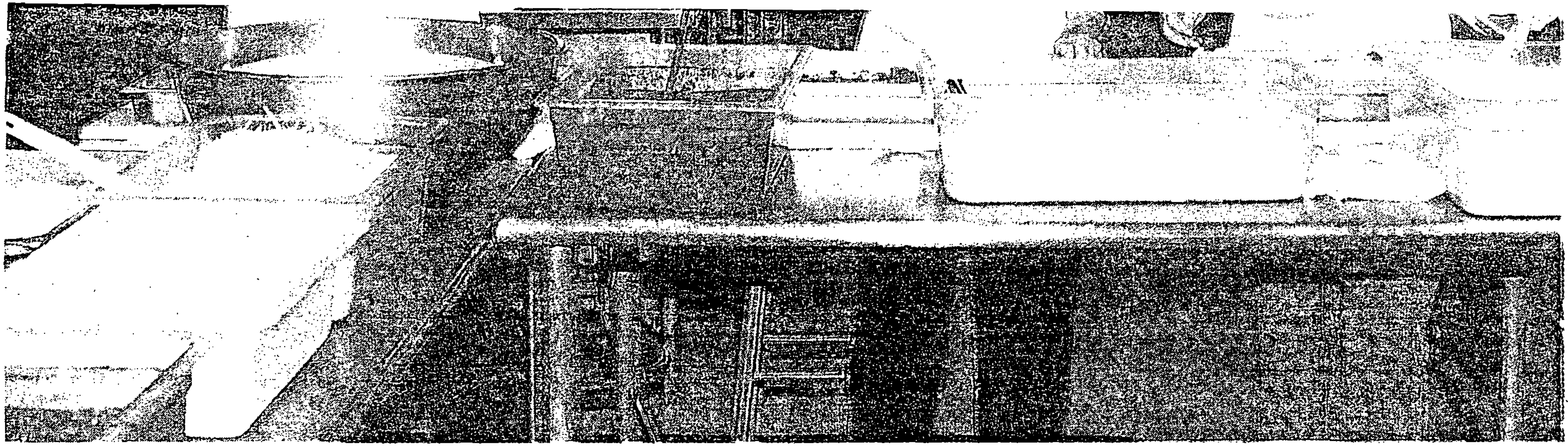
Other tax ideas also need a serious look from the White House and Congress, charity advocates say. They point to two provisions that died last summer in the bitter fight over taxes. One would allow older people to shift assets from individual retirement accounts to charity without incurring income taxes; 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."



LARRY DOWNING, ARCHIVE PHOTOS

The White House is trying to deflate expectations that its conference on philanthropy will prompt major changes, but both President Clinton and the First Lady have long promoted volunteering: Last December, they made lasagna at a Washington soup kitchen with AmeriCorps volunteer Jill Mueller.

Philanthropy Takes the Bully Pulpit

Charities hope that conference at White House stimulates giving

By JENNIFER MOORE and GRANT WILLIAMS

WASHINGTON

PHILANTHROPY will be in the national spotlight this week as the Clinton Administration holds the first White House conference ever to focus on charitable giving.

President Clinton and Hillary Rodham Clinton have invited 150 donors, charity executives, and others to attend the "White House Conference on Philanthropy: Gifts to the Future."

Among the topics to be discussed: how traditions of philanthropy can be passed to future generations, how companies can encourage individuals to increase their philanthropy, and how people who are making fortunes in high-technology fields are reshaping the non-profit world.

Non-profit leaders say they are eager for the attention. "If there was ever a right moment to step back, look at the big picture, and pull the key players in philanthropy together, this is it," says Bill Shore, founder of Share Our Strength, a Washington organization that fights hunger and poverty, and a former aide to two Democratic Senators.

"It's such a dynamic time, in part because of all the new wealth that's being created by philanthropists who are younger and giving their money away earlier—the Silicon Valley entrepreneurs," says Mr. Shore. "It's also because our social institutions have changed dramatically: Non-profit organizations have assumed responsibility for being the service providers in a lot of areas where government was once *the* provider."

Nice People Saying Nice Things

Others doubt that White House gatherings can really stir debate and force big changes in public attitudes.

"I look forward to seeing what comes out of it," says Chris K. Olander, executive director of the JM Foundation, in New York, "but I have a feeling that a lot of nice people will get together and say nice things and then not much is going to be accomplished."

Mr. Olander adds, "I hope some people who disagree with the Clintons on some of their basic precepts—they deeply believe in the public sector—are invited to discuss the role of philanthropy and ask some tough questions. But I don't expect that at a White House conference. That's not what White House conferences are for."

Still, many charity officials expect that the high-profile conference will lead Americans to focus on

Continued on Page 10

First Lady to Have a Big Role at White House Philanthropy Conference

Continued from Page 9

charitable giving the way similar gatherings at the Clinton White House have brought attention to issues of early-childhood development and child care.

Matthew E. Melmed, executive director of Zero to Three: National Center for Infants, Toddlers, and Families, a Washington charity, says his organization continues to benefit from those conferences.

"The conferences opened up a whole new door of awareness and opportunity for us to step through in terms of working with people in the media and policy makers," he says.

Adds Jennifer Furla, co-chair of Leave a Legacy Kansas City, a group that promotes charitable giving through estate planning, "Anytime you have a President and First Lady involved in an issue, it certainly is a motivating force."

But White House officials and others are cautioning against inflated expectations about the influence of the conference on philanthropy.

Shirley S. Sagawa, deputy chief of staff to the First Lady, says that while an indirect goal of the conference would be to see charitable giving nationwide rise, "it would be unrealistic to think that one conference or a challenge by the President or First Lady would somehow increase giving when we know that it's been so steady over time." (For an examination of giving trends in recent decades, see story on Page 1.)

Guest List Not Released

Just days before the event, the Clinton Administration was still working out the details of the conference agenda and drawing up a list of speakers. The meeting's organizers are posting updates on the gathering—before and after the event—on a Web site at *http://www.giftstothefuture.gov.*

The White House has declined *The Chronicle*'s request to disclose the costs of the conference or the names of any foundations or companies that are helping defray its expenses. The Administration also would not provide an advance copy of its guest list.

Because of the small size of the White House's East Room, conference planners had to limit the number of people invited. But thousands are expected to watch portions of the conference via satellite broadcast to special sites around the country or through a computer cybercast. The White House said last week that some 1,500 sites will receive the satellite broadcast.

Mrs. Clinton is expected to moderate the entire event, while the President is scheduled to give a short speech at the close of the first session. To help illustrate the conference's themes, the White House plans to show a videotape of "heroes" who have given their time or money to help a cause.

"We want to paint a picture of philanthropy in this country that's more true to the reality that givers come from all backgrounds, all races, all economic levels, all educational backgrounds," says Ms. Sagawa. "While it's often the extremely large gifts from extremely wealthy people that capture people's attention, the real backbone of giving to the non-profit sector and to people in need who might not be connected to any social program are regular people who ought to be celebrated."

"Anytime you have a President and First Lady involved in an issue, it certainly is a motivating force."

Even so, the conference apparently will count at least one well-known name among its speakers, Steve Case, chairman of America Online.

The timing of the White House meeting makes it unlikely that any major proposals to influence public policy will be announced.

One reason, according to Administration officials: Congress and the President are just now trying to wrap up their spending decisions for the federal budget for the new fiscal year and are not yet thinking about plans for next year. "Don't expect any major announcements, because the timing's wrong," says Ms. Sagawa.

Another reason that major policy proposals are unlikely to emerge: The strong possibility that Mrs. Clinton will run for a Senate seat in New York next year. White House officials are reportedly concerned that Mrs. Clinton's critics might accuse her of using the conference to advance her standing in the political world and are taking great pains to insure that the conference agenda avoids such a trap.

Planned More Than a Year Ago

But Ms. Sagawa says that the First Lady's potential Senate bid has had no effect on the conference's agenda. Plans for the meeting have been in the works for more than a year, she says, "well before" Mrs. Clinton considered running for office. "This has nothing to do with her political aspirations," says Ms. Sagawa. "If people look at her track record of working with non-profits and talking about the importance of giving in a whole variety of ways, especially around the world, they'll see that this is an interest that she's had for many, many years."

Many charity officials back up that point. Kathy McKinless, an audit partner at the accounting firm KPMG and a trustee of Greater DC Cares, which coordinates volunteer services, recalls how the First Lady served as the keynote speaker two years ago at the charity's annual conference.

Last year, Mrs. Clinton returned to the meeting to be part of a panel discussion. "She talked about the very topic she's talking about nationally now—about the need for people to give and the importance of corporations and businesses to support philanthropy," says Ms. McKinless.

Still, some non-profit leaders worry privately that the White House will be so concerned about a potential backlash against Mrs. Clinton that this week's conference will have little substance. They say that is especially worrisome since this is probably the last major opportunity for the Administration to influence philanthropy before President Clinton leaves office.

Washington Realities

Perhaps more important than the conference itself will be efforts by the Administration and charity leaders to follow up on the meeting.

"The reality in Washington is there are so many things that pop up that it's very hard for the White House to stay focused on one or two or three initiatives," says Chris Kjeldsen, vice-president of community and workplace programs for Johnson & Johnson, who attended the White House conference two years ago on early-childhood development.

But the Clinton Administration continued to pay attention to that issue after the 1997 conference, he says. Mr. Kjeldsen was named to a special committee formed to help come up with a list of corporate policies that do the most to help workers deal with their family responsibilities, and the panel later presented its recommendations in person to the First Lady, the President, and Cabinet secretaries.

"The day after a White House conference, you'll see splashes of news in the papers about it," he says. "But it's what happens the weeks afterward that really matter."

While an Administration must follow through, so must participants and observers, Mr. Kjeldsen adds. "If the volunteers are energized," he says, "then it really is up to them to make sure the issue stays on the agenda of the White House, and on the American people's agenda, too."

Getting Ideas From Young People

Government agencies and non-profit organizations alike have announced plans to try to make that happen.

For example, the Corporation for National Service has scheduled a meeting of 25 representatives of youth organizations the same morning as the White House conference to look at ways to encourage people ages 14 to 24 to get involved in philanthropy.

American Red Cross chapters, United Ways, regional associations of grant makers, planned-giving councils, and other organizations across the nation are holding discussion groups just before—or just after—local non-profit officials watch the first session of the White House conference through satellite transmissions. Many of those organizations have invited members of Congress and elected officials of local governments to attend the sessions.

Some organizations hope to use the conference as a chance to take a closer look at local giving. The Connecticut Council for Philanthropy, for example, plans to release updated figures on giving to charities in the state.

And some organizations are scheduling follow-up meetings. The Washington Regional Association of Grantmakers says it will gather local groups on December 1 to discuss ways to encourage people who haven't given to charity in the past to become donors.

A few foundations, including the country's largest philanthropy, the Bill & Melinda Gates Foundation, are also starting to think about ways to build on momentum generated by the conference. Says Trevor Neilson, a spokesman for the Gates Foundation: "I think there will be follow-up activities and there's a good chance that we'll be involved with them."

OPINION

Commentary and Letters

It's Time to Rein In the Power of the Biggest Donors

By BARBARA DUDLEY

ALTHOUGH THE STATED PURPOSE of this week's White House conference on philanthropy is to explore ways to "sustain and expand" the American tradition of giving, the event's organizers would be well served to also explore how the growth of philanthropy is contributing to the demise of democracy. The President and Mrs. Clinton would do well to use the meeting to highlight the tradeoffs that come when decision making about the public welfare is removed from the public arena and put into the hands of private philanthropists.

Since the early days of our republic, charitable giving has fortified and supplemented the role of government and churches in higher education, medicine, care for the needy, and support for the arts. But at various times, when the large and concentrated gifts of the extremely wealthy have had a disproportionate impact on the egalitarian principles of our democratic system of government, Congress and the public have sought to rein in that influence. With an unprecedented gap in income between rich and poor Americans as well as between rich and poor nations—the United Nations Development Program reports that the world's three richest people have more wealth than the combined gross domestic products of the 43 poorest countries—now might be another good time to consider whether the pendulum of private philanthropic influence has swung too far.

MY VIEW

When important decisions about public policy are made by wealthy individuals rather than by citizens or elected officials, people lose faith in our system of democracy.

Two trends in recent decades—tax cuts for the wealthy and the privatization of government services—have contributed to the current situation.

In the political debates of today, it is no longer assumed that government has an obligation to provide a public education for all of America's children, much less health care, decent housing, enough to eat, safe places to play, public libraries. Privatization is the watchword: private schools, private health care, private retirement plans, private roads. While everyone is scrambling to get rich enough to pay for their own family's private welfare, the "general welfare" that our Constitution promised to promote has increasingly been relegated to private philanthropy.

Some donors have risen to the challenge. With the United Nations reduced to seeking funds from wealthy individuals to make up for the shortfall caused by the shameful default on its dues by the United States, Ted Turner pledged \$1-billion to support vital humanitarian programs. Though admirably generous, the gift, at least in part, can be viewed as a substitute for democratic decision making—the stuff that ought to be the function of elected representatives.

Or take the case of Bill Gates. Mr. Gates, one of the chief beneficiaries of today's global economic free-for-all, is worth nearly \$100-billion—more than many of the world's nations. He has recently endowed his family foundation with 17 of those billions, making it the largest private foundation in America. Through his foundation, Mr. Gates will distribute enormous sums of money to computerize schools and libraries, to immunize children and fight specific diseases, to provide scholarships to minority students, and to support other worthy projects of his choosing in his hometown, Seattle, and throughout the world.

But what does it mean when someone like Mr. Gates can make a multimillion-dollar gift to the public schools earmarked for the computerization of education? It's not the self-interested aspect of the grant that offends. Mr. Gates believes strongly in the importance of computers in schools, and he may be right. What offends is the fact that he gets to decide what the schools' priorities should be without having to churn his billions through a democratic process the way the rest of us churn our thousands.

In the continuing debate over federal and state financing of education, one frequently hears the argument from the right, left, and center that it is not appropriate to dictate to a school district the purposes for which it can or must use funds. Local school boards, parents, teachers, and administrators know best what is needed to improve the quality of education in their communities, be it more textbooks; restoration of music, art, or sports programs; smaller class sizes; higher teacher salaries; or new school buildings.

But the concept of "local control" is never publicly raised when Bill Gates's foundation makes a multimillion-dollar gift to the public schools earmarked for computerization of education. Apparently if you create a foundation with your wealth, not only can you escape paying taxes on that wealth—you also get to define the "general welfare."

Given the current atmosphere of disgust with government and distrust of all public officials, many would probably say they trust Bill Gates to make better decisions than the President, governor, or even the school board. The flaw, however, is that Bill Gates isn't accountable to anyone—and when important decisions about public policy are made by wealthy individuals rather than by local citizens or elected officials, people lose faith in our system of democracy. They no longer believe that their opinion, or their vote, or their participation in civic life matters.

Indeed, that lack of civic involvement is already at a critical state. Many factors are enumerated and blamed, from television, to money in politics, to corruption of the political process, to globalization. But in their own way, philanthropists with the power to make profound change on their own, without any political accountability, contribute to the sense of powerlessness.

TRADITIONALLY, America has tried to check the power of the wealthy—and provide for the welfare of all—through the income-tax system. Through taxes we were to have the means to provide for public schools, parks, roads, and sewers, as well as national defense. In the current political climate, it is difficult to imagine a serious discussion of tax overhaul that would increase taxes on the super-wealthy. But that is precisely what is needed to put decision making on matters of public policy back where it belongs.

To be sure, at any given moment, a significant minority of us probably disagrees with the specific expenditures our government officials make with our tax money. Flawed and frustrating as that may be, it's the essence of democracy. If the White House conference focuses on increasing philanthropy without dealing with the fact that our democratic system suffers when important decisions about public policy can be made by wealthy individuals outside the political process, then a great opportunity will be lost.

Barbara Dudley was a program officer and executive director of the Veatch Program, a grant-making program of the North Shore Unitarian Universalist Society, from 1987 to 1992. She also served as executive director of Greenpeace USA from 1993 to 1997.

Ranks of Volunteers Swell to a Record but Donations Dip, Survey Finds

By STEPHEN G. GREENE

AMERICANS ARE VOLUNTEERING in record numbers, a new survey reports, although their charitable contributions have dipped slightly.

An estimated 109 million people—or about 56 per cent of all American adults—volunteered some of their time last year, according to the report. That's a big jump from 1995, when 93 million Americans—49 per cent of the adult population—volunteered.

The average contribution per household, however, fell a bit after adjusting for inflation, from $1,088 in 1995 to $1,075 last year. The decline was particularly noticeable among donors in the top income categories.

The average amount of time each person spent volunteering dropped below 4 hours for the first time, to 3.5 hours a week. But the aggregate time spent volunteering in formal programs—excluding informal activities like free babysitting or baking items for a charity fund-raising event—was at an all-time high, at 15.8 billion hours.

"The proportion of Americans doing volunteer service is at its highest level ever—and is rising," says Susan Saxon-Harrold, vice-president for research at Independent Sector, which is issuing results from its survey this week. "That's very good news."

Independent Sector, a national coalition of major charities and grant makers, has commissioned surveys of American patterns of giving and volunteering six times since 1987. Its latest report is based on responses from more than 2,500 people interviewed in May, June, and July by the Gallup Organization.

The report analyzes giving and volunteering patterns by age, sex, race, marital status, income, education level, and employment status, and samples public attitudes about giving. It does not capture giving patterns of the wealthiest Americans, however.

Over all, more than 70 per cent of all households reported donating money last year, up marginally from the fewer than 69 per cent who reported giving in 1995—although still less than the 1989 figure of 75 per cent.

Household Giving to Charity

	1987	1991	1995	1998
Percentage of households that gave to charity	71.7%	72.2%	68.5%	70.1%
Households that give to charity				
Contributions in current dollars	$790	$899	$1,017	$1,075
Contributions in inflation-adjusted dollars	$1,134	$1,076	$1,088	$1,075
Percentage of household income	1.9%	2.2%	2.2%	2.1%

SOURCE: Independent Sector

As a percentage of household income, donations also ticked downwards—from an average of 2.2 per cent in 1995 to 2.1 per cent in 1998.

That decline, which occurred as the United States continues to enjoy a long period of low inflation and a robust economy, reflects an increase in the number of people with modest incomes making contributions, the report says. The percentage of Americans with income less than $20,000 who gave to charity rose last year, for example.

"We've got people feeling more financially secure, which translates into a broader participation rate of households making contributions," Ms. Saxon-Harrold says.

The share of people who worry about having enough money in the future declined from 74 per cent three years ago to 67 per cent this year, for example, while 25 per cent of Americans now say they have more money left over at the end of the year than they did the previous year, compared with 19 per cent who said that three years ago.

Among Americans with the lowest annual incomes—those under $10,000—48.2 per cent were donors last year, compared with 47.3 per cent in 1995. Their donations averaged 5.2 per cent of their income, compared with 4.3 per cent in 1995. (Many people with low incomes may be retired, the report points out, and able to draw upon their accumulated wealth for their donations.)

People with incomes between $10,000 and $20,000 also were more generous last year: 56.1 per cent of them were donors, who gave an average of 3.3 per cent of their income. In 1995, by contrast, only 51.1 per cent of such Americans were donors, and their gifts totaled 2.8 per cent of their income.

Larger percentages of relatively well-off Americans also donated last year. More than 83 per cent of those with incomes between $75,000 and $100,000 gave in 1998 compared with 79.7 per cent in 1995. The percentage of donors rose from 88.6 to 89.1 among those with incomes of at least $100,000.

The percentage of donors shrank slightly among some middle-income people: those with incomes between $20,000 and $30,000, for example, and between $50,000 and $75,000.

And the proportion of wealthier donors in several income categories stayed constant or even declined—as did the amount of their contributions.

Average gifts fell from $3,379 to $2,550 in households with income of $100,000 or more, and from $1,582 to $1,394 in those that earned between $75,000 and $100,000.

The average contribution among all households—including those that do not give—was $754, an increase of 1 per cent after inflation from the 1995 figure.

Income Is Big Influence

Both giving and volunteering are correlated with income, the report notes: As people's income rises, they are more likely to donate both time and money. But the most dramatic growth in volunteers since 1995 has been among those who earned less than $50,000—who often include people at both ends of the age spectrum.

Although the percentage of volunteers increased for all age groups, it was most dramatic among people age 35 to 44, where it swelled by 12 percentage points to 67 per cent. But it also grew significantly among the youngest and oldest age groups: The share of volunteers among people 75 and over increased 9 percentage points to 43 per cent, while among people 18 to 24 the percentage grew by 8 percentage points to 46 per cent.

Among the youngest age group, however, the growing popularity of volunteering did not accompany a rise in gifts. In a trend that charity officials may find disturbing, the percentage of young people giving to charity continued to drop: from 58 in 1993 to 57 in 1995 to 49 last year.

Both giving and volunteering increased in popularity among people over 65, however. The number of Americans in that age group—some 34 million today—is expected to more than double by 2030, Ms. Saxon-Harrold notes, to an estimated 70 million. Charities that figure out how to engage the interest and talents of older Americans will have a great advantage, she says.

"Today's older adults represent a tre-

Continued on Page 18

Minorities Are Volunteering in Record Numbers, According to New Survey

Continued from Page 16

mendous, largely untapped source of energy, commitment, and skills that lie waiting to address some of our social problems," Ms. Saxon-Harrold declares.

But non-profit organizations will have to do a better job of tailoring volunteer opportunities to the needs, interests, and schedules of their volunteers, she adds. Many people say they have limited time to give, and do not want to spend it stuffing envelopes or pushing a hospital cart. What's more, many respondents said they volunteer only seasonally or sporadically because they cannot commit to giving time on a regular basis.

While 39 per cent of volunteers said they preferred to volunteer on a weekly, biweekly, or monthly basis, 41 per cent said they volunteer irregularly, or on a one-time basis.

The growth in volunteers was especially strong among members of minority groups. Some 47 per cent of black Americans volunteered last year, for example—up from 35 per cent in 1995. The trend was nearly as strong among Hispanic Americans, who saw volunteering rise from 40 to 46 per cent.

More Women Than Men Give

Women continue to give and to volunteer in greater numbers than men do, although men's average contributions are somewhat larger. Half of all men say they volunteered last year compared with 45 per cent in 1995. Among women, 62 per cent volunteered in 1998—up 10 percentage points from 1995. On average, men gave 3.6 hours a week, compared with 3.4 hours for women.

The survey gives some evidence that the public has an increasingly favorable view of charities. Nearly 62 per cent of Americans say charities are more effective now than they were five years ago; only 58 per cent agreed with that statement in 1996. And 76 per cent say charities play a major role in making better communities—up from 71 per cent three years ago.

Almost 62 per cent of Americans say charities are honest and ethical in using donations. While that marks a gain from the 60 per cent in 1996, it still lags below the 67 per cent who agreed with that view in 1994.

Somewhat paradoxically, perhaps, fewer people see the need for charitable organizations increasing. About 74 per cent of respondents see a greater need for charities now than five years ago—down from 78 per cent in 1996 and 82 per cent in 1994.

Independent Sector normally publishes its giving and volunteering report every two years. But it waited an additional year this time so as to fall out of step with the national election cycle—and thereby perhaps get more cooperation from people not burned out by answering questions from political pollsters.

The organization will now resume its biennial schedule of reports, Ms. Saxon-Harrold says.

Copies of *Giving and Volunteering in the United States Executive Summary* are available from Independent Sector, 1200 18th Street, N.W., Suite 200, Washington 20036; by phone at (888) 860-8118; by fax at (301) 843-0159; or via the organization's Web site, *http://www.independentsector.org*. The price is $20 ($14 for members) plus $4.50 for postage and handling; bulk-order prices are also available. The full report and data sets will be available next year.

Giving and Volunteering in America

Who Donated Time and Money, 1993-98

	1993				1995				1998			
	Percentage who gave to charity	Average contribution	Percentage of income donated	Volunteers	Percentage who gave to charity	Average contribution	Percentage of income donated	Volunteers	Percentage who gave to charity	Average contribution	Percentage of income donated	Volunteers
All	73.4%	$880	2.1%	48%	68.5%	$1,017	2.2%	49%	70.1%	$1,075	2.1%	56%
Sex												
Male	70.3	996	2.2	44	65.3	1,057	2.1	45	67.5	1,154	2.1	50
Female	76.2	781	2.0	51	71.4	983	2.3	52	72.7	1,002	2.1	62
Race												
White	76.6	907	2.1	51	72.6	1,083	2.3	52	74.5	1,174	2.2	59
Non-white	54.2	659	2.0	28	51.8	651	1.6	36	53.6	639	1.5	38
Black	51.0	663	1.8	29	52.8	668	1.6	38	51.9	658	1.8	47
Hispanic*	65.4	353	1.3	32	56.9	547	1.4	40	62.9	504	1.1	46
Age												
18-24	57.8	514	1.2	45	57.1	287	0.6	38	49.2	478	1.2	46
25-34	66.0	520	1.4	46	66.9	743	1.6	51	66.9	768	1.5	55
35-44	80.4	978	1.8	55	68.5	1,342	2.6	55	74.4	1,071	1.9	67
45-54	80.8	1,241	2.5	54	78.5	955	1.8	55	77.2	1,375	2.2	63
55-64	82.0	1,037	2.4	47	71.7	1,791	3.6	48	69.3	1,345	2.5	50
65-74	76.8	1,135	3.9	43	73.0	980	2.8	46	78.0	897	2.5	47
75 and over	70.7	666	3.2	36	61.5	839	3.7	34	74.1	1,242	4.6	43
Income												
Under $10,000	47.9	207	2.7	34	47.3	295	4.3	35	48.2	329	5.2	42
$10,000-$19,999	66.9	332	2.3	37	51.1	425	2.8	34	56.1	495	3.3	47
$20,000-$29,999	68.1	668	2.7	53	64.9	578	2.3	45	61.4	552	2.2	44
$30,000-$39,999	81.4	715	2.0	56	71.8	722	2.1	46	71.8	734	2.1	54
$40,000-$49,999	83.5	572	1.3	55	75.3	576	1.3	53	78.8	951	2.1	67
$50,000-$74,999	94.0	1,042	1.7	61	81.5	1,170	1.9	60	78.4	1,379	2.2	64
$75,000-$99,999	86.8	1,720	2.0	58	79.7	1,582	1.8	65	83.1	1,394	1.6	64
$100,000 and above	92.3	3,213	3.2	68	88.6	3,379	3.4	69	89.1	2,550	2.2	70
Marital status												
Married	80.5	1,031	2.2	52	78.0	1,248	2.4	56	77.3	1,336	2.3	60
Single	58.7	517	1.3	41	54.9	479	1.3	40	51.8	581	1.3	45
Divorced, separated, or widowed	66.9	648	2.4	40	57.9	685	2.6	41	67.1	603	2.0	52
Employment status												
Employed	78.6	968	2.0	52	70.3	981	1.8	52	71.2	1,072	1.9	59
Full-time	79.2	956	2.1	50	70.7	1,063	2.0	50	72.8	1,090	1.9	58
Part-time	75.5	1,020	1.6	61	68.6	629	1.4	58	64.1	984	2.0	66
Not employed	64.8	710	2.4	41	61.0	1,010	2.6	46	63.0	1,258	2.8	54
Retired	73.7	903	3.5	41	66.6	1,279	4.1	40	73.7	1,044	3.1	45
Education												
High-school graduate or less	63.1	580	1.5	37	59.3	627	1.7	36	61.1	584	1.7	42
Technical, trade school, or some college	80.5	779	1.8	53	74.1	977	2.1	54	72.3	963	1.9	61
College graduate	89.6	1,493	2.8	67	82.3	1,720	2.8	71	82.0	1,748	2.5	72

* Hispanics may be of any race.

Comparisons of People Who Itemize Tax Deductions and Those Who Do Not

	Percentage of all respondents	Average household contribution	Average household income	Percentage of income donated to charity
All itemizers	40.5%	$1,277	$61,782	2.1%
Itemizers who claim charitable deductions	29.0	1,655	67,220	2.5
Itemizers who do not claim charitable deductions	9.9	270	47,186	0.6
Non-itemizers	51.4	367	33,775	1.1

Views on Charitable Organizations

	Agree	Disagree
The need for charitable organizations is greater now than five years ago.	74%	18%
Charitable organizations are more effective now in providing services than five years ago.	62	22
Charitable organizations play an important role in speaking out on important issues.	69	24
Charitable organizations play a major role in making our communities better places to live.	76	18
Most charities are honest and ethical in their use of donations.	62	28

Growing Ranks of Fund Raisers Haven't Increased a Key Measure of Giving

The number of charity fund raisers has grown dramatically in recent years, but the increase has, in some ways, failed to pay off in higher levels of giving.

Membership in the National Society of Fund Raising Executives grew fourfold, to nearly 20,000, in the past 14 years. Membership in local councils of the National Committee on Planned Giving rose tenfold since 1987, to 11,500.

And yet, while the total amount of charitable contributions has risen over the years, the share of personal income that average Americans devote to donations has changed little from a decade or two ago.

Theories abound as to why the rapid growth in fund-raising personnel hasn't produced a commensurate increase in generosity. Some experts point out that the sheer number of non-profit groups has increased sharply in the past decade or two, swelling the ranks of fund raisers. And even among groups that have existed for a long time, many more are competing for donations today than in the past, experts note.

"Much of the growth in new fund raisers is in social-service agencies, the arts, and a lot of other non-profit organizations that traditionally have relied on government support or United Ways," says Patricia Jackson, vice-president for education at the Council for Advancement and Support of Education, which represents college and private-school fund raisers. "People might still be giving away 5 per cent of their income, but they might be giving it to more organizations than they were 10 years ago."

Observers also say that many charities have hired additional fund raisers to position themselves for the future, when trillions of dollars are expected to pass from the hands of the World War II generation. "There is a lot of interest in trying to insure that philanthropy gets its share of that transfer," says Alan J. Abramson, director of the Nonprofit Sector Research Fund, a Washington unit of the Aspen Institute.

What's more, observers say that the rise of complex planned-giving techniques has led many non-profit groups to hire additional fund raisers with discrete skills in such areas as charitable remainder trusts and gifts of real estate or stock.

Social changes also have helped spur demand for new fund raisers. For example, Americans are far more mobile than a generation ago, making it more difficult for charities to establish lasting relationships with potential donors, experts say. More and more fund raisers may be needed simply to attract the same share of Americans' income as in prior years, they say.

And rising membership totals for fund-raising organizations—one of the few sources of data on fund-raiser employment—may simply reflect the fact that the job of attracting charitable dollars has become more formalized than in past years.

"A generation ago, you may have had people who did fund raising but didn't consider themselves to be fund raisers," says Ron Carroll, a Washington-area Boy Scouts of America executive and past chairman of the National Society of Fund Raising Executives. "They were executive directors or other members of the non-profit community."

A Lack of Sophistication

Still, changes in society and in the charity world don't entirely explain why Americans' generosity in some ways remains stagnant despite a steep rise in the number of fund raisers. Some experts also point to the fund-raising profession itself. Too many fund raisers, they say, are tyros at using sophisticated financial and estate-planning tools—tools that are widely employed by for-profit companies that compete for a share of Americans' income.

"To be a chief development officer, you can be innumerate," asserts Richard Steinberg, who directs the master's program in philanthropic studies at Indiana University–Purdue University in Indianapolis.

"The standard education of fund raisers does not include what any finance major would get: training in the present value of money so you could compare planned versus current giving, advanced statistical techniques to refine your campaign design, portfolio analysis so that you know how to diversify your appeals."

Although some development officers have become adept at using computer software and other state-of-the-art techniques to woo donors, many are too busy—or unwilling—to adopt a more sophisticated approach to raising money, Mr. Steinberg says.

"One of the things I'm working toward is making sure that the next generation of fund raisers is a little less scared of learning these tools."

—THOMAS J. BILLITTERI

Playing the Percentages

New study heats up the debate over how much of their assets foundations can—or should—give away each year

By MARINA DUNDJERSKI

A NEW REPORT by a Columbia University economist contends that foundations have not been giving enough away over the past two decades to merit the tax benefits they and their donors receive.

Perry Mehrling, chairman of Columbia's economics department, says his analysis of giving patterns found that foundation grants have not kept pace with the growth in grant makers' assets. Since 1981, he notes, the value of foundation assets in America has tripled—largely because of the creation of new philanthropies. However, the percentage of assets that foundations distributed to charity declined from 7.9 per cent in 1981 to 4.8 per cent in 1997.

"We're not getting the bang from the buck that Congress and society has a right to expect," Mr. Mehrling says. "We're giving big tax advantages to these foundations and I'm not sure we're getting good value from it."

Mr. Mehrling's analysis was commissioned by the National Network of Grantmakers, an organization that is pushing foundations to increase the amount they give away annually. By law, foundations must distribute at least 5 per cent of their investment assets each year—though they are allowed to average that amount over several years.

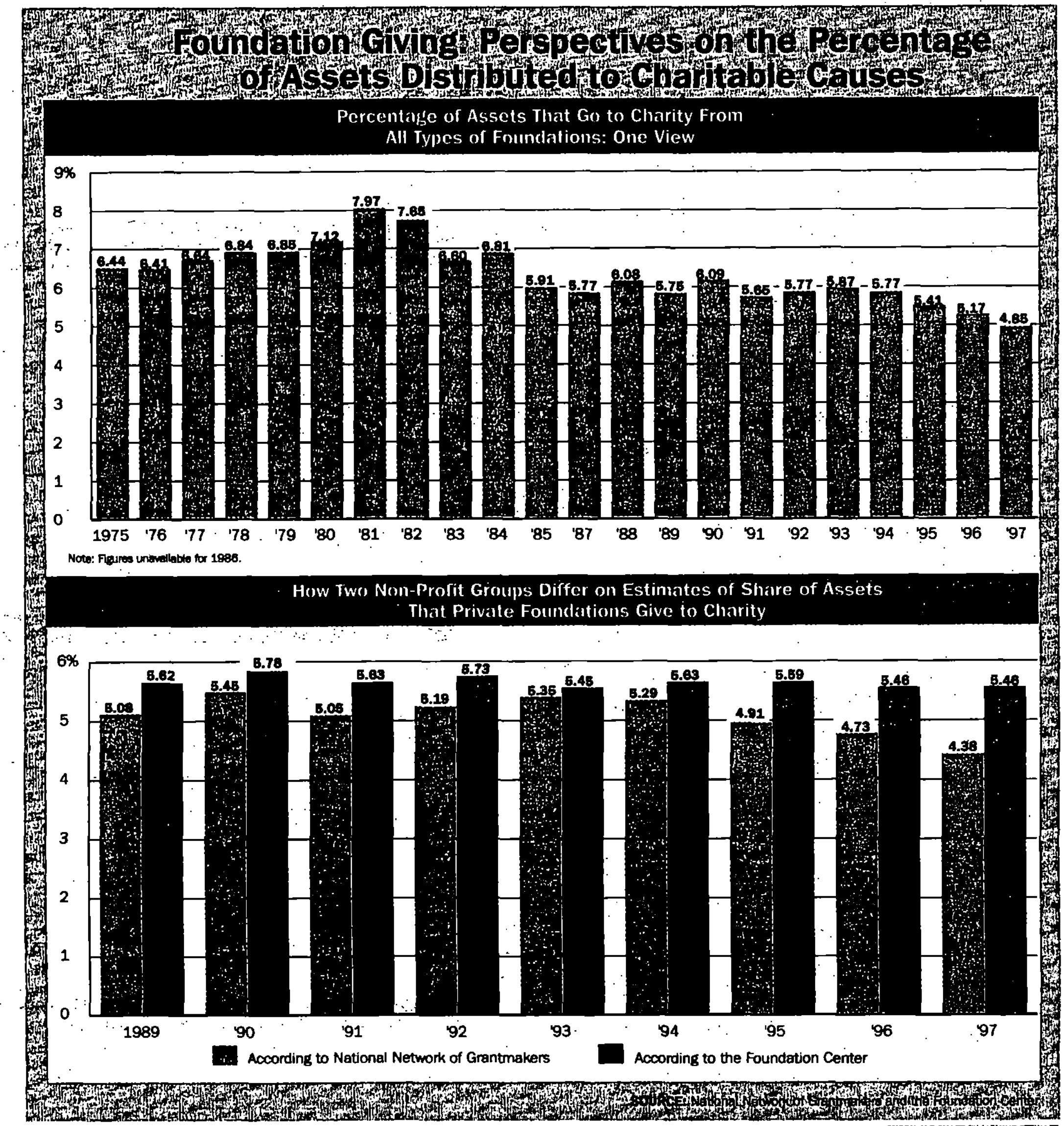
Mr. Mehrling's report has been criticized not only for its conclusions but for the methodology he used in his study. Some grant-making experts contend that his approach was biased to make it that foundations were stingier than they are—and to make the case that Congress should increase the minimum payout standard—charges that Mr. Mehrling strongly rejects.

Disputing Commonly Held View

In a report on his study, "Spending Policies for Foundations: the Case for Increased Grants Payout," Mr. Mehrling takes aim at an argument commonly made by grant makers: that if all foundations were required by law to distribute more than 5 per cent annually, many would be forced to shut down in a eration or so, and as a result there wouldn't be sufficient philanthropic resources to deal with the problems of the future.

Instead, Mr. Mehrling contends a typical foundation could have given away up to 8 per cent of its assets during the past 20 years without significantly decreasing the value of its endowment.

While a few foundations would probably go out of business if they distributed as much as 8 per cent annually, he conceded, recent history suggests that other foundations would be established or ex-



CHRONICLE CHART BY JASMINE STEWART

panded to insure that money is always available to finance charitable projects.

Mr. Mehrling's analysis was based on data collected from 44,000 foundations by the Foundation Center, in New York.

But officials at the center—and other grant-making experts—are raising questions about whether the data were analyzed in ways that led to sound conclusions.

They say Mr. Mehrling should have limited his analysis to private foundations, instead of looking at asset growth and giving patterns at all kinds of foundations—such as community and operating funds, which are not covered by the federal 5-per-cent payout rule.

What's more, they argue that Mr. Mehrling applied too strict a standard in figuring out how much foundations were distributing annually. He counted only grants, but foundation leaders say he should have included other expenses that foundations are legally allowed to count when they calculate whether they meet the 5-per-cent payout standard. Such expenses include administrative costs and trustee compensation.

"The methodology amplifies the effect that the report is chasing after," says Peter Frumkin, an assistant professor of public policy at Harvard University's John F. Kennedy School of Government. "This study is not necessarily about deriving the definitive policy analysis of this issue, but more aimed at generating a political conversation."

But Mr. Mehrling denies his approach was biased. He says his analysis had nothing to do with ideology but was based on the standards that economists always use to determine the social benefit of public policies.

"Society does not care how much foun-

Continued on Page 22

Report Says Foundations Aren't Giving Enough Away

Continued from Page 21

dations are spending on their rent, or how much they are giving to their top executives," he says. "What is in the social interest is actual charitable giving. I'm trying to get a sense of how much society is getting for the tax advantage they provided this sector."

Mr. Mehrling says he was forced to include all foundations in his analysis—not just those covered by the 5-per-cent rule—because the Foundation Center did not have data for the years before 1989 that separated out different kinds of grant-making organizations. He said he felt it was important to look back at least as far as 1981, when Congress revised the payout formula to require the 5-per-cent annual distribution.

He says including other types of foundations didn't skew the results, since private foundations accounted for about 85 per cent of the total assets and 75 per cent of the total grants made by the foundations in the sample.

However, he did look specifically at the giving trends of private foundations for the years when such data were available. For instance, in 1997, he said, those funds distributed 4.38 per cent of their assets in grants.

Foundation Center officials say that they don't consider that figure to be accurate. They estimate that in 1997 private foundations distributed 5.46 per cent of their assets in grants. The discrepancy is based on different methods of measuring the percentage given away.

The Foundation Center, following the policy of many grant makers and an approach that is allowed by the Internal Revenue Service, calculates the payout rate by dividing the amount distributed in one year by the value of a fund's assets in the previous year.

Mr. Mehrling, on the other hand, divided giving by asset values in the same year. He says that the Foundation Center approach would show payout to be a bit higher in some years, but that it would not change the overall downward trend in the percentage of assets foundations have given away.

Campaign to Increase Giving

The National Network of Grantmakers commissioned Mr. Mehrling's report as part of its "1% More For Democracy" campaign, which encourages foundations to increase by one percentage point the share of assets they give away each year and to dedicate those dollars to progressive causes (*The Chronicle*, September 23).

Robert McKay, president of his family's McKay Foundation, in San Francisco, and a member of the network's payout committee, says that the Mehrling report makes the case that "if anything, a one-percentage-point increase is not only doable but is actually incumbent on the philanthropic community to think seriously about."

He adds: "I do not think there is any question that we do not endanger foundation endowments, and by virtue their life cycles, by talking about a one-percentage-point increase."

But many foundation leaders disagree.

Officials at the Robert Wood Johnson Foundation, in Princeton, N.J., have calculated how their own assets would be affected by increases in the payout requirement.

It made separate calculations based on the requirement staying as it is, rising to 6 per cent or 7 per cent, and then figured out what would happen if its investments fared very well, moderately, or poorly. They found that in each case, for about the next 20 years charities would overall receive more at the 6-per-cent and 7-per-cent payout rates. But after that, the total given to charities would drop significantly because the foundation would have a lot less money available to spend than it would have had if it kept distributions consistently at 5 per cent. (Charts at right show what would happen in each case.)

Congressional Actions

Congress first imposed a payout minimum in 1969 when it passed a major tax bill designed to make foundations more accountable to the public and make sure that they weren't hoarding their assets.

Initially, Congress voted to set the minimum payout at 6 per cent of a foundation's investment assets or the entirety of their net investment income, whichever sum was greater. Seven years later, Congress lowered the rate to 5 per cent. In 1981, it dropped the idea of pegging the payout to net investment income but kept the 5-per-cent rule.

"Congress intended to keep tax-favored foundations from becoming mere warehouses of wealth," Mr. Mehrling argues in the report.

But, he adds that, in setting the 5-per-cent payout, "what Congress did not anticipate was that new [foundation] gifts would be so strong." He said that in the past two decades it has not been investment growth that has caused foundation assets to balloon so much, but the creation of new funds. He attributes 85 per cent of the rise in asset value to the start of new foundations—or the expansion of existing ones—and only 15 per cent to investment growth.

He said that if foundations try to give conservatively so they can continue to invest a large share of their endowments to generate new grant funds, "they defeat the real social purpose of their privileged tax status and risk attracting renewed legislative attention."

He says that foundations are not serving society by insisting that they deserve the freedom to exist forever. Such arguments, he says, are "equivalent to saying that society has reason to preserve the Chrysler car company in perpetuity."

He adds: "No doubt donors want to create perpetual monuments to themselves, but why should society help them for that in terms of tax laws?"

But some grant makers disagree, and think that it would be wrong for the government to increase payout requirements—and, in effect, make it impossible for a donor to set up a foundation that he or she could be certain would operate in perpetuity.

"If you believe that foundations should honor donor intent to be around in perpetuity, then the premise of the report is flawed," says Rebecca Rimel, president of the Pew Charitable Trusts, in Philadelphia.

Copies of "Spending Policies for Foundations: the Case for Increased Grants Payout," are available from Júlio C. Rosa, National Network of Grantmakers, 1717 Kettner Boulevard, Suite 110, San Diego 92101; (619) 231-1348 or through the organization's Web site, *http://www.nng.org*. The cost is $8 prepaid, plus tax and a shipping and handling fee.

Education Grant Makers Told How to Learn: Listen to the Public

By MEG SOMMERFELD

CHICAGO

If foundations want their grant dollars to improve the performance of the public schools, they need to listen more to parents and the public, Andy Plattner, a communications consultant, told an audience of foundation officers assembled here for the annual fall meeting of Grantmakers for Education.

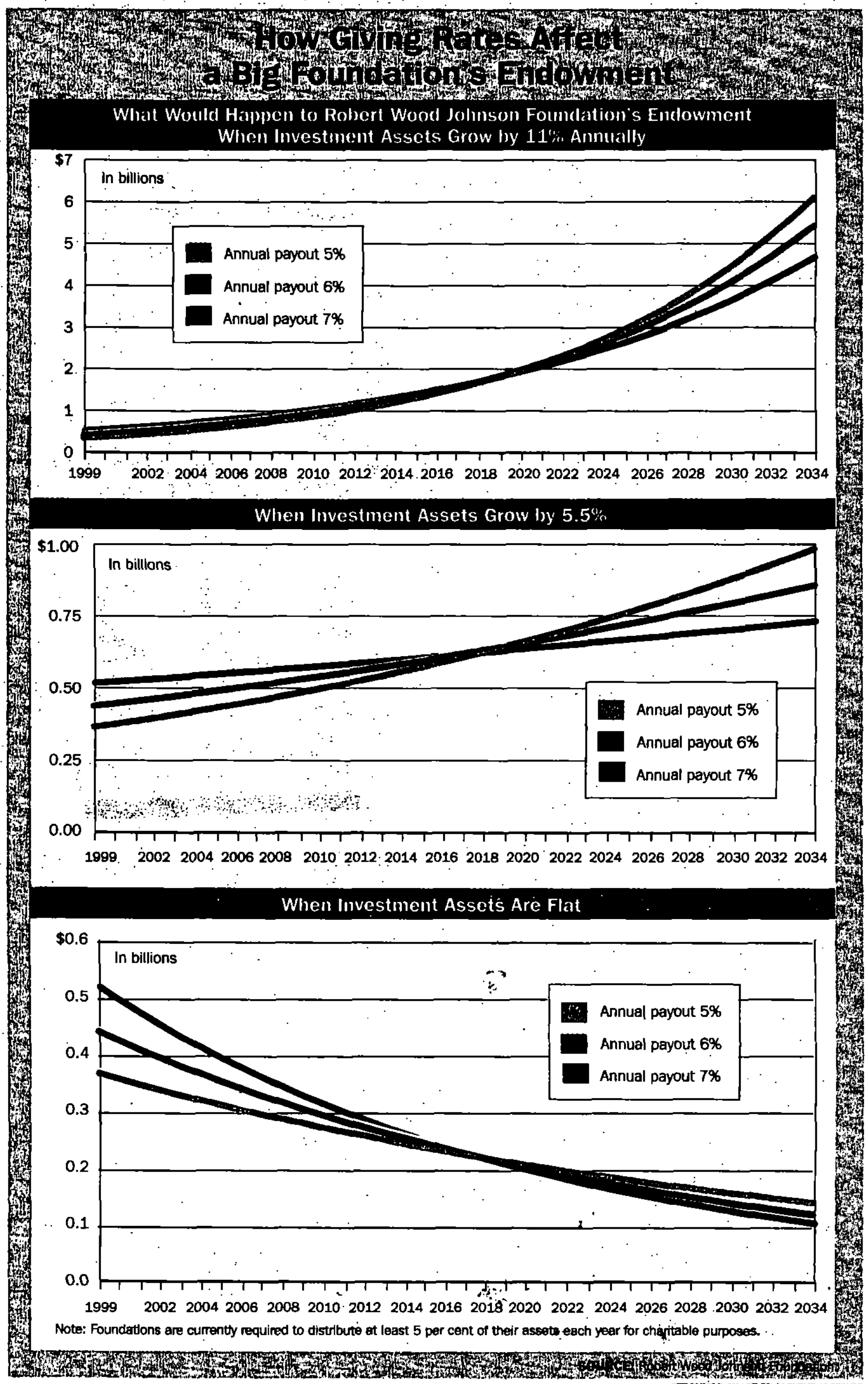
By recognizing how their own biases and experiences differ from those of the public, foundation officers can better understand the public—and therefore help educators to do a better job at enlisting public support to improve schools.

To draw attention to some of those differences, Mr. Plattner asked the foundation officers to participate in a survey.

The survey's findings revealed some striking differences:

▶ Sixty-six per cent of the education grant makers identified themselves as Democrats, while just 2 per cent said they were Republicans. That compares with 36 per cent of the general population who describe themselves as Democrats and 29 per cent as Republicans.

▶ All the grant makers said they



Drawing the Line in Brooklyn

Non-profit groups rally behind museum after Mayor withholds funds and threatens to oust board over controversial art show

By MEG SOMMERFELD

NUMEROUS non-profit groups and foundations have joined together to help the Brooklyn Museum of Art, which stands to lose all $7-million of its New York City aid in a dispute over a controversial exhibition that includes a picture of the Virgin Mary adorned with pieces of elephant dung.

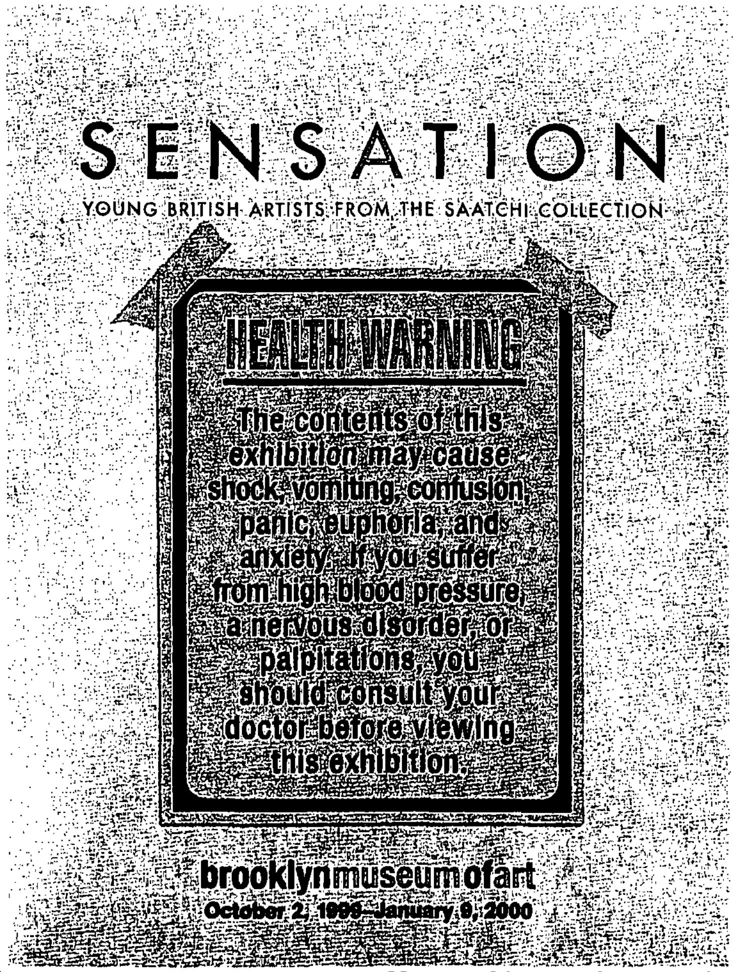
The money—nearly one-third of the organization's $23-million budget—is not all that is at stake, say the leaders of several prominent non-profit organizations. Instead, they say, the episode raises serious questions about whether charities that accept government money must steer clear of programs that could offend politicians—and whether the boards of such organizations can set policy without government interference.

Mayor Rudolph Giuliani has already withheld one monthly installment of city funds to the Brooklyn museum. Mr. Giuliani, a Republican, contends that it was wrong for a museum that receives city support to mount an exhibit that contains art that some people consider to be sacrilegious or otherwise offensive.

In addition to the painting of the Virgin Mary, the exhibit, called "Sensations," includes a dead shark floating in a tank of formaldehyde and a bust carved out of an artist's own frozen blood.

A few days before the exhibit opened on October 2, Mr. Giuliani said he planned not only to cut the city's funds but also to terminate the museum's lease of its city-owned building and to seize control of the board of directors—unless the museum canceled the exhibit or removed some of the works he found offensive.

Whether he can take any of those steps is now up to the courts, where the museum and the Mayor have each filed lawsuits.



These brochures from the Brooklyn Museum of Art were designed to let people know that a new exhibit contained artwork that would offend some viewers. New York's Mayor was so offended that he cut off the museum's aid.

Two Lawsuits Filed

The museum has filed a suit against the city in federal court, seeking to have the funds restored. The city, meanwhile, has filed its own suit in state court, charging that the museum is violating its lease by restricting access to the public through an admission fee and by requiring that children who attend the exhibition be accompanied by an adult.

Several foundations have volunteered to pay the museum's legal costs and to finance newspaper advertisements designed to attract public support for the museum's decision to go ahead with the exhibit. Fourteen organizations, including the Metropolitan Museum of Art and People For the A[illegible]an Way, have also joined in a court filing to oppose the Mayor's effort to [illegible] the museum's support. Other groups lending their names to the brief include the American Booksellers Foundation for Free Expression, the Freedom to Read Foundation, the New-York Historical Society, Seattle Art Museum, and the Wildlife Conservation Society.

Mayor Giuliani's action "threatens all institutions who receive any kind of public support," said Victor Kovner, a lawyer who represents those groups.

The Mayor and his supporters "have every right not to like the art, and the right to encourage people not to attend, and the right to be out on the picket line," he added. "But he doesn't have the right to use the power of his office to punish a museum for exercise of its First Amendment rights."

Charles Halpern, president of the Nathan Cummings Foundation, which has pledged to help pay the museum's legal costs, said the case "is not just about art, and it is not just about the First Amendment. It is about what it means to live in an open society and in a democracy, and it deserves the closest scrutiny of the philanthropic community."

Richard L. Moyers, vice-president for programs and services at the National Center for Nonprofit Boards, said he was concerned by Mr. Giuliani's efforts to intrude on decisions made by the museum's trustees. "What was most alarming was Mr. Giuliani's argument that, 'This board is not a good board because they would let this happen—therefore, we don't trust them with our money,' " Mr. Moyers said. It would be one thing, he noted, if board members had invested money in a Ponzi scheme, embezzled funds, or otherwise acted i[illegible]ly with the museum's money. "But for a public official to say, 'I don't agree with the way this money is being spent' as his basis for disagreement is a dangerous precedent that would have implications for a lot of boards," he said.

Not all non-profit groups agree that the museum case threatens the ability of charities to undertake projects that are controversial. Leaders of several religious organizations said the museum should recognize that government support often comes with strings attached, and that the government has no obligation to finance any art programs.

Religious Discrimination

Seth Leibsohn, a director of the Jewish Policy Center, in Washington, said his organization was sympathetic to the concerns that Catholic leaders had expressed about the painting of the Madonna. He said that the museum's display of hateful art was akin to an expression of religious discrimination and that the Mayor therefore was well within his authority to eliminate the m[illegible]um's city aid.

"I don't see it as a big threat," he said. "I think that non-profits, by and large, are provided a wide berth."

Foundations Step Forward

The Brooklyn museum's trustees and director anticipated that the exhibit, which features contemporary works by young British artists from the collection of British advertising executive Charles Saatchi, would generate headlines and spark debate. In fact, the exhibit's publicity brochures display a bright yellow warning sign that reads, "The contents of this exhibition may cause shock, vomiting, confusion, panic, euphoria, and anxiety." But nobody expected to face the possibility of losing city funds.

Several foundations—including the Nathan Cummings Foundation, the Robert Sterling Clark Foundation, and the Andy Warhol Foundation for the Visual Arts—have stepped forward to help the Brooklyn Museum of Art foot its legal bills in its fight against the Mayor. Others have underwritten newspaper ads.

The Open Society Institute, the foundation created by the billionaire financier George Soros, paid for a full-page advertisement in *The New York Times* sponsored by the PEN America Center, a writers' group that promotes free expression. The ad featured a letter of support for the museum signed by 106 writers, actors, and filmmakers, among them E. L. Doctorow, Steve Martin, and Kurt Vonnegut.

And a group of 20 New York foundations have been meeting to discuss what else to do.

Archibald L. Gillies, president of the

Continued on Page 42

Some Non-Profit Groups Rally Behind Museum; Others Side With Mayor

Continued from Page 41

Andy Warhol Foundation, said the issues at stake are "bigger than just one museum, one exhibition, one painting, one politician."

'A Chill in the Air'

"What it does is put a chill in the air," Mr. Gillies asserted. "That's Mr. Giuliani's real goal: to chill the atmosphere and show he is in charge and threaten people, because these institutions are dependent financially."

He said he hoped that a broad range of foundations would get involved in the opposition. Foundations that support libraries or education programs, for example, should be concerned, Mr. Gillies said, because the Mayor's actions imply that any mayor can slash the budget of a public library because he or she finds some books to be offensive, or to cancel funds for university research about controversial subject matter.

Other non-profit leaders say the Mayor was justified in taking the actions he did.

Susan Fani, director of research at the Catholic League for Religious and Civil Rights, said her group finds some of the works on display to be offensive, most notably Chris Ofili's 1996 painting "The Holy Virgin Mary," which depicts a black Madonna with a clump of dung on her chest and images of female genitalia in the background.

Ms. Fani said the museum's decision to go ahead with the exhibit shows that the institution "doesn't understand how seriously many New Yorkers take their religious convictions."

If the exhibit were privately supported, her group "still wouldn't like it, but we wouldn't have the same kind of response," she said. "It's a question of the way it is displayed—and that our money is going to attack our religion in this manner."

Among the other groups protesting the exhibit have been the Catholic fraternal organization the Knights of Columbus, New York Hispanic Clergy Organization, Union of Orthodox Jewish Congregations of America, and People for the Ethical Treatment of Animals.

Raising More Money

In the interim, the museum is just beginning to deal with the possible need to raise additional funds while it fights its battles in court. Although the museum has a $60-million endowment, museum officials don't want to dip into the principal because they rely on the income they earn from it.

Before they plan any new fund-raising campaigns, however, museum officials are waiting to see whether the federal court orders the city to make payments to the museum—which would make the need for short-term aid moot.

In the meantime, Peter Trippi, vice-director for development, reported that the controversy has generated an unexpected windfall: 1,000 new members have joined the museum in a 10-day period following the exhibit's opening, a 9-per-cent jump that brings its total membership to about 12,000. In addition, he said, the new members are giving at higher levels, choosing the $150 membership level, rather than the standard $50 contribution for individuals or $75 for families. And, he added, no current supporters, either foundations or corporations, have yanked their support in light of the controversy.

Edward H. Able, president of the American Association of Museums and the past chair of the National Center for Nonprofit Boards, said the situation also highlights the fact that many non-profit groups are unprepared for a sudden financial shortfall or unexpected crisis.

Lessons to Come

"I have long advocated that non-profit organizations in general, and museums in particular, must have in place financial strategies to sustain the institution in any kind of financial crisis," he said, be it the loss of a major source of funds or a building's roof falling in.

"There are a number of lessons that will inform us out of the Brooklyn situation," he said. "We really have to wait until the dust settles and we have an opportunity to assess the total event."

TECHNOLOGY

America Online Starts a Site for Donors

THE AOL FOUNDATION—the giving arm of America Online—has started a new Web site that brings together information for donors, volunteers, and charities.

The site, called Helping.org, allows visitors to n about the activities of any of the more than 650,000 charities listed in the GuideStar data base, and to make on-line contributions to them. GuideStar is a Web site operated by Philanthropic Research, a charity in Williamsburg, Va.

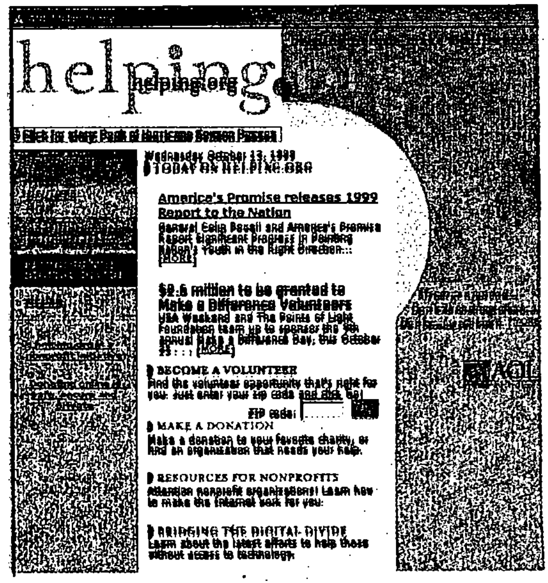
The Dulles, Va., foundation will cover the cost of processing the contributions; only a standard credit-card fee will be deducted from the gift. All of the charities listed in the data base will receive a letter to notify them about the service and give them the opportunity to choose not to participate.

Visitors will also be able to search for volunteer opportunities in their region—and sign up for them on line—through a data base run by VolunteerMatch, a service created by Impact Online in Palo Alto, Cal.

"We want to make it as easy to serve and to give on the Internet as it is to do e-commerce," says David Eisner, vice-president of the foundation.

America Online asked the Benton Foundation, in Washington, to gather non-profit technology experts to develop a section of annotated links to Web sites, as well as case studies, that discuss how non-profit organizations are incorporating technology into their work. In addition, visitors can create their own list of favorite non-profit sites, which will appear every time they come back to Helping.org.

TO GET THERE: Go to *http://www.helping.org.*



America Online's charitable foundation is starting this new Web site, called Helping.org, to help people make gifts to charities and find volunteer opportunities on line.

Charity Receives Grant to Build New Technology Web Site

COMPUMENTOR, a non-profit organization in San Francisco that helps other charities make better use of technology, has received a $150,000 grant from the Surdna Foundation, in New York, to build a comprehensive Web site on non-profit technology.

One of the main goals of the site—which is scheduled to go on line next spring—will be to provide the background information that non-profit groups need to make informed technology decisions. For groups that need additional assistance, the site will feature a searchable directory of organizations around the country that provide low-cost or recycled computer hardware or that offer consulting, technology volunteers, and training for charities.

Non-profit managers will be able to order donated or discounted software through the site, and discuss non-profit technology issues in on-line forums. There will also be links to other Internet resources that focus on technology use by charities.

Mark Liu, program director at CompuMentor, says that the organization is talking with the AOL Foundation about how the two organizations' new Web sites can work together. "We don't see t , as competition," he explains. "We see them as being complementary. We just haven't worked out how."

Internet Helps Radio Station Set Fund-Raising Record

WITH THE HELP OF THE INTERNET—and some s p —WAMU, a Washington public-radio station, had its most suc l fund-raising campaign ever.

During a one-week membership drive this month, the station raised $1,147,690. Of that total, $367,000 came in through WAMU's Web site.

The station runs two one-week fund-raising campaigns each year, one in March and one in October. This year's spring campaign was the first time pledges could be made on line, and during that drive, 79 people donated $5,270 through the site.

For two weeks before the fall campaign, the station promoted "CyberMonday," a day on which the station would forgo the on-air pitches that usually take time away from the station's programming and instead encourage listeners to make their pledges on line. More than 3,480 listeners answered the appeal and donated $227,000 through the Web site. In comparison, the station raised $76,000 on the Monday of last year's fall membership campaign.

"We expected to get a lot of Internet pledges, but we were just blown away by how many we got," says Donna Clark, WAMU's director of public information. Indeed, the experiment was such a success that the station decided to hold a CyberWednesday as well, during which 1,153 listeners contributed $77,000 on line.

Ms. Clark and officials at National Public Radio, also in Washington, caution that not all of the station's success could be attributed to its emphasis on Internet giving. Donors who gave on line during CyberMonday were entered in a drawing for an iBook laptop computer, and everyone who made a pledge during the fund-raising drive was eligible to win a new Volvo—giveaways that also may have led to the fund-raising increases.

They also pointed out the high number of people in the Washington area with access to the Internet. "It's really going to change the way public radio stations run their drives," says Ms. Clark, "at least in markets that are really wired."

TO GET THERE: Go to *http://www.wamu.org.*

Web Site Provides Assistance With Special Events

A NEW WEB SITE helps non-profit organizations automate many of the tasks that go into organizing special events.

Non-profit organizations can use seeUthere.com to send invitations and reminders about events, tally R.S.V.P.'s, sell tickets, and accept donations.

The seeUthere.com service is designed to help organizations also reach members who do not have access to the Internet. In addition to e-mail, seeUthere.com can also send faxes, postcards, and letters. Guests can respond either on line or via an automated telephone line.

There is no charge to send e-mail invitations and reminders or to accept e-mail R.S.V.P.'s. But charities pay fees for other forms of communication sent to members.

SeeUthere.com also creates a free Web site for each event that is registered with the service. Organizations can use the site to provide their members with directions and updates about the event and to track how many people have responded and how many tickets have been sold.

TO GET THERE: Go to *http://www.seeuthere.com.*

Conferences Focus on Technology

SEVERAL FORTHCOMING CONFERENCES will dis- c the future of technology use by non-profit organizations.

► The National Charities Information Bureau is holding an invitation-only conference entitled "E-Philanthropy: Technology and the Nonprofit Community" on October 22 at the U.S. Chamber of Commerce Building in Washington. Participants will discuss the current state of on-line philanthropy.

The meeting is being sponsored by the AOL Foundation, in Dulles, Va.; Charitableway.com, a Palo Alto, Cal., company that collects on-line donations for charities; and GreaterGood.com, a shopping Web site, based in Seattle, that allows consumers to donate a portion of their purchases to charity.

► The U.S. Department of Commerce's Telecommunications and Information Infrastructure Assistance Program will hold its annual "Networks for People" conference in Arlington, Va., on November 1-2.

The program awards matching grants to non-profit organizations and state and local governments to integrate technology into education, health-care, public-safety, and other projects.

The conference is free; a registration form is available at *http://www.ntia.doc.gov/otiahome/tiiap/index.html.*

► Non-profit leaders will be meeting in Washington on November 10 to discuss the mission and structure of the Nonprofit Technology Enterprise Network. The network has been created to carry out the recommendations of the National Strategy for Nonprofit Technology, a group of charity leaders, grant makers, and consultants (*The Chronicle*, May 6). Registration information is available at *http://www.nten.org.*

Bits

► The California Attorney General's Office has added to its Web site a searchable data base of Forms 990 filed by non-profit organizations in the state. The Form 990 is the informational tax return that charities are required to file with the I.R.S.

TO GET THERE: Go to *http://www.caag.state.ca.us/charities.*

► Through November 15, IGive.com will donate $10 to the favorite charity of each new member who joins the service and makes a purchase. IGive.com is an on-line shopping site, based in Evanston, Ill., that allows consumers to donate a portion of their purc to charity. —NICOLE WALLACE

'Worth': Buffett's Generous Sister

WARREN BUFFETT is known worldwide for his billions, but his sister, Doris Buffett Bryant, is making a name for herself for quite another reason: her philanthropy, administered through her low-key and "charmingly eccentric" Sunshine Lady Foundation, *Worth* magazine reports (October).

Ms. Bryant, 71, works from a one-room office in Morehead City, N.C., aided by 150 friends and associates whom she calls Sunbeams. Her foundation, which has assets of $16-million, has paid out nearly $4-million, $2.2-million of it in the last year. Grants have ranged from $280,000 to $58, with most totaling a few thousand dollars.

"It's a uniquely hands-on, folksy, person-to-person kind of enterprise—the un-foundation," *Worth* says of Ms. Bryant's philanthropy. "A lot of her grant recipients are the hard-luck cases that bigger-deal foundations won't touch: the man who became a quadriplegic after his car hit black ice on the way to work, the nearly deaf 4-year-old who needed bilateral hearing aids, the family made homeless by a tornado, and the policeman who required a bone-marrow transplant for his leukemia."

Ms. Bryant avoids what she calls the SOB's—the symphony, opera, ballet, as well as "other high arts whose glitzy patrons too often carry 'multiple-type agendas,' " *Worth* says.

"It's homey," Ms. Bryant comments on her philanthropy, which she calls "virtue capital." "We try to keep it real clean, real simple."

The article is available on the magazine's Web site at *http://www.worth.com.*

'Bloomberg': A List of 'Masters of the Loophole'

TWO trusts-and-estates lawyers who specialize in helping charity donors hold the dubious distinction of being included in *Bloomberg Personal Finance*

A Web of Confusion

Non-profit groups urge state charity regulators to clarify the rules governing fund raising over the Internet

By JENNIFER MOORE
CHARLESTON, S.C.

THE NUMBER of fund-raising appeals on the Internet has exploded in recent years, with little oversight from state or federal officials, non-profit representatives told a gathering of state regulators here last week.

Non-profit leaders, speaking at the annual meeting of the National Association of State Charity Officials, said organizations involved in on-line fund raising currently are confused about what they must do to comply with state and federal laws. They urged charity regulators to move quickly to clarify a range of Internet-related issues, such as spelling out which states, under which conditions, require organizations to file registration forms when they appeal for donations via their Web sites or electronic mail.

But speakers also cautioned regulators not to take an approach that would unnecessarily hamper charities, especially small organizations.

"For the first time, the small charity has a medium that's just for them," said Arthur Schmidt, Jr., president of Philanthropic Research, an organization that runs a Web site known as GuideStar, which serves as a clearinghouse for financial information on charities. "It's critical that we respect that."

Internet fund raising can be extremely inexpensive and easy to do. A tiny charity with a very simple Web site can include a request for donations that can be viewed by computer users around the world. As a result, the charity has little way of knowing in advance which residents of which states it is reaching—a situation that makes state regulation more complicated than regulation of conventionally mailed appeals or telephone solicitations.

Even small charities with seemingly local missions have sometimes received money from faraway donors. Nick Allen, president of Donordigital.com, a consulting company in Berkeley, Cal., that works with non-profit groups, said a Girl Scout troop in Honolulu recently raised $35,000 on the Internet by selling merit badges. Many of the buyers, he said, surprisingly turned out to be collectors and others who lived in Japan.

Of the states that so far have attempted to impose registration requirements on charities that raise money via the Internet, most do so based on a group's expectation that it will raise at least a certain amount in donations from within their states. But many participants at the meeting argued that such an approach doesn't work when it comes to raising money on line because groups may get large sums from an unexpected source.

"I don't think that it's possible for people to anticipate what the effect of their Web page is likely to be," said Putnam Barber, president of the Evergreen State Society, a Seattle group that works to strengthen non-profit and civic organizations.

As an alternative, Mr. Barber proposed that states let charities themselves select the geographic areas from which they expect to raise most of their money. That way, groups that tend to raise most of their money from within a given state could follow only that state's registration requirements, even if they received a few large donations from people who lived elsewhere in response to on-line appeals.

Some speakers suggested that charities could use software on their Web sites that would only accept donations from residents of specific states in which the organizations had registered.

But Mr. Allen of Donordigital called such an idea impractical. "As a fund raiser, I'd say, Give me a break. You want to get money from anybody who's interested in you," he said. "That's the kind of regulation that nobody in their right mind would accept."

No Clear Definitions

Any attempts to neatly define which charities must comply with which state requirements are likely to run into problems, predicted Harriet Bograd, founder and coordinator of the Nonprofit Cyber-Accountability e-mail discussion group, which examines how technology can help make tax-exempt groups more accountable to the public.

"Whatever exceptions we make, there won't be very bright lines to tell whether a group is in or out of the exception area," she said. "So if I were advising a charity, even a small one, I'd rather be

Continued on Page 39

Page 39

Clearer Rules Sought on Fund Raising On Line

Continued from Page 37

able to suggest to them that they comply with the requirement rather than that they call for exceptions. But for that to work, we need a much less expensive way for people to comply with many states at once."

Ms. Bograd said she has heard two suggestions that would accomplish that goal. The first is to change national law to give some federal agency the authority to regulate Internet fund raising and impose a single filing requirement on groups that raise money on line.

The other option, she said, is for states to voluntarily agree on one organization with which charities could file their financial information and have it shared with regulators in all states.

Interest Rates for Planned Gifts

Following are the interest rates, provided by the Internal Revenue Service, for computing charitable deductions for charitable remainder trusts, gift annuities, charitable lead trusts, and some other deferred gifts.

November 1998	5.4%
December	5.4
January 1999	5.6
February	5.6
March	5.8
April	6.4
May	6.2
June	6.4
July	7.0
August	7.2
September	7.2
October	7.2

SOURCE: PG Calc Inc.

'Anything That Works'

David Horn, assistant attorney general of Washington State, said he'd be willing to consider a variety of regulatory options as long as they met two criteria. First, a national reporting requirement must include the same information his state currently requires of charities. And second, it must not restrict his ability to punish fraud. But, he added, "anything that works good, works for me."

John Henderson, Jr., an official with the state of Pennsylvania, said he was hopeful that the Internet might ultimately help regulators get out of the registration business altogether so they could spend more time and money policing abuses.

"Should we eliminate the middleman and have an exemption for registration if a charity's going to make the information available anyway?" he asked. "And then should our concentration really be on insuring the integrity of that information and the quality of that information?"

In the meantime, while state regulators sort out how best to handle on-line charitable appeals, some regulators recommended that charities come up with some way to regulate themselves.

John A. Murphy, administrator of charitable trusts in Rhode Island, suggested that non-profit groups might devise something along the lines of a Good Housekeeping seal of approval for organizations that voluntarily meet certain standards, such as posting their federal informational tax forms on their Web sites. Other participants likened such a step to the work done by the Evangelical Council for Financial Accountability, a national organization that requires groups that wish to join it to subscribe to a stiff code of responsible stewardship and to undergo an annual, independent audit.

One state official hopes the Internet will make it easier for regulators to devote more of their resources to preventing charity fraud.

THE FACE OF PHILANTHROPY

Laying a Foundation

CIUDAD JUÁREZ, Mexico, and El Paso, Texas, are separated by more than the Rio Grande. While both border cities suffer from similar problems—high unemployment and a lack of low-cost housing, for example—the situation is especially dire in Juárez, where a typical family earns less than $40 a week and many poor families are forced to live in homes made from cardboard or tar paper.

For the past six years, Casas por Cristo, a charity in El Paso, has worked to improve the living conditions of the poorest people in its neighboring border city by recruiting church groups from all over the United States to build homes.

Since 1993, the charity and its teams of volunteers have built close to 700 homes—200 of them this year.

"When you build a family a new house, then all those resources they would have used can go into education, health care, and other needs," says Wesley Bell, the charity's founder and director.

So far, more than 100 volunteer teams from churches in 37 states and two Canadian provinces have traveled to Juárez to build homes—a job that takes three to four days. Many of the volunteers are from church youth groups, Mr. Bell says. The volunteers raise the $2,500 to $4,500 needed to build the houses through their churches. The charity organizes and supervises the construction, and a panel of pastors from churches in Juárez identifies families who are most in need of a home.

While Mr. Bell says he has received requests to expand his group's reach beyond Juárez, that is not likely to happen any time soon.

"There are 40,000 or more families that don't have adequate housing in Juárez," he says. "We've got a long ways to go."

Here, volunteers assemble part of the frame of a house.

Volunteers Honored With Points of Light Award

Following are the people and organizations that have most recently been named to receive President Clinton's Daily Points of Light Award.

The Points of Light Foundation, a Washington charity, assists the President in making the choices and carrying out the award program. More information about the award winners and the program is available at the foundation's World-Wide Web site, *http://pointsoflight.org,* or by contacting the foundation at 1400 I Street, N.W., Suite 800, Washington 20005; (202) 729-8184.

The recipients:

1473. **The Urban Technology Project,** Philadelphia, an after-school group created by science teacher Edison Freire at Edison High School/Fareira Skills Center to teach disadvantaged students how to design Web pages, repair computers, and provide technical support; the students then use their knowledge to aid local community organizations and schools.

1474. **Naval Junior Reserve Officer Training Corps–Oxford High School,** Mass., which involves students in a number of volunteer activities with local non-profit organizations, including fund raisers, landscaping, and renovations.

1475. **Kansas City's Promise Youth,** Mo., a service organization that offers young people ways to volunteer in their community on a regular basis.

1476. **New Hampshire Partners in Education,** Barrington, a network of more than 50,000 volunteers who have contributed more than 1.2 million hours to increase attendance, literacy, and student volunteerism at schools statewide.

1477. **Summer Scholars,** Denver, a full-day summer program that trains teen-agers with strong academic records to tutor students whose reading skills are significantly below their grade levels.

1478. **Community Health Advancement Program,** Seattle, which recruits medical and health-science students to provide health care in low-income neighborhoods through a Saturday clinic, health seminars, and services for homeless people at a shelter.

1479. **HOPE for Kids,** Columbia, S.C., an organization whose members work in some of the state's poorest neighborhoods to educate residents about health care, particularly the need to obtain childhood immunizations, and medical programs for which they are eligible; the group also runs a resource center where children can go for academic tutoring.

1480. **National Eye Care Project,** San Francisco, a creation of the American Academy of Ophthalmology that offers a telephone line for senior citizens who need answers about their vision problems and referrals to local ophthalmologists who provide free examinations or treatments for people who can't afford to pay.

1481. **Samantha Oliver,** Barrington, Ill., who founded the Hospice of Northeastern Illinois, which provides medical and psychological services for terminally ill patients and their families, and who set up an associated foundation that supports patients who can't afford hospice services.

1482. **Willie Mae Matthews Christie,** Norwood, La., who has devoted her time to children in her hometown by starting academic tutoring, recreational, and Sunday-school programs, often covering the expenses herself.

2 Funds Join in $16-Million Effort to Aid Poor Californians

The California Endowment and the Rockefeller Foundation plan to spend a total of $16-million on a new grant-making program to improve the health of impoverished Californians by increasing their access to local and regional job opportunities.

The program, California Works for Better Health, will award grants to non-profit organizations in as many as six regions of the state. Eligible groups include those that conduct job-training programs, help unemployed people find jobs, and help people advance in their careers.

"Lack of work, low wages, and lack of opportunity all affect people's health directly, in terms of increased risk for illnesses such as cardiovascular disease and depression," said Marion Standish, a senior program officer at the California Endowment who is one of two directors of California Works. "We believe that opportunities for better jobs and for job mobility will have some direct relationship to improved health in low-income communities."

Joint Board Meetings

The partnership arose after the foundations' trustees began meeting more than a year ago to discuss possible ways to help solve some of the underlying causes of poor health among low-income people in California.

Rockefeller has since opened an office within the California Endowment's San Francisco offices, and the foundations have held joint board meetings.

For additional information, contact California Works for Better Health, 88 Kearny Street, Suite 1850, San Francisco 94108; (415) 343-0223.