

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Bettie Baca to Michele Kreiss re: Hispanic philanthropists (1 page)	10/04/1999	P6/b(6)
002. note	re: personal (2 pages)	n.d.	Personal Misfile
003. bio	re: Wallace "Wally" Hopkins [partial] (1 page)	09/13/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
First Lady's Office
Shirley Sagawa
OA/Box Number: 24342

FOLDER TITLE:

Miscellaneous - October 1999 Philanthropy Conference [1]

2013-0124-S

rc1160

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

MEMORANDUM FOR MRS. CLINTON

From: Shirley Sagawa and Ellen Lovell

Re: Philanthropy Conference Report

Date: May 5, 2000

This looks good.

① Have you vetted w/ friends in philanthropy community?

Attached is a copy of the final report of the philanthropy conference. We will send it to print shortly.

We are very excited about the followup to the conference, which is outlined in the executive summary. We are especially pleased that several major foundations have agreed to work with us to launch a youth and philanthropy initiative, which would create regional funds to be supported and directed by youth. We hope to be in a position to announce this initiative soon and will keep you posted.

We are working on a report of the teen conference, which will be printed for us by the Department of Labor. We hope to have a draft for you soon.

② Will there be follow up Regional Conferences — are they mentioned?

③ National Service / AmeriCorps should be mentioned?

④ What about "new wealth" follow up?

⑤ Should we invite comment + feedback?

HRC

PHOTOCOPY
HRC HANDWRITING

PHILANTHROPY CONFERENCE REPORT -- DRAFT

Executive Summary

- **On October 22, 1999, the President and First Lady, with the National Endowment of the Humanities (NEH), convened the first-ever “White House Conference on Philanthropy: Gifts to the Future.”**
 - This conference brought together individuals who are engaged in philanthropy -- including donors, youth, policy experts, business leaders and representatives from nonprofit organizations, foundations, and educational programs -- to highlight the unique American tradition of charitable giving; to discuss the diverse and changing face of philanthropy; and, at a time of the strongest economy in a generation, to explore how to preserve and expand this tradition for future generations.
 - A portion of the program was broadcast via satellite, permitting people at more than 3,000 sites across the country to tune in and take part.
- **The conference was always intended to serve as a catalyst for continued activity and dialogue on giving.** Follow-up work is proceeding, not only within the federal government, but among and in partnership with those who attended, as well as the broader philanthropic community.
- **The following steps already have been taken:**
- To improve dialogue and understanding with the nonprofit sector:
 - The President announced the creation of a new Task Force on Nonprofits and Government to strengthen and support the important collaborative efforts of the nonprofit sector and government. The Task Force will develop an inventory of “best practices” in existing collaborations between the Federal Government and nonprofits and work with federal agencies and nonprofits to apply these models to other governmental efforts.
 - A new “Tax Exempt and Government Entities” division was recently established at the Internal Revenue Service (IRS). As part of this effort, the Treasury Department also recently announced the formation of a “Tax Exempt Advisory Committee” to provide a public forum for discussions between the IRS and representatives of nonprofit organizations. This Advisory Committee will enable the IRS to receive regular input with respect to the development and implementation of tax policies and practices affecting nonprofits.
 - The Department of the Treasury also held meetings with organizations involved in the conference to discuss tax policy and research issues affecting philanthropy and the nonprofit sector.

- To help expand our understanding of charitable giving: The President directed his Council of Economic Advisers to undertake an analysis of the role of philanthropy in the economy, including discussion and interpretation of trends in charitable giving, factors that affect giving, and how the aging of the Baby Boom generation and other trends are likely to affect giving in the future.
- To foster a culture of giving in younger generations: The Corporation for National Service is developing service learning projects designed to give all youth a chance to learn philanthropic values and volunteering. In addition, a number of private foundations are conferring, at the suggestion of the White House, to discuss ways to promote model programs involving youth directly in philanthropic giving.
- To maximize the potential of online giving: The National Charities Information Bureau is working with a wide array of companies and nonprofit organizations to hold follow-up conferences on online giving and what needs to be done to insure donor trust.
- **In his January 2000 State of the Union address, the President unveiled a package of new tax proposals specifically to encourage philanthropy.**
 - First, he proposed enabling nonitemizers to take a tax deduction for charitable contributions. This proposal will boost contributions to charitable organizations, particularly community and faith-based groups, and improve tax fairness by giving nonitemizers the same opportunity to deduct contributions as itemizers.
 - Second, the President's budget will simplify and reduce the excise tax on foundations. The result of this simplification will be to remove a disincentive to foundation giving and to make available more gifts to community organizations in times of need.
 - Third, the President proposed making it easier for individuals to donate appreciated assets like stocks, art and real estate to charity.
- For more details see the "Follow Up and Results" section of this report.

Introduction

Moving Forward by Giving Back

America's tradition of giving is one of our oldest and most valued legacies. As Alexis de Tocqueville observed of our young democracy, charity in America is something more than simple compassion: It is an emblem of good citizenship. "Americans make great and real sacrifices to the public welfare," de Tocqueville wrote. "They hardly ever fail to lend faithful support to one another." And today, this tradition of lending "faithful support" -- to our neighbors, our community, and those whose faces we never see -- is as strong and important as ever. It is one of the fundamental means by which we knit the fabric of our society together, filling in the gaps, repairing the frays, stitching together loose ends -- lifting the communal life of our nation, and our own lives in the process.

As we enter the twenty-first century and a new millennium, our nation stands before a time of unprecedented opportunity. What we make of this moment can have a profound impact not only on our lives but on those of generations to come. Helping Americans imagine the gifts that each of us can give to the future has been a lasting commitment of the President and First Lady as our nation begins this exciting next phase of our common American journey -- and an important part of the mission of the White House Millennium Council.

One of the most enduring gifts we can give to our future is a strengthened philanthropic tradition, recognizing that all Americans -- no matter their incomes, their backgrounds, their ages -- have the power and the means to make a difference. Indeed, as the First Lady said, ordinary heroes of American philanthropy can be found in every community in the land -- "wherever an American sees a need and acts to fill it; whenever a child sees another child without books or food at school and offers to share her own; wherever a businessperson takes stock of all the blessings in his or her life and bequeaths them to those with none."

The fact is, you don't have to be a millionaire or a movie star to give. Every single one of us has something of value to share. And by giving back to our communities, our country and the world, we can make America a better place as we shape our future together.

That is why, on October 22, 1999, the President and First Lady convened the first-ever "White House Conference on Philanthropy: Gifts to the Future." This conference, organized in cooperation with the National Endowment for the Humanities, brought together individuals who are engaged in philanthropy -- including donors, young people, policy experts, business leaders and representatives from nonprofit organizations, foundations, and educational programs -- to highlight the unique American tradition of charitable giving; to discuss the diverse and changing face of philanthropy; and, at a time of the strongest economy in a generation, to explore how to preserve and expand this tradition for future generations. A portion of the program was broadcast via satellite, permitting people at more than 3,000 sites across the country to tune in and take part.

Most important, the conference was never intended to serve as an end in itself: Follow-up work continues, not only within the federal government, but among and in partnership with those who attended, as well as the broader philanthropic community.

Key Themes of the White House Conference

The White House Conference underscored the ideas and traditions that make philanthropic giving and private voluntary action a distinctive characteristic of American life, one that deepens our democracy, strengthens our civil society, and since colonial times, has helped set the United States apart from other nations.

In the First Lady's words, "...our democracy thrives, not just because of our free elections and our free markets, but because in that space between government and the economy, our citizens come together to help each other, to lend a hand in times of trouble, to support nonprofit organizations and to look how all of us can make a contribution to doing more."

Many of the traditions of giving in our country are not captured through statistics or IRS collections. Families who reach out to other families in need, help members of the community get through tough times, renovate a playground or send a distant relative to college are practicing philanthropy as well. Volunteer time is another way many Americans give back to their communities -- and individuals who give of their time tend to give more financially as well, perhaps because they see first hand the great difference that even a relatively small contribution can make.

Indeed, as Bill White of the Charles Stewart Mott Foundation pointed out, we often take our charitable impulse for granted -- but it is just as much a core value of our nation as freedom of speech and freedom of worship. That is why it is so important to inculcate a spirit of service in our children, and pass on a tradition of sharing and giving to younger generations. Through our schools, our religious institutions, and around our kitchen tables, the more we can do to strengthen this core value and sustain it into the future, the healthier and more vibrant our society will be and the fuller each of our lives.

Already, at the turn of the century, American philanthropy is undergoing some profound changes.

Consider these facts:

- **Americans are giving more.** Philanthropic giving increased 10.7 percent in 1998 to an estimated \$174.5 billion, the third straight year of double digit growth in giving. With a strong economy and low inflation, when estimates of giving in 1999 [not available at time of publication] are published, this pattern of giving will probably continue.
- **The overwhelming majority of this giving comes from individual donors.** In 1998, counting bequests, 85 cents out of every philanthropic dollar was donated by individuals. These contributions provide critical resources to colleges and universities, to religious

organizations, nearly half of American hospitals and to the vast majority of the nation's social service agencies and civic and cultural organizations.

- **Americans from every walk of life give to charity.** Forty-four percent of families in the under-\$10,000 income range make gifts; 64 percent of families in the \$10,000-\$19,000 range do the same.
- **Foundation giving has increased by more than 50 percent since 1995.** This dramatic growth in grantmaking reflects the decisions by many thousands of donors to create new foundations. Since 1980, the number of grantmaking foundations has doubled to some 44,000, and more than half of the largest 14,000 foundations were created in the last 20 years.
- **Many American corporations are placing employees at the center of their giving plans.** In addition to workplace campaigns, which remain an important avenue for giving, many companies now encourage their employees to give time and money to local civic and charitable organizations -- and facilitate such opportunities. In addition, corporate matching programs, which stimulate increased giving by magnifying the impact of individual donations, increasingly draw on the knowledge and commitments of employees.
- **Despite these impressive gains, Americans can afford to give more.** Asset values have grown exponentially, permitting a broader pool of wealth to tap into than ever before. And we are on the verge of the greatest generational transfer of wealth in our nation's history -- some \$12 trillion over the next 20 years.

In part, the rise in dollars given reflects a strong economy. Private foundations are required by law to pay out about 5 percent of their assets in grants every year, which means that whenever assets mount, grantmaking goes up as well. The Foundation Center reports, for example, that grantmaking jumped a record 22 percent in 1998, the last year for which complete information is available. Moreover, low inflation has enhanced the real value of these grants.

In addition, new, dynamic, innovative high tech industries are creating wealth on a scale not rivaled since the onset of the Industrial Revolution -- producing not only vast new pools of potential philanthropic resources, but also new kinds of donors, with distinctive ideas about how, where and why to give. Much of the new "venture philanthropy" emerging from the high tech industries reflects not only new wealth but also new ways of doing business.

Finally, the evolution of philanthropy into the 21st century reflects the changes in our workforce and society at large.

With some 60 million American women in the workforce, women control more wealth and are playing a larger role in decision-making about philanthropy too. A recent study based on a survey of the members of The Committee of 200, an organization of highly accomplished women business owners and executives, found that 73 percent say they are very involved in volunteering their time to charitable activities; 92 percent are actively involved in supporting

such organizations monetarily; and more than half donate in excess of \$25,000 every year to charitable organizations.

Ethnic and racial groups are likewise becoming more visible and playing a more central role, building on distinct, and often underestimated, traditions of giving. And the more these groups become active users of the tools of institutional philanthropy -- private and community foundations and endowments, for example -- the more powerful their philanthropic influence will be, and the more they will be able to contribute to their communities and country. Many philanthropic institutions already are working to develop effective strategies to attract donors of color, while minority leaders likewise are working to raise awareness within their communities.

Finally, as our population ages, the Baby Boomer and "X" generations will inherit huge sums, permitting greater philanthropic roles and responsibilities. Predictions are that roughly \$12 trillion will be transferred over the next 20 years -- the largest transfer of wealth ever -- which could produce an enormous windfall for the philanthropic community.

As the White House Conference powerfully illustrated, many exciting new models exist and a number of worthwhile experiments and efforts are under way to promote philanthropy among well-to-do and average Americans alike. From using the Internet to simplify giving to integrating the ethic of philanthropy in school curricula, committed individuals and organizations are working hard to extend and expand the tradition of giving into the future.

Yet, despite the soaring stock market and the strongest economy in a generation, giving patterns expressed as percentages of earned income or Gross Domestic Product have only now returned to the two percent level attained in the early 1970s.

In this era of unprecedented prosperity and peace, America can afford to do better.

In her opening remarks, the First Lady put that abstract hope into concrete terms: "Just imagine what revolutionary progress we could bring to America, how many lives we could change, if every American family increased their giving by just 1 percent of their income. We could offer child care to more than 6 million children. We could deliver 250 million more meals to the homebound elderly. We could guarantee Head Start to every low-income preschooler in America. We could provide shelter to 4 million people. We could save all the rare books in our libraries -- and still have more than enough money left over to create the equivalent of the Ford Foundation each year."

There has never been a better time for philanthropy than today. By stepping forward to fill the gaps in our lives and the life of our nation, we can help our children grow up in an even greater America than the one we knew -- and, in so doing, give ourselves the great joy that comes of giving to others.

Summary of the White House Conference on Philanthropy

The Changing Face of American Philanthropy

As Conference speaker Emmett Carson, President of the Minneapolis Foundation and a leading historian of African American philanthropy, remarked, "The old view has it that philanthropists are wealthy, usually male, often of European heritage, and they practice a top-down, noblesse oblige, rich-to-poor kind of giving." Moreover, as Carson pointedly noted, philanthropy has traditionally been viewed as creating legacies "that start after one is dead... or near dead."

In fact, such stereotypes do not reflect the face, or faces, of American philanthropy -- faces as varied and vibrant as the American people themselves.

First, as Carson emphasized, every racial and ethnic group can point to a long history of giving -- through churches, community organizations and cultural patterns of generosity that may not fit mainstream notions of philanthropy. Indeed, the first and most celebrated act in American philanthropy involved the gift of food by Native Americans to the Pilgrims.

Rebecca Adamson, a member of the Cherokee tribe and Founder and President of the First Nations Development Institute, described how native traditions of giving, sharing and reciprocity are taking modern forms. Tribes such as Prairie Island, Agua Caliente, and the Oneidas of Wisconsin all have major tribal giving programs. Many Native Americans have their own foundations or work in community foundations. Emerging funds, such as the Eagle Staff Fund, pool resources from a variety of donors -- more than 50 foundations and corporations and dozens of individuals -- to "combine the native culture of giving with strategic techniques of effective grantmaking."

The Hispanic community also has a long and underrecognized history of giving. According to Lorraine Cortes-Vasquez, President of the Hispanic Federation of New York, the Hispanic Federation's 1999 *Latinos and Giving* survey indicates that two-thirds of all Latinos contribute to an institution or a charitable cause. Yet, as Ms. Cortes-Vasquez explained, the levels of giving are actually even higher; Latino giving to the church, to family and neighbors in need, and to relatives back in their homes of origin, are just many examples of Latino philanthropy that are not captured in formal studies.

"One day," she noted smilingly, "we would hope to have our own Bill Gates, or as my friend Luis Miranda says, our own Guillermo Puerto." In the meantime, a Latinos Fund Collaborative that reaches from Los Angeles to Kansas City to New York is working to strengthen Latino philanthropy at the national level, to raise public awareness and to promote greater giving within the Hispanic community.

African Americans have a long tradition of self-help organizations and other philanthropic vehicles, including nationally recognized and respected institutions such as the NAACP and the United Negro College Fund, as well as less formal but long-standing customs of giving through the church and in the community. Many black celebrities, athletes, entertainers and business leaders are making generous contributions of their wealth and status to benefit various causes.

Women, too, are building on a tradition of organized giving that began more than a century ago with the founding of the American Association of University Women's Educational Foundation. As Peg Talburtt, Executive Director of the Michigan Women's Foundation, described, by the early 1980s, there were 13 women's funds; today there are more than 100 in the United States and a dozen or more around the world. "All of these foundations," she said, "share the similar values of change, not charity; of money ensured to get to programs which serve women and girls specifically; the value of the significance of gender; and a desire to engage new donors who share these values." Assets within these funds are growing tremendously, and grantmaking has nearly doubled over the last five years. And as women, who already control 51.3 percent of personal wealth, continue to assume economic and professional prominence, their philanthropic power will only grow.

Yet, if American giving is to reach its full potential as the U.S. population continues to change, preconceptions must be shattered, stereotypes must be shelved, and all communities of donors must be recognized and encouraged.

As Emmett Carson forcefully argued, "Nonprofit organizations that have diverse board governance, staffing and program outreach will be well-positioned to earn the trust and support of the new philanthropists. Those that do not will not survive. Organizations of philanthropists, such as the Council on Foundations, regional associations of grantmakers, and research centers on philanthropy will need to carefully think through how their definitions of membership may need to change, and what opportunities for information sharing they may need to provide and train. Finally, community foundations, because of our work with individual donors and broad interests in strengthening their local communities, are especially well-positioned to play a leadership role in addressing these issues."

A second major factor in the changing landscape of American philanthropy is the shifting generational profile of potential donors, in particular the rising stature of the Baby Boomers, now in their 50s, who stand to inherit some \$12 trillion from their parents in the coming years.

According to pollster Peter Hart, 59 percent of Baby Boomers plan to give more over the next five years -- in contrast to only 18 percent of people over age 60 who say the same. Hart explained, "they're also going to be more involved in terms of our communities, because these people plan to leave their careers earlier, and because of that, they look at volunteerism as a central part of their lives. Indeed, a third say, it's going to be a very important part of my life. And they do not want to be asked to do busy work, but they're looking for opportunities that can engage their skills and their abilities."

The keys to successfully strengthening philanthropy for the future, Hart asserted, are to ask people to get involved, to tailor the message to new audiences, to find ways that people can feel a direct effect of their participation, and to use employers as a channel for getting people involved through the workplace. As he put it, "tear up the old play book. Those rules are gone."

Young People and Philanthropy -- Teaching the Tradition

Just as important as the responsibilities the Baby Boom generation will assume in the philanthropy of tomorrow is the role that younger people in their twenties, the so-called Generation "X," will play.

As Peter Hart explained, these twenty-somethings don't fit into the old models. "They have as much idealism and involvement as their older brothers and sisters, or indeed, as their parents. But their idealism is very different. It's not about changing the world, it's about changing their neighborhood." Eighty-five percent of Gen-Xers say their motivation for volunteering and other forms of service is to feel that they are making a difference and concretely helping those in need.

Conference panelist Justin Timberlake, the youngest member of the highly successful teenage pop group 'NSync, described the foundation he recently established to support music programs in public schools. He explained how, growing up in a small town outside Memphis, he yearned for an outlet for his creative energies and ambitions -- something his local school could not provide. Now, as a successful musical artist, he is heeding his parents' counsel to always remember his roots, in the hopes that the Justin Timberlake Foundation can help bring world class music programs into public schools nationwide.

For the vast majority of young people who lack the resources to launch foundations or make large dollar donations, there are many other ways to give back. Volunteering is one vital and rewarding form of service; according to Independent Sector's *Giving and Volunteering in the United States, 1999*, 46 percent of Americans aged 18 to 24 devoted time to volunteer activities in 1998. And as the President noted, already more than 150,000 young people have stepped forward for Americorps, which celebrated its fifth anniversary the week of the White House conference.

Communities of faith are another important means to nourish and provide outlets for philanthropic behavior. Evan Mendelson, Executive Director of the Jewish Funders Network, described the concept of *tzedakah* -- literally, "justice" -- through which "every Jew, no matter their economic situation, is expected and asked to be responsible for others beyond themselves and their families." A number of programs in the Jewish community help teach young Jewish men and women about philanthropy as they prepare for their bar and batmitzvahs -- for example the Seventh Grade Fund at Brandeis Hillel Jewish Day School in San Francisco, a youth foundation that in 1998 allocated \$13,000 to projects not only in their neighborhood but as far away as Kosovo. Another program, B'Nai Tzedek, was started by a philanthropist in Springfield, Massachusetts, to promote youth giving nationwide. And, as Ms. Mendelson explained, "any young Jew can establish a youth endowment fund at the Jewish Fund for Justice, and then choose the youth organization that he or she wishes to support."

Across the country, exciting new programs are giving young people hands-on experience in the practice and rewards of philanthropy. Dorothy Johnson, President of the Council of Michigan Foundations, described the endowed youth funds that have been established statewide through

the Michigan Community Foundation Youth Project, with the support of the W.K. Kellogg Foundation. Each year, more than 1,500 high school youth -- from honor roll students to adjudicated youth -- take part in youth advisory committees, or YACs, to raise and grant monies ranging from a few hundred dollars to more than \$70,000. According to Ms. Johnson, the first group of "YACers," now graduating from college, are "making career-changing decisions about what they want to pursue. They are proving that with training and a shared goal, youth can accomplish a lot with limited resources."

Rosario "Chayo" Long-Mendez, a teen member of the Battle Creek Community Foundation Youth Alliance Committee, testified to the impact of the program: "Being a member of the YAC has given me the opportunity to become an active member of the community through grantmaking. It has also allowed me to come into contact with dynamic youth who are determined to make a positive impact on their community. It seems to me that my fellow YACers have become more responsible contributing members of our community as a result of their service."

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

In addition, Peg Talburtt described a program the Michigan Women's Foundation launched, along with all 14 state Girl Scout councils in Michigan and with the support of the Kellogg Foundation, to create a "Girls and Giving" patch. This collaborative program will offer training in philanthropy to every level of Girl Scout, from Daisy to Senior Cadet -- and has the potential, over the next few years, to reach 130,000 young Michigan women and 13,000 of their Girl Scout leaders. Based on its promising inception in Michigan, the program could be extended across the country.

Ms. Talburtt also spoke about a program called Young Women for Change, which has two sites in Michigan that together grant more than \$40,000 to programs to serve the needs of girls. Through this program, young women are trained in philanthropy and leadership. They research the needs of their communities and use their acquired knowledge to fund causes they choose -- from fighting discrimination against girls in sports to getting teenage prostitutes off the streets. The experience of giving has a lasting effect: Ms. Talburtt reports that many of the young women who have participated in this program have decided they want careers in philanthropy and have reshaped their educational goals.

Just as organizations are focused on this issue, so young people are making themselves heard. The morning of the White House event, the Corporation for National Service hosted a conference on youth and philanthropy called, "Raising the Roof: Youth Voices on Giving," which brought together a diverse group of young Americans from across the country. As Malik Evans, a community leader and a sophomore at the University of Rochester, reported at the White House conference, participants emphasized three key areas: national policy, media, and

education. Their recommendations included the creation of a Cabinet level position focused on youth, a Senate Committee on Youth Service, a youth media association to highlight the positive contributions young people are making, and, crucially, integrating education and service "from kindergarten on up."

Indeed, many conference participants spoke to the importance of inculcating a spirit of service in America's schools. Brian O'Connell, of the Lincoln Filene Center for Citizenship at Tufts University, pointed out that civics classes -- once an integral part of school curricula -- have been pushed out of the educational system to make more time for science and other subjects. As he explained, "the rationale became, well, this is not really the responsibility of education. But if we really look at it, everything else that America depends on depends upon people being aware of the blessings of liberty and the responsibilities of supporting it."

Dorothy Johnson, President of the Council of Michigan Foundations, described a project under way to teach philanthropy in schools, K through 12. More than 70 classroom teachers are helping to build the initial curriculum, and more than 100 of the lessons are available on the Internet to educators at home and abroad. Some examples include an elementary school teacher using "selfish" and "selfless" to introduce the language of philanthropy as part of a class session on suffixes, or a 4th grade teacher describing the way the Underground Railroad was run by volunteers and how individuals worked in the independent sector to confront injustice.

Ms. Johnson's description of Michigan's experience holds lessons for the rest of the country: "We are learning, with the help of our youth in Michigan, that to learn to give you must have the experience of giving. To learn to serve you need to be of service, and to learn the meaning of citizen action for the common good, you need to be exposed in classrooms and beyond to the history and powerful impact of philanthropy."

Philanthropy With Attitude: New Technology and Venture Philanthropy

If the face of philanthropy in America looks different today than just a decade ago, so do the means by which Americans give to and support their causes. The explosion of growth in the high tech industry has both created new avenues for giving, and also inspired newly wealthy individuals -- from secretaries to senior executives -- to take an unprecedented interest in giving back to their communities. The White House Conference featured three entrepreneurial donors - Kevin Fong of the Mayfield Fund, a Silicon Valley venture capital firm; Catherine Muther, a former Cisco Systems executive who left the corporate world to focus on her philanthropic ventures; and Steve Case, the CEO of America Online.

Mr. Case, whose AOL corporate headquarters in northern Virginia serve as a reminder that not all of the emerging tech centers are on the West coast, emphasized the convenience of the Internet in offering potential new avenues for donors and nonprofits alike. As he put it, "You can go to a portal to get to content, or go to a portal to get to commerce, why not go to a portal to find out about organizations that need your help?"

Just days before the conference, the AOL Foundation launched its new website, Helping.org, an e-philanthropy portal that provides Americans who want to lend a helping hand with a

convenient way to donate money or volunteer time to the charity of their choice. Helping.org connects users to more than 620,000 charities and more than 20,000 volunteer activities, providing an important new resource for the more than two-thirds of American households that already make charitable contributions, as well as those new to philanthropy. With only a few clicks of the mouse, donors can find organizations that could use assistance -- right in their own neighborhood, or miles from home -- and offer whatever resources they have to make a difference.

As Mr. Case underscored, the Internet cannot, by itself, generate the impulse to give. But for individuals who want to get involved, it can make the process faster, easier, and more convenient. Moreover, it puts more active power in the hands of aspiring donors -- enabling them to find information about charities that support the interests they care about, rather than waiting to be solicited by direct mail or over the phone, and speeding the process through which they can give their money or their time.

In Mr. Case's words, "a lot of people have really come together to build...this portal for philanthropy, with the idea that we can take all these tens of millions of people who are starting to change their lives because of the Internet and help them change society because of the Internet as well."

As "e-philanthropy" continues to evolve and advance, more needs to be done to ensure that the efficiencies of the Internet are maximized, while protecting the interests and safety of both donors and nonprofit organizations. The same day as the White House Conference, the National Information Charities Bureau (NCIB), together with the Department of Commerce, GreaterGood.com, CharitableWay.com, and the AOL Foundation hosted an "E-Philanthropy: Technology and the Nonprofit Community" forum to discuss the how the ever-increasing use of the Internet will affect the unique American tradition of charitable giving.

In his report on the discussion of online giving that morning, William Massey of NCIB described the four essential cornerstones for nonprofit net transactions that the forum's participants had identified: security and privacy of information; informed choice that is free of hidden detail; full disclosure, including tax deductibility and exactly how charities benefit; and ease in getting answers on-line to questions or issues. In addition, the group plans, in cooperation with the White House, to host additional forums and meetings to extend and expand the dialogue, to encourage best practices in the area of e-philanthropy, and to nurture the capacity of community-based, as well as national, organizations, to benefit from the remarkable possibilities of Internet giving.

Meanwhile, the technological revolution that is creating both the flurry of new dot.coms and giving birth to new fortunes also is generating new strategies for giving.

Many new high tech entrepreneurs, Kevin Fong of the Mayfield Fund observed, are still too young to have started their own families, a stage of life that often prompts thinking about gifts to future generations. Others are too busy creating new companies and products to give much thought to other matters -- or find that, even if they would like to get involved in their community, they do not have the time. And others simply cannot yet fathom how wealthy their

stock options are making them, or how small a donation of money or time it would take to make a difference.

With the sponsorship of the Community Foundation-Silicon Valley, Mr. Fong helped found Silicon Valley Social Ventures, also known as SV2, which is designed to reach out to young professionals and help them get involved in philanthropy intelligently, actively and effectively. As he explained, "the traditional networks of family or church are being replaced...in the valley by the network of the Silicon Valley and by the workplace....[W]ith SV2, we hope to reach and deliver with their peers and with leaders in their industries, and set an example for how they can get involved with the community."

When young business leaders do give, they reflect the attitudes Peter Hart detects in his focus groups. Many want to do more than simply write a check and walk away; they insist on accountability and involvement over the long haul. And rather than giving to traditional charities, which may appear to move too slowly for the Net-speed world, they see themselves as investors in programs that can spark true and durable change -- in part, perhaps, because as younger donors, they expect to live long enough to enjoy the effects of their involvement.

This new kind of hands-on giving, often described as "venture philanthropy," borrows heavily from the corporate culture from which its leaders have emerged. It places a premium on taking risks and not being afraid to fail; on being an active giver, not only of dollars but of time; and on measuring performance and results -- because, as Kevin Fong explained, "with that accountability comes the ability and the desire to participate and invest again."

Venture philanthropists also have new tools at their disposal for philanthropic fundraising, in particular "the magic of stock options and founders stock." Stock that may not be worth much money when a company is just getting started can generate valuable resources over time; indeed, Mr. Fong described how the assets of the Mayfield Fund's Entrepreneurs' Foundation have grown by \$4 million in just two years. Similarly, Catherine Muther of the Three Guineas Fund explained how each entrepreneur who comes into her Women's Technology Cluster pledges two percent of the value of the company into an equity reinvestment fund. Over time, as the wealth mounts, the entrepreneurs who helped to create it will share in "making the philanthropic decisions about how that wealth is reinvested in the community."

Certainly, the impact of these new donors is making itself apparent. A February 11, 2000, article in the *New York Times* notes that the Community Foundation-Silicon Valley has seen its assets grow 25 percent to 40 percent in each of the last three years and expects contributions to double this year. Peter Hero, president of the organization and a conference participant, reports that the foundation is now administering about 675 different philanthropic funds that have been established by living donors, the majority of whom are tied to the high-tech industry in some way.

While venture philanthropy offers exciting new resources, practices and players, it also brings a distinct set of values -- what Ms. Muther calls "philanthropy with attitude" -- that sometimes can make these newer donors seem difficult to work with. As Ms. Muther acknowledged, their sense of urgency can look like impatience. Their confidence can look like arrogance. Their insistence

on accountability and results can look like a need for control. But at its best, the new generation of philanthropists can bring not only tremendous resources and talent, but a sense of commitment and the collegiality that characterizes many new start-up companies to the work of hard-pressed nonprofit organizations.

And, as President Clinton observed at the White House Conference, "the people who are in the high-tech community are particularly well-qualified to focus on individual economic empowerment to people and places that have been left behind in this astonishing economic recovery."

There are many additional, innovative ways for people to give in this new time.

Lewis Katz, part owner of the New Jersey Nets, described how he and his partner Ray Chambers bought the NBA team in a nonprofit trust, the Community Youth Organization, to benefit the children of their hometowns in urban New Jersey. All of the profits from the team, whether through its operation or sale, are dedicated to minority education, scholarship and mentoring for disadvantaged youth in places like Newark, Trenton, Paterson, Camden and Jersey City. In addition, the team's players have been encouraged to stand for something larger than themselves, with an emphasis on community involvement, including the presentation of a scholarship to a local student at every game. Through the difference they are making to New Jersey's young people, the Nets are winners in the most profound sense.

Harvard Business School professor Rosabeth Moss Kanter told of the numerous "service options" that far-sighted employers are offering their workers as benefits in the new economy.

BankBoston, for example, identified organized groups of employees -- working parents, gays and lesbians, ethnic minorities -- and gave them \$25,000 to disburse as grants to the causes of their choice, much like the "YACs" that Dorothy Johnson described for high school students in Michigan. This experience with philanthropy inspired many employees to donate more money out of their own pockets and volunteer their time.

Other firms are making it easier for their increasingly busy employees to find time to give back, by offering community service opportunities and granting leave to pursue it. Timberland provides workers five days each year for community service, much of which is organized together with City Year. Bank of America allows its workers two hours of release time per week if they are volunteering in schools. Home Depot works with KaBOOM! to donate supplies and organize employees to build neighborhood playgrounds.

IBM offers major incentives and inspiration to its employees to get involved -- with one-to-one matching grants, and five-to-one matching grants for donations to K-12 education, which is the company's major philanthropic focus. According to Professor Kanter, in 1998, IBM employees contributed about 4.5 million hours of service, some 25 percent of it to early education. And when workers volunteer more than 100 hours a year for a particular organization, IBM rewards their service with an additional \$1,500 grant.

As Professor Kanter emphasized, employees are grateful for the chance to do something for the community. "So, of course, it benefits the company, in building a strong corporate culture, in training leaders of the future, in building teams of diverse people across the company who never would work together if it weren't for community service. So it's not only corporate citizenship... it's community involvement as a tool to build businesses."

America Can Afford To Do More

For all the welcome advances in charitable giving, there are still many unmet needs in our country. As Betty Beene of the United Way of America reminded conference participants, in recent years the percentage of giving that goes to health and human service organizations has not kept pace with overall growth or the needs of these organizations. This does not mean we should discourage individuals who wish to support newer causes like protecting the environment or wiring schools. But it does mean that we must always remember our basic responsibility to shelter and care for the neediest of the needy and the poorest of the poor -- people whose names we may never know and whose faces we may never see.

Moreover, it is important to understand that the vast majority of nonprofit organizations depend for survival on small- or average-sized gifts -- not the million dollar grants that make the headlines. A broad and sustained commitment by Americans from every walk of life is essential to keep our nonprofit institutions healthy, productive and strong.

At the same time, there are many untapped philanthropic resources from which to draw. Claude Rosenberg, the founder of one of the nation's leading investment firms and an expert on financial management, believes that part of the problem is that Americans have always been advised to give from their income but not to touch their assets. In fact, he claims, with asset values soaring as they have in recent years, people could give an additional \$242 billion a year to charity without impairing their investment asset wealth or standard of living. Not only does asset donation benefit nonprofits, it offers significant tax benefits to the charitable giver as well.

Certainly, efforts are under way to promote and inspire greater giving. Mr. Rosenberg has founded an organization, Newtithing, which helps individuals calculate how much they can afford to give. Rodney Jackson of the National Conference on Black Philanthropy described his organization's "3/4 equals 1%" campaign -- 3/4 meaning March 4, 2000, as a target deadline, and one percent to encourage giving of one percent or more within the African American community. Penny McPhee from the John S. and James L. Knight Foundation in Miami shared an idea she had learned of from a small foundation in Boulder, Colorado, to ask everyone in the community to donate the last hour of their pay in 1999 to the community foundation. That way, everyone, no matter how small his or her income, could have the experience of becoming a philanthropist.

But more ideas like these will be essential to strengthen and sustain the philanthropic impulse so crucial to our democracy. For as the First Lady said in her closing remarks,

"[A]s we move into this new century, looking for new ways to deepen the American philanthropic tradition, I think we are not only doing it for ourselves in every way that can

possibly be meant -- for our own personal satisfaction, for our own feeling of worthiness, and for our fellow citizens, those we can touch and see and those further distant -- but we are doing it to set an example. Because only through the creation of civil society, which depends greatly on volunteerism and philanthropic works, can any society really understand what it means to be a democracy. And then that democracy can be rooted in very, very strong soil."

The White House Conference on Philanthropy -- Follow Up and Results

The President and First Lady were determined to ensure that the White House Conference not be an end in itself, but a catalyst for continued activity and dialogue on giving.

In that spirit, the Clinton Administration made a number of commitments in conjunction with conference.

First, the Administration has intensified its efforts to improve dialogue and understanding with the nonprofit sector.

In this regard, the President announced the creation of a new Task Force on Nonprofits and Government to strengthen and support the important collaborative efforts of the nonprofit sector and government. In 1998, an estimated \$175 billion was given by Americans to a wide variety of causes and organizations. In many cases, nonprofit organizations convert America's giving into results -- helping people in need, providing health care and educating our nation's youth. Nonprofits are uniquely able to identify problems and promote change at the community level. As the sector grows, increasing opportunity arises to forge more effective partnerships between nonprofits and government to address public needs. The Task Force will work with the nonprofit sector to encourage giving and volunteering and identify innovative partnerships between the public and private sectors. As part of its work, the Task Force will develop an inventory of "best practices" in existing collaborations between the Federal Government and nonprofits and work with federal agencies and nonprofits to apply these models to other governmental efforts.

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

And the Department of the Treasury has held meetings with organizations involved in the conference to discuss tax policy and research issues affecting the nonprofit sector.

Second, to help expand our understanding of charitable giving, the President directed his Council of Economic Advisers to undertake an analysis of the role of philanthropy in the economy, including discussion and interpretation of trends in charitable giving, factors that affect giving, and how the aging of the Baby Boomers and other trends are likely to affect giving in the future. This report is slated for publication in the spring of 2000.

Third, to foster a culture of giving in younger generations, the Corporation for National Service is developing service learning projects designed to give all youth a chance to learn philanthropic values and volunteering. In addition, a number of private foundations are conferring, at the suggestion of the White House, to discuss ways to promote model programs involving youth directly in philanthropic giving. **[Malcolm -- you wanted to maybe add more here, depending on progress...]**

Fourth, to maximize the vast potential of online giving, the National Charities Information Bureau is working with a wide array of companies and nonprofit organizations to hold follow-up conferences on online giving and what needs to be done to insure donor trust, such as more transparency and full disclosure of relations between for-profit and nonprofit groups.

Then, in his January 2000 State of the Union address, the President unveiled a package of new tax proposals specifically to encourage philanthropy.

First, he proposed enabling nonitemizers to take a tax deduction for charitable contributions. Currently, 70 percent of taxpayers do not itemize and as a result, they cannot get the tax incentive for charitable giving that higher-income itemizers can claim. The President's budget will allow these taxpayers to claim a 50 percent deduction for charitable contributions above \$500 a year when the measure is fully phased in. This proposal will boost contributions to charitable organizations, particularly community and faith-based groups, and improve tax fairness by giving nonitemizers the same opportunity to deduct contributions as itemizers.

Second, the President's budget will make it easier for funds to reach those in need by simplifying and reducing the excise tax on foundations. Foundations currently face a two-tier excise tax: first, a 1 percent tax on investment income; second, an additional 1 percent tax for foundations that do not maintain their rate of giving over a five-year average. This mechanism is unduly complicated and can reduce giving in certain cases, since boosting gifts in times of need exposes foundations to higher taxes if, after the need has passed, their rate of giving drops back to earlier levels. The President's new proposal will eliminate the two-tier system and set the excise tax rate at 1.25 percent. The result of this simplification will be to remove a disincentive to foundation giving and to make available more gifts to community organizations in times of need.

Third, the President proposed making it easier for individuals to donate appreciated assets like stocks, art and real estate to charity. Under existing law, individuals donating appreciated assets can take a tax deduction that is limited to 30 percent of adjusted gross income (AGI); for gifts made to private foundations, the deduction is capped at an even more stringent 20 percent AGI. These multiple limitations are complex and can place burdens on individuals who choose to give substantial portions of their incomes to charity. The President's budget simplifies and eases these limitations by increasing the AGI limit on appreciated property from 30 to 50 percent, and the limit for donations of appreciated property to private foundations from 20 to 30 percent. This change will create greater incentives for such gifts.

Conclusion

The White House Conference on Philanthropy would not have been possible without the generous support of numerous organizations and agencies: The National Endowment for the Humanities, South Carolina Educational Television, The Charles Stewart Mott Foundation, Community Foundation-Silicon Valley, the J. Paul Getty Trust, the Iscol Family Foundation, and the Marcie Polier Family Foundation.

Many other groups worked hard to help build a national audience for the discussion, including the American Red Cross, the United Way of America, the Forum of Regional Associations of Grantmakers, the National Committee on Planned Giving, and the National Association of Fundraising Executives.

Just as the White House Conference reflected a collaborative effort, so the energy and enthusiasm of as many people as possible will be necessary to carry our proud history of philanthropy into the century ahead. Sharing our blessings with those who have less, teaching new skills to those eager to learn, giving back to the communities that support us, can have a lasting and profound effect -- not only on those whose lives we touch, but on our lives as well. Conference panelist Catherine Muther suggested that "philanthropy is the soul of the new economy." Let us each do our part to nourish that soul, that our souls may be nourished in turn.

APPENDIX (OR SIDEBARS, ETC...)

During the White House Conference, ordinary citizens who have made extraordinary gifts of time, commitment and resources were recognized as philanthropic heroes.

- **MYRIAN ARGUELLO BODNER, Louisville, Kentucky:** Myrian Bodner, a Louisville, Kentucky homemaker, was devastated by the news of Hurricane Mitch, which left thousands homeless and killed an estimated 10,000 people across Central America in 1998 -- including in her native land of Nicaragua. "It was absolutely horrible," Ms. Bodner recalled. "All the crops were gone. It was going to take human resources to build the country up." To alleviate the suffering, Ms. Bodner worked with longtime friend and registered nurse Jennifer Salazar to gather medical supplies. 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. Ms. Bodner was there to help. Ms. Bodner then reached out to the Mustard Seed Communities and her local church and collected \$250,000 worth of other daily essentials, which were later distributed by Food for the Poor. Aside from acting as a conduit for these works, Ms. Bodner and her family have financially supported them as well. Ms. Bodner 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 Yugoslav province of Kosovo, 10 year old Gil Castellanos was alarmed. Immediately, he began talking with his mother about the effects of the war and asked her what he could do to help. His mother told Gil to keep the refugees in his prayers. Gil said that was not enough. Working with his 11 year old sister Ashley, 4 year old brother Michael, and several 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 his parents, and under local supervision of The American Red Cross of Greater Chicago, Gil's Simply from the Heart raised \$7,100 for Kosovar refugees in six weeks.
- **MATEL "MAT" DAWSON, JR., Detroit, Michigan:** Matel "Mat" Dawson Jr., has spent his entire 59-year career at Ford Motor Company building wealth to share. By working overtime and investing his money, this 78-year old forklift operator accumulated enough money to give away more than \$1 million. One of Mr. Dawson's key philanthropic goals is to help young people do what he could not -- complete their 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. Other recipients of Mr. Dawson's generosity are the United Negro College Fund (\$230,000), Louisiana State University (\$200,000) and the NAACP (\$150,000). In his words, "I've owned big homes and big cars and that don't excite me no more. I just want people to say that I tried to help somebody."
- **MARY GRAYSON, Los Angeles, California:** Mary Grayson, a longtime employee of the U.S. Postal Service, has been a donor to the Combined Federal Campaign (CFC) since 1974 -

- giving a portion of each paycheck to charity for the past quarter century. CFC, the nation's largest fundraising campaign, allows 4 million federal employees to give to the charities of their choice through automatic payroll deductions. In 1998, federal workers contributed \$206 million to charity, breaking the 1991 record by \$2 million. One of the key factors that motivated Ms. Grayson to give was a friend who had two children with Sickle Cell Anemia. Having seen first hand what this disease can do to a family, Ms. Grayson chooses to direct her contributions to various sickle cell disease organizations. A true believer in the power of education, she also contributes to the United Negro College Fund. A former Girl Scout leader, mother of three and grandmother of eight, Ms. Grayson also has served as a parent volunteer with her local PTA and is a trustee at her church.

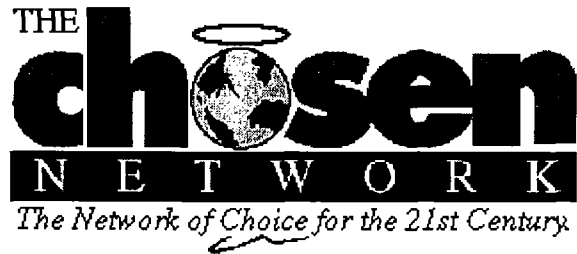
- **REGINA JENNINGS, Westover, West Virginia:** Through careful savings and wise investments, Regina Jennings, a custodian at West Virginia University College of Law, was able to amass a life savings of more than \$93,000. Rather than spend it on herself, she decided to donate the majority of her wealth to the law school where she works -- one of the largest gifts the school has ever received. Ms. Jennings made the gift because of her fondness for the school's staff and professors and her deep appreciation of higher education. Her gift will be used to renovate a room at the law school. When completed next spring, the facility -- to be named for Jennings -- will house a sophisticated teleconferencing system to allow for distance education. A portion of the funds will also be used to establish an endowment -- a lasting legacy of her support.
- **ROLLAND C. LOWE, M.D., San Francisco, California:** Rolland Lowe, the first ever Asian American President of the California Medical Association, founded the Lawrence Choy Lowe Memorial Fund in 1987. This charitable and civic foundation makes gifts to nonprofit organizations for a wide variety of causes in the Chinese community, from ensuring Asian civil rights to the establishment of a capital campaign for the Chinese Historical Society's museum. Dr. Lowe has also served in many community organizations and foundations, and worked to provide decent housing for San Francisco's elderly through redevelopment of an old hotel for use as a senior housing and community center. Dr. Lowe and his family have committed more than \$600,000 to the Lowe Memorial Fund, while giving to other local causes as well.
- **MATTHEW NONNEMACHER, Hazelton, Pennsylvania:** In 1997, 11 year old Matthew Nonnemacher decided to work with his local United Way to launch "A Million Ways to Care," a penny-drive in Hazelton, Pennsylvania. Inspired by a homework question -- "If you had any wish, what would you wish for?" -- Matthew set his mind on collecting one million pennies for the local poor. In conjunction with "Make a Difference Day," local schools were contacted and canisters for pennies were placed in businesses and organizations throughout the Hazelton community, eventually collecting 1.8 million pennies -- \$18,000. Matthew is interested in becoming a priest. But rather than wait to help people, he says, he wanted "to help them now."
- **THE REVEREND ANN A. PEARSON, North Canton, Connecticut:** Not long ago, Reverend Pearson, Pastor of Community Methodist Church of North Canton, Connecticut, inherited \$1,000 from her Uncle John, the inspiration for her faith in God and charitable

works. Wanting to nurture an ethic of caring and a lifetime of service in others as her Uncle John had inspired in her, Reverend Pearson decided to give \$10 to each of her parishioners for them then to give to a cause of their choice. "Many folks had not realized how many avenues for giving there were until they really listened with intention," she said. With their "Uncle John" money, members brought new opportunities for community service into the church. Reverend Pearson then published the stories of her parishioners' philanthropy in the Church's bulletin, which profoundly influenced each participant to engage in his or her own journey of giving.

- **ESPERANZA RICH, Seattle, Washington:** Born in Mexico, Esperanza Rich came to the United States at a very young age, eventually moving to Iowa. Despite many hardships -- the death of her father, feeling inferior because of the color of her skin and working long hours in the sugar beet fields -- Ms. Rich and all her siblings graduated from their Iowa high school. Throughout the course of her life in Iowa, Ms. Rich and her family experienced the generosity of many people, including that of two women who brought the family food, clothing and toys every Saturday. These simple Saturday exchanges made these women her role models. Many years later, one of the women, now living in Seattle, invited Ms. Rich and her husband to visit -- and they decided to move to Seattle themselves. Now retired, Ms. Rich is as generous to people as she feels they have always been to her. Working with the St. Vincent de Paul Society, a Roman Catholic lay organization that fosters personal outreach to poor and needy people of all faiths, Ms. Rich is able to help low-income families attain food, clothing, bus tickets, rent and utility assistance. She also gives them hope. And to ensure that her charitable works are continued past her own life, Ms. Rich is leaving a legacy to the St. Vincent de Paul Society in her will.
- **WILLIAM SHELTON III, Washington, DC:** William Shelton is the Coordinator of Community Relations at Brookland Manor, an assisted housing complex for people of all ages in northeast Washington, DC. A believer in getting things done, he reaches out to help others not only in a professional capacity but personally as well. He has worked to help local children realize their dreams of college by helping them fill out financial aid forms and paying out of pocket for their train, bus or airfare expenses to university. To further show his determination to help young people, Mr. Shelton not only gave \$500 to KaBOOM!, a local nonprofit that builds playgrounds, he convinced Black Entertainment Television to make a \$5,000 gift and raised resources from others as well. "I want to see every child in this neighborhood have a place they could just be a child," he explained. "A playground, even though it's a small step, is a step that will at least mobilize this community." Mr. Shelton says that his goal is to help people realize that they can use the resources they have to help others. "Just do a bit more than you normally would and you'll see how much you become a part of a community."
- **HARRISON STEANS, Chicago, Illinois:** Using financial resources garnered from talents in law, banking, education and finance, Harrison Steans, his wife Lois, and their three daughters co-founded the Steans Family Foundation in Chicago 14 years ago. Committed to the belief that long-term personal involvement with individuals can change lives and communities, the Steans Family Foundation's mission is to improve community development in Chicago. Specifically, they are focusing on the North Lawndale community, identified

because of significant poverty and lack of community assets. The Steans have made a ten year commitment to North Lawndale, directing 95 percent of their Foundation's \$1.5 million annual grants budget directly into working with residents. This Lawndale Partnership is directed at six broad sectors: capacity building/leadership, economic development, housing, health and human services, and quality of life. In addition to his work on the family foundation, Mr. Steans is involved with numerous Chicago based nonprofits as both trustee and director.

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ASSOCIATIONS AND ORGANIZATIONS

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

A

A Better Chance, Inc.
419 Boylston Street
Boston, MA 02116
(617) 421-0950

Action Alliance of Black Managers
P. O. Box 15636
Columbus, OH 43215
(614) 860-9388

A. Phillip Randolph Institute and A. Phillip Randolph Educational Fund
1444 I Street, NW - Suite 300
Washington, D.C. 20005
(202) 289-2774

African American Museum Association
409 7th Street, NW - Lower Level
Washington, D.C. 20004
(202) 783-7744

African American Coalition
1100 6th Street, SW
Washington, D.C. 20024
(202) 488-7830

African Heritage Studies Association
P. O. Box 1633 - Lincolnton Station
New York, NY 10037
(212) 795-2096

African Influence
686 West Ventura Street
Altadena, CA 91001
(818) 794-7586

African Methodist Episcopal Church

1134 11th Street, NW
Washington, D.C. 20001
(202) 371-8700

African Methodist Episcopal Zion Church
P. O. Box 32843
Charlotte, NC 28232
(704) 598-7419

Africare, Inc.
440 R Street, NW
Washington, D.C. 20001
(202) 462-3614

Afro-American Historical and Genealogical Society
P. O. Box 73086 - "T" Street Station
Washington, D.C. 20056-3086
(202) 234-5350

Alliance of Black Entertainment Technicians
1869 Buckingham Road
Los Angeles, CA 90019
(213) 933-0746

Alpha Kappa Alpha Sorority, Inc.
5656 S. Stony Island Avenue
Chicago, IL 60637
(312) 684-1282

Alpha Phi Alpha Fraternity, Inc.
2313 Saint Paul Street
Baltimore, MD 21218
(301) 554-0040

Alpha Pi Chi Sorority, Inc
1328 Nicholson Street
Hyattsville, MD 20782
(301) 559-4330

American Association for Affirmative Action
101 Administration Bldg. - Emory University
Atlanta, GA 30322
(404) 727-6017

American Association of Black Women Entrepreneurs Corporation
P. O. Box 13933
Silver Spring, MD 20911-3933
(301) 565-0258

American Association of Blacks in Energy
801 Pennsylvania Avenue, SE - Suite 250
Washington, D.C. 20003
(202) 547-9378

American Bridge Association
2798 Lakewood Avenue, SW
Atlanta, GA 30315

(404) 768-5517

American Council on Education, Office of Minorities in Higher Education
One Dupont Circle - Suite 800
Washington, D.C. 20036
(202) 939-9395

American Health and Beauty Aids Institute
401 North Michigan Avenue - 24th Floor
Chicago, IL 60611-4267
(312) 644-6610

American League of Financial Institutions
1709 New York Avenue, NW - Suite 801
Washington, D.C. 20006
(202) 628-5624

Amistad Research Center
Tulane University
New Orleans, LA 70118
(504) 865-5535

Ancient Egyptian Arabic Order Nobles Mystic Shrine, Inc.
2211 Cass Avenue
Detroit, MI 48201
(313) 961-9148

Associated Black Charities
105 East 22nd Street, Suite 915
New York, NY 10010
(212) 777-6060

Association for Multi-Cultural Counseling and Development
5999 Stevenson Avenue
Alexandria, VA 22302
(703) 823-9800

Association for the Study of Afro-American Life and History
1407 14th Street, NW
Washington, DC 20005-3704
(202) 667-2822

Association of Black Admissions and Financial Aid Officers of the Ivy League and Sister Schools, Inc.
P. O. Box 1402
Cambridge, MA 02138
(401) 863-2378

Association of Black American Ambassadors
440 R Street
Washington, DC 20001
(202) 462-3614

Association of Black Foundation Executives
1828 L Street, NW, Suite 300
Washington, DC 20036

(202) 466-6512

Association of Black Psychologists
P. O. Box 55999
Washington, DC 20040-5999
(202) 722-0808

Association of Black Sociologists
Department of Sociology and Anthropology, Howard University
Washington, DC 20059
(202) 806-6853

Association of Black Women in Higher Education, Inc.
Fashion Institute of Technology, Office of Academic Affairs
227 West 27th Street C-913
New York, NY 10001

Association of Minority Enterprises of New York
Office of the President
205 Fulton Avenue #505
Hempstead, NY 11550
(212) 489-0120

Audience Development Committee, Inc. (AUDELCO)
P. O. Box 30, Manhattanville Station
New York, NY 10027
(212) 534-8776

B

Bethune-DuBois Fund
600 New Hampshire Avenue, NW
Washington, DC 20037
(202) 625-7048

Black Agency Executives
115 East 23 St., 10th Floor
New York, NY 10010
(212) 254-2633

Black American Response to the African Community
127 North Madison Avenue, #400
Pasadena, CA 91102
(818) 584-0303

Black Data Processing Associates

C

Carats, Inc.
3234 Fairwood Avenue
Columbus, OH 43207
(614) 491-0457

Career Expo Planning Committee, Inc.
31 Milk Street, Suite 205
Boston, MA 02109

(617) 426-6667

Caribbean Action Lobby
322 West Compton Boulevard
Compton, CA 90220
(213) 639-3641

D

Delta Sigma Theta Sorority
1707 New Hampshire Avenue, NW
Washington, DC 20009
(202) 483-5460

Doll League, Inc.
150 McLean Boulevard
Paterson, NJ 07506
(201) 523-4267

Drifters, Inc.
10 Chelsea Court
Neptune, NJ 07753
(908) 774-2724

E

EDGES Group, Inc.
1 Hess Plaza
Woodbridge, NJ 07095
(908) 750-6408

Eta Phi Beta Sorority, Inc.
16815 James Couzens
Detroit, MI 48235
(313) 862-0600

Executive Leadership Council
444 North Capitol Street, #715
Washington, DC 20001
(202) 783-6339

F

Federation of Masons of the World and Federation of Eastern Stars
1017 East 11th Street
Austin, TX 78702
(512) 477-5380

Federation of Southern Cooperatives Land Assistance Fund
100 Edgewood Avenue, Suite 814
Atlanta, GA 30303
(404) 524-6882

Florida Endowment Fund
201 East Kennedy Blvd., Suite 1525
Tampa, FL 33602
(813) 272-2772

Frontiers International, Inc.

6301 Crittenden Street
Philadelphia, PA 19138
(215) 549-4550

Full Gospel Baptist Church Fellowship Conference
4140 Canal Street
New Orleans, LA 70119
(504) 488-6100

G

Girl Friends, Inc.
228 Lansing Avenue
Portsmouth, VA 23704
(804) 397-1339

Gospel Music Workshop of America
P. O. Box 34635
Detroit, MI 48234
(313) 989-2340

Groove Phi Groove Social Fellowship, Inc.
P. O. Box 8337
Silver Spring, MD 20907-8337
(202) 994-4466

H

Holidays, Inc.
12202 Brittany Place
Laurel, MD 20708
(301) 953-1640

I

Ida Van Smith Flight Club, Inc.
P. O. Box 361
Rochdale Village, NY 11434
(718) 723-3054

Improved Benevolent Protective Order of Elks of the World
P. O. Box 159
Winton, NC 27986
(919) 358-7661

Institute for American Business
1275 "K" Street, NW #601
Washington, DC 20005
(202) 408-5418

J

Jack and Jill of America, Inc.
P. O. Drawer 3689
Chattanooga, TN 37404
(615) 622-4476

Jackie Robinson Foundation
80 Eighth Avenue

New York, NY 10011
(212) 675-1511

Joint Center for Political and Economic Studies
1301 Pennsylvania Avenue, NW, Suite 400
Washington, DC 20004-1797
(202) 626-3500

J.U.G.S., Inc.
1965 Thornhill Place
Detroit, MI 48207

K

Kappa Alpha Psi Fraternity, Inc.
2322-24 North Broad Street
Philadelphia, PA 19132
(215) 228-7184

L

Lambda Kappa Mu Sorority, Inc.
9706 Southall Road
Randallstown, MD 21133
(301) 655-8778

Lawyers' Committee for Civil Rights Under Law
1400 "Eye" Street, NW
Washington, DC 20005
(202) 371-1212

Leadership Conference on Civil Rights
2027 Massachusetts Avenue, NW
Washington, DC 20036
(202) 667-1780

Links, Inc.
1200 Massachusetts Avenue, NW
Washington, DC 20005
(202) 842-8696

Low Income Housing Information Service
1012 14th Street, NW, Suite 1500
Washington, DC 20005
(202) 662-1530

M

Marla Gibbs Crossroads National Education Arts Center and
Theatre
4310 Degnan Boulevard
Los Angeles, CA 90008
(213) 291-7321

Martin Luther King, Jr. Celebration Day & Scholarship Foundation
P. O. Box 8728, Brightwood Station
Washington, DC 20005
(202) 789-0430

Minority Agricultural Resources Center
817 14th Street, Suite 300A
Sacramento, CA 95814
(916) 444-2924

N

National Action Council for Minorities in Engineering
3 West 35th Street
New York, NY 10001
(212) 279-2626

National Alliance of Black SalesMen and SalesWomen
P. O. Box 2814, Manhattanville Station
Harlem, NY 10027
(914) 668-1430

National Alliance of Black School Educators
2816 Georgia Avenue, NW, Suite 4
Washington, DC 20001
(202) 483-8323

National Association for the Advancement of Colored People

National Black United Federation of Charities

National Black United Fund
50 Park Place, Suite #1538
Newark, NJ 07102
(800) 223-0866

National Coalition on Black Voter Participation

National Council for Black Studies

National Newspaper Publishers Association
529 14th Street, NW, Suite 948
Washington, DC 20045
(202) 662-7323

National Society of Black Engineers

National Urban League, Inc.
500 East 62nd Street
New York, NY 10021
(212) 310-9000

O

Office for the Advancement of Public Black Colleges
One Dupont Circle, Suite 710
Washington, DC 20036
(202) 778-0818

Omega Psi Phi Fraternity
2714 Georgia Avenue, NW
Washington, DC 20001
(202) 667-7158

One Hundred Black Men
105 East 22nd Street
New York, NY 10010
(212) 777-7070

P

Phelps Stokes Fund
10 East 87th Street
New York, NY 10128
(212) 427-8100

Phi Beta Sigma Fraternity, Inc.
145 Kennedy Street, NW
Washington, DC 20011-5294
(202) 726-5434

Phi Delta Kappa, Inc.
8233 So. M. L. King Drive
Chicago, IL 60619
(312) 783-7379

S

Schomburg Center for Research in Black Culture
515 Malcolm X Boulevard
New York, NY 100037-1801
(212) 491-2200

Sickle Cell Anemia Foundation of Greater New York
127 West 127th Street, #421
New York, NY 100027
(212) 865-1500

Sigma Gamma Rho Sorority, Inc.
8800 South Stony Island Avenue
Chicago, IL 60617
(312) 873-9000

T

369th Veterans' Association, Inc.
369th Regiment Armory
One 369th Plaza
New York, NY 10037
(212) 281-3308

Thurgood Marshall Scholarship Fund
One Dupont Circle, Suite #710
Washington, DC 20036
(202) 778-0818

TransAfrica, Inc.
545 8th Street, SE, Suite 200
Washington, DC 20003
(202) 547-2550

Tuskegee Airmen, Inc.

65 Cadillac Square #3200
Detroit, MI 48226
(313) 965-8858

Twenty-First Century Foundation
214 Tryon Avenue
Teaneck, NJ 07666
(212) 427-8100

U

United American Progress Association
701 East 79th Street
Chicago, IL 60619
(312) 955-8112

United Black Church Appeal
860 Forrest Avenue
Bronx, NY 10456
(212) 992-5315

United Church of Christ, Commission for Racial Justice
700 Prospect Avenue
Cleveland, OH 44115
(216) 736-2168

United Negro College Fund

V

Voter Education Project, Inc.
604 Beckwith Street
Atlanta, GA 30314
(404) 522-7495

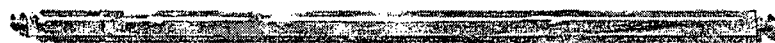
W

World Institute of Black Communications, Inc.
463 Seventh Avenue
New York, NY 10018
(212) 714-1508

Z

Zeta Delta Phi Sorority, Inc.
P. O. Box 157
Bronx, NY 10469

Zeta Phi Beta Sorority, Inc.
1734 New Hampshire Avenue, NW
Washington, DC 20009
(202) 387-3103



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What is The Chosen Network?

U.S. Small Business Administration



Fax Transmission Cover Sheet

The U.S. Small Business Administration offers opportunities for all Americans to start, build and grow their own businesses into the 21st century.

To: Maureen SheeOrganization: OPHPhone: _____ Fax: 456-6218Date: 10/4 Time: 6:25pmNumber of Pages (including this page): 2From: Michael K...Office: SBAPhone: 205-6144 Fax: 205-6802Message: another name

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Did you know that in fiscal year 1998 the SBA –

- maintained a guaranteed loan portfolio of more than \$40 billion in loans to 491,000 small businesses that otherwise would not have had such access to capital?
- backed more than 47,100 loans totaling a record \$10 billion to America's small businesses?
- made a record 3,456 investments worth \$3.24 billion through its venture capital program?
- provided more than 30,000 loans totaling over \$728 million to disaster victims for residential, personal-property and business loans?
- extended management and technical assistance to nearly 830,000 small businesses through its 12,400 Service Corps of Retired Executive volunteers and 1,000 small business development center locations?
- helped 6,000 small disadvantaged businesses obtain \$5.9 billion in federal contracts?

Did you know that America's 23 million small businesses –

- employ more than 50 percent of the private workforce.
- generate more than half of the nation's gross domestic product, and
- are the principal source of new jobs?

Call us at 1-800-U-ASK-SBA
or visit our website at www.sba.gov

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001. email	Bettie Baca to Michele Kreiss re: Hispanic philanthropists (1 page)	10/04/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
First Lady's Office
Shirley Sagawa
OA/Box Number: 24342

FOLDER TITLE:

Miscellaneous - October 1999 Philanthropy Conference [1]

2013-0124-S
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Kreiss, Michele L.

From: Baca, Bettie
Sent: Friday, October 01, 1999 6:08 PM
To: Kreiss, Michele L.
Subject: Philanthropy event at WH

Here's another Hispanic woman in philanthropy; she was among a small group of foundation reps we got a special photo op with at the White House in February at the Presidential Awards for Excellence in Microenterprise Development.

Winnie Hernandez-Gallegos
Program Director
Youth and Higher Education
W.K. Kellogg Foundation
(616)969-2331

~~Bettie~~

also



JAG
(10)

 Malcolm Richardson
07/14/99 04:55:02 PM

Record Type: Record

To: Shirley S. Sagawa/WHO/EOP@EOP, MaryEllen C. McGuire/WHO/EOP@EOP

cc:

Subject: JAG's Suggested Participants

Thought you might like to see this. We're incorporating all of these names in our first cut at the list.

----- Forwarded by Malcolm Richardson/WHO/EOP on 07/14/99 04:47 PM -----

 Aapipsa@aol.com
07/12/99 09:58:52 PM

Record Type: Record

To: Malcolm Richardson/WHO/EOP

cc:

Subject: JAG's Suggested Participants

July 12, 1999

Malcolm Richardson
NEH Agency Representative to the
White House Millennium Council
708 Jackson Place, N.W.
Washington, D.C. 20503

Dear Malcolm:

As a follow up to the letter sent earlier today suggesting speakers for the White House conference on philanthropy, the Joint Affinity Groups are pleased to submit the following list of potential participants. (As mentioned in our previous letter, any of the speaker candidates who are not selected to speak would also contribute valuable perspectives to the conference as participants.)

Included in the following list are colleagues who promote philanthropy in innovative ways, as well as individual philanthropists. Brief biographies and current contact information are provided. Please feel free to contact Moira Shek of AAPIP at (415) 273-2760, x12 should you require further information on particular individuals. She will continue to serve as the JAG liaison.

Thanks again for your efforts to include diverse perspectives in the White House conference. We look forward to our continuing collaboration.

Sincerely,

The Joint Affinity Groups

SUGGESTED PARTICIPANTS

Asian Americans/Pacific Islanders in Philanthropy suggests the following participants:

✓ PAUL D. C. HUANG

Paul D.C. Huang, aged 45, is a U.S. citizen of Hunanese parentage. He was born in Taiwan, raised in Thailand and schooled in the U.S. Mr. Huang is a Director and the Vice President of Finance at Oceanic Petroleum Corporation and its sister company Oceanic (Asia) Corporation. Mr. Huang's philanthropic and voluntary activities are extensive. He is the President of the C.J. Huang Foundation (NY) and a Director of the Ouynag Yu Foundation (Liechtenstein). Mr. Huang is currently the Chair of the Asian American Federation of New York, and a Trustee of the China Institute in America. He has been active in numerous Asian American cultural and social justice organizations. Through the Huang Foundation, he has worked on Asian American curriculum development or scholarship drives at colleges and universities including Brown, Tufts, Boston College, Wisconsin, Stanford, etc. Paul Huang helped found the Shandee Music Festival where he is a board member. The Festival supports and presents young pianists pursuing careers in Western classical music.

Contact Information:
Mr. Paul D.C. Huang
C.J. Huang Foundation
36 East 74th Street
New York, NY 10021
tel (o) 212 490-1100

✓ DR. ROLLAND LOWE

Dr. Lowe is a practicing physician in San Francisco's Chinatown since 1960. A native San Francisco, he graduated from UC Berkeley with an AB and obtained his MD and postgraduate surgical training from SC San Francisco. Dr. Lowe has had more than 30 years of extensive community services, civic activities, and local commissions. He served as the first Asian American president of San Francisco Medical Society (1982) and president of California Medical Association (1997-98) He is currently a trustee of the San Francisco Foundation, a position he held since 1993. He also serves at the Board of Directors of the Council on Foundations. He is the founder and chair of his

family foundation, the Lawrence Choy Lowe Memorial Fund. He is also a major donor to the Asian Pacific Community Fund in the San Francisco Bay area.

Contact Information:

Dr. Rolland Lowe, MD
929 Clay Street, Suite 401
San Francisco, CA 94108
Tel (415) 982-4100
Fax (415) 982-6900

Disability Funders' Network suggests the following participants:

JOHN D. KEMP

✓ Mr. Kemp, a lawyer and expert of disability issues, is president and CEO of VSA arts (formerly Very Special Arts, an international nonprofit organization dedicated to promoting the creative power in people with disabilities. He also served in executive positions at the National Easter Seal Society, United Cerebral Palsy Associations, the American Association of People with Disabilities and other national disability organizations.

He has been on the Boards of the Independent Sector and The Dole Foundation, and currently has a presidential appointment as a member of the National Council on Disability, an independent Federal agency. He also serves as a member of the Board of Directors for several other organizations including the National Rehabilitation Hospital, the Rehabilitation Institute of Chicago and the Commission on Accreditation of Rehabilitation Facilities.

Contact Information:

Mr. John Kemp
President and CEO
VSA arts
1300 Connecticut Avenue, NW
Washington DC 20036
202-628-2800
✓ 202-496-9460

KATE PEW WOLTERS

Kate Pew Wolters is founder and chair of the Kate and Richard Wolters Foundation, which focuses on human service, arts, education and people with disabilities. From 1986 through 1996, she served as Executive Director of the Steelcase Foundation, a corporate foundation of Steelcase, Inc., the world's largest manufacturer of office furniture. She now serves as Chair of the foundation's board.

In 1993 she was appointed by President Clinton to the National Council on Disability— independent Federal agency which promotes policies, programs, procedures and practices guaranteeing equal opportunity for people with disabilities—where she currently serves as First-Vice Chair. She is also a Director of the Disability Funders Network and The Michigan Council on Foundations, the largest Regional Association of Grantmakers, where she

serves as Vice-Chair.

Contact Information:

Ms. Kate Pew Wolters
2260 Cascade Springs Drive
Grand Rapids, MI 49546
616-949-7920
616-949-0716 (FAX)

Hispanics in Philanthropy suggests the following participants:

CLARA APODACA

✓ Ms. Apodaca has had a distinguished career of public service, both on the state and national levels. Appointed in October 1997 by President Clinton, she serves as Director of Protocol for the Overseas Private Investment Corporation. She is responsible for implementing procedures on all protocol matters concerning foreign dignitaries and U.S. Ambassadors. She also serves as the liaison to the White House, State Department, and embassies. Prior to her OPIC appointment, Ms. Apodaca serves as Senior Advisor to the Assistant Secretary for Management and Chief Financial Officer at the Department of the Treasury.

Ms. Apodaca sits on the Board of Directors of the Hitachi Foundation, as well as numerous civic groups including the Washington Performing Arts Society and Hispanics in Philanthropy. Her many years of political experience include serving as General Assistant to Chairman Ron Brown at the Democratic National Committee, and coordinating New Mexico efforts for the two Clinton/Gore presidential campaigns. From 1975-78, she was First Lady of New Mexico, as which her principal activity was promoting the arts in the state.

Contact Information:

Ms. Clara Apodaca
6223 Utah Ave. NW
Washington, DC 20015
202/244-8825 Home
202/336-8492 Office
202/336-7949 fax

✓ AIDA RODRIGUEZ

Dr. Aida Rodriguez is the incoming Chair of Nonprofit Management at the Robert J. Milano Graduate School of Management and Urban Policy, New School University. Most recently, she served as Deputy Director of the Equal Opportunity Division at The Rockefeller Foundation, where she worked in various capacities since 1989. During this tenure, she oversaw the conceptualization, design, implementation and systematic evaluation of numerous social policies and programs aimed at reducing poverty in inner-city neighborhoods.

She has served on the boards of various philanthropic institutions including Women & Philanthropy and Hispanics in Philanthropy. Prior to joining The Rockefeller Foundation, Dr. Rodriguez served as an Evaluation Consultant to the New York City Board of Education, Project Director of the Holyoke Hispanic Transit Marketing Project, and Instructor in the Department of Sociology at the University of Massachusetts. She received her doctorate in sociology from the same institution, and her bachelor's degree in sociology from Princeton University.

Contact Information (before August 2):
Dr. Aida Rodriguez
6 Edgemont Road
Glen Rock, NJ 07452
201-444-3194 tel
aidarodriguez@worldnet.att.net (e-mail)

(from August 2):
80Fifth Avenue, 4th Floor
New York, NY 10011
212-229-5950 tel
212-229-5904 fax

Native Americans in Philanthropy suggests the following participants:

LAURA HARRIS

J Laura Harris is a member of the Comanche Nation of Oklahoma. She currently serves as the Executive Vice President for Americans for Indian Opportunity (AIO), a national nonprofit institution which serves as a catalyst for new concepts and opportunities for Native Americans. AIO works with tribal governments and Indian peoples to develop leadership, institutions and structures that adapt to change by using new ideas and creative initiatives based on traditional tribal values. Harris is a member of National Congress of American Indians, the North American Indian Women's Association, and the Toyah Band of Comanches.

Harris gained Congressional experience by having served as an administrative correspondent and constituent liaison for New Mexico Senator Jeff Bingaman (D) in Washington, DC for six years. She has also worked for the National Campaign Office of the National Museum of the American Indian and the Smithsonian Institution's Office of Institutional Initiatives, both in Washington, DC. In 1998, Harris was appointed by President Clinton as a senior consultant to the President's Initiative on Race and served as a vital link between the Initiative and Native communities to ensure they were a part of the national dialogue on race.

Contact Information:
Ms. Laura Harris
Executive Vice President
Americans for Indian Opportunity
681 Juniper Hill Road
Bernalillo, New Mexico 87004

Phone: 505/867-0278
Fax: 505/867-0441

GENE KELUCHE

✓ Gene Keluche is a first generation Native donor who has a family foundation, the Ancient Ways of Knowing Foundation, and is very committed to encouraging other Native people of independent means in becoming involved as organized philanthropists. Mr. Keluche has earned his wealth through non-Casino sources and is involved with supporting a number of nonprofit institutions. He has a history of support for the Boys and Girls Clubs of America, was a founding member of the Native American Sports Council and has been a long time supporter of the National Museum of the American Indian.

Contact Information:

Mr. Gene Keluche
4620 Bradford Heights
Colorado Springs, CO 80906
Phone: 719/527-4238
Fax: 719/527-1649

Women and Philanthropy suggests the following participants:

HELEN HUNT

President of the Sister Fund, Helen Hunt has worked within the secular women's movement for the past seventeen years, serving on various boards and co-founding several organizations. She currently works within the Sister Fund, a woman's foundation whose mission is to empower women and girls socially, economically, politically and spiritually. It is Helen's belief that redressing injustice against women and girls is society's most important goal. More recently, she has broadened her focus to include the spiritual component of feminist work.

Contact Information:

Ms. Helen Hunt, President
The Sister Fund
116 East 16th Street, 7th Floor
New York, NY 10003
ph: 212-260-4446
fax: 212-260-4633

✓ PEG TALBURTT

Peg Talburtt is Executive Director of the Michigan Women's Foundation. She has an extensive career in the non-profit sector as both a professional and a volunteer. A sharp and engaging speaker, she has expertise in the area of risk aversion among women. Michigan Women's Foundation also has an innovative program geared at including young women in the grantmaking decision process.

Contact Information:

Ms. Peg Talburt
Michigan Women's Foundation
17177 N. Laurel Park Drive, Suite 445
Livonia, MI 48152
ph: 313-542-3946
fax: 313-542-3952

Working Group on Funding Lesbian and Gay Issues suggests the following participants:

BILLY WIMSATT

Billy Wimsatt is a 26 year old journalist, philanthropist, social entrepreneur, and consultant on youth civic engagement. Billy is co-founder of The Active Element Foundation which develops young donors in connection with popular culture, funding a young generation of leaders and youth-led civic organizations. He is also the founder of the Self-Education Foundation, which funds young social entrepreneurs who bridge the gap between home-schoolers, people in prison who educate themselves, and high school drop-outs. He has written for dozens of publications including: The Chicago Tribune, The Chicago Reader, Transition, The Source, Vibe, and Utne Reader.

Billy recently served as a consultant to Rock the Vote as part of a grant from The Pew Charitable Trusts, conducting a national search for young leaders across America. He serves on the board of the Impact Project, is the publisher of More Than Money Journal, and consults on an informal basis with the Third Wave Foundation, the Milarepa Foundation, and an array of small family foundations and individual donors. His book "The Cool Rich Kids Movement and Why Philanthropy is the Greatest Art Form of the 21st Century" will be released in November 1999.

Contact Information:

Mr. Billy Wimsatt
Listen Inc.
1436 U Street, NW, Suite 201
Washington, DC 20009
202-483-4494 x13 voice
wimsatt@lisn.org

ELLEN GURZINSKY

Ellen Gurzinsky, the Executive Director of the Funding Exchange, has a wide range of experience as an activist, an educator, an organizer and a manager. The Funding Exchange is a network of 15 progressive community foundations throughout the country. Grants are awarded through the national office and local funds to social change organizations in the United States and other countries. Currently Ellen sits on the Board of Directors the National Network of Grantmakers and the National Steering Committee of the Working

Group on Funding Lesbian and Gay issues.

She was the Executive Director of the National Coalition of Labor Union Women, the Director of the Park Slope Safe Homes Project, a community based program for battered women and the co- founder of the Coalition of Battered Women's Advocates and Trade Union Coalition Against Domestic Violence in New York City. Ellen is a past member of the Board of Directors of the Center for Anti-Violence Education/Brooklyn Women's Martial Arts and Coordinator of the Astraea National Lesbian Action Foundations' Annual Writers Fund Gala.

Contact Information:

Ms. Ellen Gurzinsky

Executive Director

Funding Exchange

212-529-5356 x312 voice

212-982-9272 fax

ellen.gurzinsky@fex.org

666 Broadway, Suite 500

New York, NY 10012

Chambers Family Fund

1700 Lincoln, Suite 3950
Denver, CO 80203-4539
(303) 839-4620
Fax (303) 839-4619

To Shirley Sagawa

Company The White House

From

Letty Bass

Fax # (202) 456-6244

of Pages 1

Phone # (202) 456-2583

Date

October 11, 1999

Comments:

Dear Shirley,

At the end of August, I sent you a fax (copy is attached) suggesting that Merle Chambers be a participant in the Oct 22nd WH Conference on Philanthropy. I am writing to inquire about your decision and would appreciate a call or a fax regarding Ms. Chambers' participation in the conference.

My phone number is (303) 839-4602 and my fax number is (303) 839-4619.

Information about the conference is making its way to Colorado. We know that the planning is going well and that you are establishing satellite downlinks. Congratulations on this important work and thank you in advance for your reply.

Sincerely,


Letty

Can you get back to
me


1700 Lincoln, Suite 3950
Denver, CO 80203-4539
(303) 839-4620
Fax (303) 839-4619

Chambers Family Fund

To Shirley Sagawa

Company The White House

From Letty Bass

Fax # (202) 456-6244

of Pages 18 including cover

Phone # (202) 456-2583

Date August 24, 1999

Comments:

Dear Shirley,

This is probably much more than you wanted or anticipated receiving, but these attachments should give you a feel for Merle's impact as a philanthropist. In the Rocky Mountain region, all philanthropic roads lead to Merle.

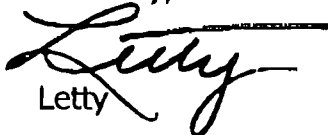
As you described the conference theme, innovative ways to reach out to new givers, I thought about the work Merle has done. Using her experience as a founder of the Women's Foundation of Colorado, she has created Women's Foundations in Wyoming and Montana, encouraging women as philanthropists in those states.

It would be good to have different geographic perspectives represented at the conference. Philanthropy in the Rocky Mountain region presents different challenges than in either the East or West Coast. Philanthropy here is a rather new concept. In the Rocky Mountains, the philanthropic movement grew at the same time as the women's movement, and hasn't had decades to be as institutionalized. As a result, women tend to be more involved in philanthropy.

In addition to her grantmaking in the Rocky Mountain region, Merle funds national organizations such as the Democracy Funding Circle at the Ms. Foundation, Save America's Treasures, the Women and Public Policy Program at Harvard's Kennedy School of Government and NARAL. She also established and contributes to the Women's Studies Awareness Fund at Harvard Divinity School.

I could go on and on. Thanks so much for considering Merle as a participant at the philanthropy conference. She is extremely knowledgeable about women's philanthropic giving and would be a great addition. If you have any questions, please do not hesitate to call. You can reach me at (303) 839-4602, and Merle at (303) 839-4606.

Sincerely,


Letty

SHIRLEY SAGAWA – PHILANTHROPY SESSION BIOS

5 One of the fastest growing areas of philanthropy is community foundations. And few are growing as fast as the Greater Kansas City Community Foundation. Jan Kreamer has led the foundation since 1986. Managing more than 1,200 personal, corporate and agency endowment funds, the foundation ranks first in gifts received and third in grants made among community foundations.

4 Ralph Smith is vice president of the Annie E. Casey Foundation, ~~a private philanthropy~~ dedicated to building better futures for disadvantaged children in communities across the United States. Established in honor of the wife of the founder of United Parcel Service, the foundation makes grants that help states, cities and communities fashion more innovative, cost-effective responses to the needs of vulnerable children and families.

3 As Executive Director of the UPS Foundation, Evem Cooper is responsible for managing and approving requests to the foundation for philanthropic funding worldwide. She also manages the foundation's community service initiatives, education and grant programs and is responsible for elevating the company as a good corporate citizen locally in Atlanta as well as state- and nationwide.

1 The United Way is often the most visible face of philanthropy in a community. Brian Gallagher, an 18-year veteran of United Way, has led the Columbus chapter since 1996. With a nearly 46 million dollar campaign, the Columbus chapter has one of the highest per capita giving rates in the country.

2 You can't start developing a sense of philanthropy too early. For the past three years, Jenny Antoline has been a Youth United Way member. Jenny has tutored freshmen in math and science and has served as youth representative on the March of Dimes Board of Directors.

Philanthropy panel:

A pivotal time for philanthropy, which is why we held White House conference:

Trillion dollars, record giving by individuals
Growth in foundations and foundation assets
Change in the approach of corporate givers [book]
Impact of new economy
New givers – high tech, diversity

At the same time, growth in number of nonprofits
Shifts in government funding approaches
Increasing attention to accountability, results

My first question – what do these trends mean for nonprofits?

Evern Cooper – how does your work with nonprofits further your mission? How do you expect the nonprofits you work with to engage with you – is it an arms length transaction or do you work closely together? Do you make assets of UPS other than money available to nonprofits? *example*
What does the future hold for corporate philanthropy?

Ralph Smith – has the “venture philanthropy” approach taken by some new givers had any impact on traditional foundations?

Brian Gallagher – how is United Way changing to address the growth in giving? What can we do to ensure that giving continues at this high rate, even if the economy were to slow down? Are you reaching out to new communities – ie people of color; high tech. Should service organizations place a greater emphasis on cultivating individual givers?

Jan Kraemer – the number of community foundations has grown dramatically – what implications does this have for service organizations and their approach to fundraising? Can we expect this trend to continue?

My second question – is it important for us to consciously teach youth about giving if we are to sustain our philanthropic tradition?

Jenny Antoline – what have you learned as a Youth United Way member? Are young people today interested in philanthropy? What strategies should we support to involve more young people?

Jan Kraemer – what promising approaches have you seen to engage young people in philanthropy?

Ralph Smith – should funders interested in youth development, particularly in low-income urban areas, devote more resources to youth service and philanthropy programs?

My third question – is the relationship between service and giving gifts of money becoming stronger in view of the trends outlined above?

Brian Gallagher – how does United Way see the relationship between giving money and giving time?

Jenny Antoline – what did we learn at the youth summit about this subject? Do you think your service experiences will have an impact on your future philanthropy?

Evern Cooper – Is there a relationship between UPS's volunteer program and its chairtable giving?

Pivotal time for philanthropy

Start by sharing some numbers

- Giving ↑ 9% last year (compared with 2% inflation)

This is the 4th consecutive yr of rising \$ gifts -

total of \$190 billion in private giving

- where did this money come from?

- Corporations gave 6% - ~~multinationals~~

Figure does not include marketing \$, which could add as much as \$1b

Increasingly ph. \$ tied to corporate goals "common int. ...
"strategic phil." partnerships → "C.C." strategy

- Foundations gave 10% - rising 14% last year adjusted for inflation - increasing more than 50% since 1995
fdn \$ doubled since 1980 to 44,000

- Individuals gave 84%

- figures are interrelated

- Corp putting ccs at center piece of giving -
matching cc gifts + involving volunteers

- Fdn created by individuals

Even more interesting - what does the future hold +
what does it mean for the organizations here
in our audience?

A few facts...

- New Economy having impact not just in growth of \$, but e philanthropy ↑, venture philanthropy
"Philanthropy with attitude" - Kate Mather
risk, focus on measuring results, large/long gifts + hands-on involvement

- \$12 trillion transfer of wealth over 20 yrs to
Baby Boomers + Gen X. what % will go to
charity? we've just gotten back to 2% since
the early 70s - HRC quote

Peter Hart 60% of Boomers plan to give more over next 5 yrs
comp. w/ 18% of over 60s

- Finally what about the next generation of young people -
greater diversity - tradeoffs not always counted...
greater institutional exposure to service?

Gen X - not about the
world - it's about
their neighborhood
Peter Hart → ask -
shows effect of
their giving
looks to the workplace

Withdrawal/Redaction Marker

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Presidential Records Act - [44 U.S.C. 2204(a)]

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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

SECTOR PLENARY

TIMING

90 – 85	Opening introductions
85 – 65	Opening moderator/panelist statements
65 – 40	Moderator/panelist questions & answers
40 – 8	Audience questions & answers
8 – 0	Closing panelist/moderator statements

Help

4 190
136
11.4%

phenomenon, surrounding a string of multimillion-dollar donations by individuals, as well as high-profile events that sought to promote giving, such as the Clinton administration's Summit on Philanthropy in October.

Also contributing to a good fund-raising year were the efforts by many charities to improve the effectiveness and efficiency of their fund raising. Non-profit organizations said they found ways to cut costs by consolidating special fund-raising events, curbing the use of expensive fund-raising methods like direct mail, and focusing on raising big gifts from wealthy individuals.

Almost all types of charities saw giving grow faster than last year's 2.1-percent inflation-adjusted figure, according to *Giving USA*.

International groups were the biggest winners, with donations soaring by nearly 21 percent. The next-highest increase was achieved by environmental groups, which saw gifts increase by 15.7 percent. Contributions to arts organizations, after two years of decreases, posted their first gain of any type of organization, 2.8 percent.

The only category in which giving actually declined was a broad classification that included United Way, Jewish federations, consumer-protection groups, and other organizations classified as "public benefit" charities. They saw a 1.4-percent decline, according to *Giving USA*.

Among the report's other key findings:

Individuals. Over all, individuals gave 83.8 percent of total donations, including their own and their family's. Their giving increased by 5.5 percent in inflation-adjusted dollars.

Companies. Companies and corporate foundations accounted for 5.8 percent of total donations. They increased their donations by 11.8 percent, to 1.3 percent of their pretax income last year, according to the survey. Those figures include only philanthropic contributions and not marketing or other fees that companies pay to charities.

Foundations. For the fourth year in a row, the rise in giving by foundations outstripped the growth of both individual and corporate donations. When adjusted for inflation, gifts from foundations last year rose by nearly 14 percent and accounted for 10.4 percent of total donations.

That type of giving was fueled largely by the rapid growth of foundation assets. More than 100 more donors are starting or supplementing foundations, and the portfolios of many existing foundations are expanding because of the robust stock market. Assets of private and community foundations increased by a total of 15.7 percent in 1998, the most recent year for which figures are available. Private foundations must give away at least 5 percent of their assets each year on average, so growth in foundation endowments typically leads to an increase in the foundations' giving.

While *Giving USA* is thought to accurately mirror major trends like the growth in giving by individuals and by foundations in recent years, experts have long questioned the approach it takes in calculating its estimates for giving.

Although some organizations have taken steps to develop more-reliable measures, in the way that data on charitable giving are compiled throughout the non-profit world, it has stymied researchers.

"If this had been easy to do, someone would be doing it," said Linda Lampkin, manager of the Urban Institute's National Center for Charitable Statistics, in Washington.

One problem with the data is that, for certain categories of charities, donations can sharply plunge or zoom upward from one year to the next. Researchers were at a loss to explain why such big changes occurred, although they speculated that big gifts to organizations in a particular category in any one year could account for the change.

Giving USA says that gifts to international organizations increased by more than 20 percent last year, compared with the 7.6-percent growth they achieved in 1998. And giving to social-service groups increased by 1.8 percent in 1997, shot up by 25.1 percent in 1998 and climbed by just 5.6 percent last year, according to the report.

Gordon Raley, executive director of the National Assembly of Health and Human Service Organizations, which represents the country's largest social-service organizations, thought *Giving USA's* estimate was questionable because he had not heard that any of his member organizations had seen increases as high as 25 percent in 1998. He said he did not know if this year's estimate of a 5.6-percent increase was a true reflection of how his social-services groups had fared.

Mr. Raley said he was concerned about the accuracy of the fund-raising estimates from *Giving USA*. He said he believed a new survey is needed that not only would measure giving but also would determine how much money is being donated to provide direct help to the poor rather than for building charity headquarters or for other programs that indirectly help the needy.

Here's how other categories of charities fared last year, according to *Giving USA*:

International. Giving to international-relief groups rose 20.9 percent, to \$2.7-billion last year. Natural disasters and other catastrophes fueled increased giving to many charities.

"Kosovo and Hurricane Mitch" are how Matthew De Galan, chief development officer of Mercy Corps International, explained the spike in his charity's donations. "We more than tripled our fund raising in a single year," to \$8.2-million, he said. "The challenge now is are you going to do with that money and are you going to be able to sustain that growth?"

Other relief groups attributed their fund-raising success last year to improved marketing and cost-cutting strategies. Compassion International raised \$56-million in the first three months of 1999, compared with \$48-million for the same period in 1998. Over 95 percent of its contributions were from its regular donors, each of whom pays \$24 a month to sponsor a child in one of 22 countries.

The charity does almost no advertising and is not well-known among the general public. Thayer Allison, the group's associate director of development, said. But it has promoted

reputation among members of Christian groups by sending volunteers to make pre at concerts, lectures, and other events that attract potential supporters.

One charity that saw its net donations rise only slightly, from \$5.6-million to \$5.8- would have lost money had it not cut back on its fund-raising expenses.

Christian Relief Services noticed that the money raised from new donors barely co cost of recruiting them. It decided to stop sending direct-mail appeals to many of t people and instead concentrate on increasing giving among its loyal donors. As a r charity was able to shave more than \$2-million off its mailing costs, enabling it to j slightly higher net gain last year. "People are more sophisticated and they are givin charities they know," said Paul Krizek, the organization's vice president.

Environment. Donations to environmental groups increased 8.7 percent in 1999, \$5.8-billion. One of the largest groups, the Nature Conservancy, has already raisec \$476-million for a five-year, \$1-billion campaign that will end in 2003. It has recei of \$1-million or more; in its previous campaign, which ended in 1995, the organiz only seven gifts that big.

In addition to the economy, David Whitehead, the charity's development director, the Nature Conservancy's success to donors' perceptions that the environment is ir vulnerable. "It's very personal," he said. "People are seeing places where they used disappearing."

Officials of the National Fish and Wildlife Foundation, which has seen contributi the last three years, to \$6-million annually, expressed doubts that the upward trenc raising can continue.

A "boom time mentality" is behind the spiral in recent years, said John Fritts, a sen raiser for the charity, but he said he worries that it will end soon, especially as the market jumps up and down and interest rates rise.

Education. Donations to colleges and universities, libraries, trade schools, scholar and other educational organizations in the survey rose to \$27.5-billion, a 6.1-perce increase.

Boston University saw its donations rise to nearly \$74-million in 1999, double the raised as recently as 1996. Fifty to 60 percent of the gifts came from individuals, s the range of \$1-million to \$5-million, said Christopher Reaske, vice president for development and alumni relations.

And, like many public universities, Kansas State reaped the returns from a recently enlarged development department.

Last year the university raised \$24-million from individuals alone, up from \$16.5-r year before.

Human services. Donations to social-service groups grew by 5.6 percent, to \$17. last year. Some groups said they feared that the continuing good economy could d

sense of urgency among donors who give to their organizations and mask the need for services among the poor, many of whom have stopped getting government aid because of the 1996 welfare-law overhaul.

But, even as welfare changes take hold and government aid continues to dwindle, social-service organizations like Catholic Charities USA have seen impressive results by beefing up their fund-raising operations. A 1991 survey of the charity's 180 chapters found that only 15 percent had a development director; by the mid-1990's, that figure had risen to 45 percent.

At the Honolulu chapter, David Earles became its first development director a year ago; he helped increase donations by 25 percent. The charity has also just received \$20 million from a living donor, the first time it has ever received such a large donation. Giving is likely to continue as the charity seeks to reduce its reliance on government grants, which account for the bulk of its \$17-million budget. "We're trying to become as self-sufficient as possible," says Mr. Earles.

Health. Contributions to hospitals and other health charities increased to \$18-billion, a 4-percent increase.

Health charities say that one reason for the rise is the growing success of special fund-raising events. The Leukemia & Lymphoma Society, where gifts have increased by more than 10 percent during each of the last four years, has relied on promoting its fund-raising events at companies, especially those that employ large numbers of women of ages 35 to 50. Women have proved to be the most reliable supporters of the charity, said Richard Geswell, senior vice president of revenue development.

Many women from those companies turned out for the inaugural "Light the Night" walk in September, which was held in 100 locations and raised \$5-million of the \$150-million goal. The group expects to receive this fiscal year.

In the already-crowded field of health-related walks and runs, Mr. Geswell says that he did not worry about entering the fray. "We didn't have something everyone could jump in simply and easily," he says. The walk filled the gap. Next year the event will expand to another 70 locations.

Last year the American Heart Association received 12 percent more in donations than in 1998, mainly by cutting back on some events that had become too expensive, says Upton, vice president for development. The charity's American Heart Walk used to be held at 1,800 locations; now it's held only in 800 of the most populous areas of the country where the charity can attract enough participants to offset costs and raise money. But the event nets 71 percent more than it did when it was held at all 1,800 locales.

Religion. Donations to churches, synagogues, and other religious institutions grew to \$81.8-billion, a rise of 3.3 percent. Those funds represent 43 percent of donations to individuals in 1999, down from 48.5 percent in 1989. While the decline in the portion going to religious groups worries many charity leaders, some organizations have managed to keep their own donations increasing.

The 940 members of the Evangelical Council for Financial Accountability, an umbrella that gives an accountability seal of approval to religious charities, raised \$9-billion contributions last year, a 13.6-percent increase over 1998.

Not all members of the council saw a double-digit increase in gifts last year, however. Moody Bible Institute, where donations have increased by just 5.8 percent from 1997 to 1998, the challenge is to raise enough to pay for 1,500 students who are not charged tuition.

"I envision myself as keeping the plate spinning at a carnival side show," said Richard, vice president for stewardship.

Arts. Arts and cultural groups saw a 2.8-percent increase, the first gain in donations in years, to \$11.1-billion. Following the same pattern as last year, large and small organizations fared better than mid-sized ones, whose contributions declined for the second year.

At Washington's Dance Place contributions have stagnated for the past two years, says Perlo, the organization's founder. Nevertheless, some larger-than-usual foundations have helped offset the flat giving by individuals.

The Metropolitan Opera, like many large cultural organizations, has found that much growth comes from people who can afford to make gifts of \$25,000 to \$1-million, says Lillian W. Silver, director of development. "We're blessed with having large donor categories, and an artistic program that is in great, great demand," she said.

United Ways and public-interest groups. Contributions declined slightly to United Jewish federations, consumer-protection groups, and others that are included in a category in the survey called "public and society benefit." After a strong 1998, when organizations boasted a 27.5-percent increase in the survey, there was a slight decline last year. The variety of charities in the category, said Ann E. Kaplan, the *USA* editor, "makes understanding the results a bit tricky."

United Way of America has reported that donations increased by 5.1 percent last year, more than 1,400 local United Ways. And among Jewish federations, annual gifts increased 3.8 percent last year, according to United Jewish Communities, which monitors gifts from federations.

The Austin, Tex., United Way did better than the average, with a 34-percent rise in gifts last year, due to the bustling local economy sparked by high-technology companies like Dell Computer. Founder Michael Dell and his wife, Susan, gave the charity its first \$1-million contribution.

After about a decade of flat donations, the Jewish Community Federation of Cleveland, which raises money to finance social-service groups and other charities, found a way to revitalize its fund raising by adopting new guidelines for its volunteer and paid fund raisers. The guidelines stipulated that fund raisers increase the amount of time spent with donors, keep the amount people donate confidential, and do a better job of educating donors about where their contributions go. As a result, the federation has raised 8.2-percent more in gifts last two years from its 15,000 members, who gave \$27.8-million in 1999.

Copies of *Giving USA* are available on computer disk for \$135 each, plus \$6 post handling. Print copies will be available in September for \$65 apiece, plus \$6 postage handling. To order a copy, contact the American Association of Fund-Raising Counsel for Philanthropy, 10293 North Meridian Street, Suite 175, Indianapolis 46290; (888) 544-8464. An order form is also available at the trust's Web site: <http://www.aafrc>

To comment on this item, send a message to comment@philanthropy.com

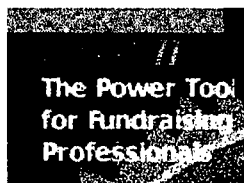


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202 256 1806

Residence Inn

From the issue dated Thursday, June 15, 2000

Omni Rosen

9 of 10 Companies Have Charity Marketing Deals

By DEBRA E. BLUM

Two new surveys have found that about nine out of ten companies are working with charities in what may be termed joint marketing arrangements. The arrangements, often called cause-related marketing, include deals such as sponsorships, in which businesses pay for charity events in exchange for publicity.

The survey released by Cone, a communications company in Boston, and the Harvard Business School Social Marketing Task Force, included 211 companies, and was conducted by Roper Starch Worldwide. It found that 92 percent of businesses support a charitable cause, and that nearly all of those companies hope that their involvement will not only make a difference to a social issue, but also enhance employee loyalty and the reputation of the company.

Among the Cone survey's other findings:

- When selecting a charity to support, companies consider, above all, an organization's reputation. Other top considerations include the charity's ability to carry out a cause-related program at the local level.
- When selecting an issue to align itself with, a company is most likely to put the concerns of its employees and the people who live in the communities where it is located above the concerns of consumers of its products and services.
- In most cases, the majority of the money to pay for cause-related programs comes from a company's corporate-giving program or its company-related foundation. In some cases, however, most of the money comes from the community-relations or advertising departments.
- Nearly eight out of ten companies have increased their involvement with charities over the past five years, and about seven out of ten companies plan to increase their commitment in the future.

By contrast, the other cause-related marketing survey found that most

Help

company officials do not believe that such arrangements between businesses and charities are on the upswing. That survey -- sponsored by the Promotions Marketing Association, a trade organization in New York, and the Gable Group, a California communications company -- found that while nearly all charity officials expect an increase in the number and depth of cause-related marketing arrangements over the next two to three years, only one out of three corporate officials expect such an increase.

The survey included 25 corporate executives who are members of the marketing association and 25 leaders of non-profit groups.

Part of the reason for the disparate predictions between the corporate and charity officials may be the present level of participation in cause-related marketing among the survey's respondents. While 85 percent of the corporate respondents said they already participate in cause-related arrangements, only 65 percent of the charity respondents said they were already involved.

Charities that do work with businesses, however, have participated in many more cause-related events --an average of 16 over two years --than have the companies, which took part in an average of about two events during the same time period.

Corporations and non-profit groups differed on another topic, too: the use of the Internet to promote cause-related programs. Twenty-one of the 25 charity officials said they used their organization's Web site to publicize a cause program. Fewer than half the corporate officials said cause programs were mentioned on company Web sites.

For more information about the Cone survey, contact Anne Chan, at Cone Inc., 90 Canal Street, Boston 02114; (617) 227-2111, ext. 8403; achan@coneinc.com.

A summary of the PMA/Gable Group Cause Marketing Survey is available on the association's Web site at <http://www.pmalink.org>; or call (212) 420-1100 for more information.



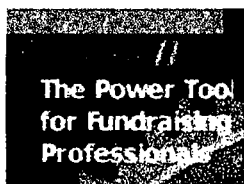
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THE CHRONICLE OF PHILANTHROPY

FUND RAISING

From the issue dated

\$190-Billion Bonanza for Charity

Donations grew by 7%, but signs for 2000 are less encouraging

By HOLLY HALL and NICOLE LEWIS

Americans gave \$190-billion to charity last year, a rise of 6.7 percent from 1998 in inflation-adjusted dollars, according to a report released last week.

The pace of giving slowed slightly in comparison with 1998, when donations rose percent when adjusted for inflation, according to *Giving USA*.

ALSO SEE:

[Charitable Giving, 1999](#)

[How Different Types of Charities Fared in 1999 Giving](#)

[How Giving Has Grown, 1988-99](#)

The report was the second giving survey released in a month to show that donations to charities are substantially outpacing inflation, but they are not increasing quite as much as they had in previous years.

The Council for Aid to Education said in its most recent analysis of college giving that donations had risen 11 percent, the smallest percentage gain in the past three years (*The Chronicle*, May 4).

Non-profit experts said that the slowdown last year was the natural result of the sluggishness of America's economy, and that giving increases would be even smaller this year. "The increase in interest rates is beginning to take effect, and people are beginning to re-evaluate some stocks that were overvalued, technology stocks in particular," said Russy Sumari, former president of United Way International and an adviser to the *Giving USA* survey. "The market will continue as a bull market, but with less exuberance. And this will have an impact on giving."

Even with indications that giving rates are cooling down, 1999 was still a very strong fund-raising year for many charities. It was the fifth year in a row that contributions outstripped inflation in the survey, which is compiled by the American Association of Fund-Raising Counsel Trust for Philanthropy.

All told, charitable giving last year equaled 2.1 percent of the gross domestic product, up from 2 percent in 1998. The last time giving constituted that high a percentage was in 1989. And the percentage of personal income donated by Americans reached 1.8 percent in 1998 and 1999; previously it had not been that high since 1989.

Giving USA researchers said the percentage gains were the result of the strong economic growth in recent years. In addition, they said, some giving last year may have been motivated by publicity surrounding a string of multimillion-dollar donations by individuals, as well

Philanthropy panel:

A pivotal time for philanthropy, which is why we held White House conference:

Trillion dollars, record giving by individuals
Growth in foundations and foundation assets
Change in the approach of corporate givers [book]
Impact of new economy
New givers – high tech, diversity

At the same time, growth in number of nonprofits
Shifts in government funding approaches
Increasing attention to accountability, results

My first question – what do these trends mean for nonprofits?

Evern Cooper – how does your work with nonprofits further your mission? How do you expect the nonprofits you work with to engage with you – is it an arms length transaction or do you work closely together? Do you make assets of UPS other than money available to nonprofits? What does the future hold for corporate philanthropy?

Ralph Smith – has the “venture philanthropy” approach taken by some new givers had any impact on traditional foundations?

Brian Gallagher – how is United Way changing to address the growth in giving? What can we do to ensure that giving continues at this high rate, even if the economy were to slow down? Are you reaching out to new communities – ie people of color; high tech. Should service organizations place a greater emphasis on cultivating individual givers?

Jan Kraemer – the number of community foundations has grown dramatically – what implications does this have for service organizations and their approach to fundraising? Can we expect this trend to continue?

My second question – is it important for us to consciously teach youth about giving if we are to sustain our philanthropic tradition?

Jenny Antoline – what have you learned as a Youth United Way member? Are young people today interested in philanthropy? What strategies should we support to involve more young people?

Jan Kraemer – what promising approaches have you seen to engage young people in philanthropy?

Ralph Smith – should funders interested in youth development devote more resources to youth service and philanthropy programs?

inner city



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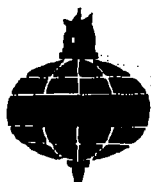
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REYNOLD LEVY

Reynold Levy is President of the International Rescue Committee, the largest non-governmental partner of the U.S. State Department and the Department of Health and Human Services in providing refugee relief and resettlement services. He served as the Founder and President of the AT&T Foundation and is a Trustee and former Chair of The Nathan Cummings Foundation. Reynold is a prolific writer and public speaker on issues of individual and institutional philanthropy, and his recently published book, Give and Take: A Candid Account at Corporate Philanthropy from Harvard Business School Press, has been hailed as a major contribution to our understanding of the dynamics of business giving and its exercise of social responsibility.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

October 22, 1999

WHITE HOUSE CONFERENCE ON PHILANTHROPY

East Room

1:07 P.M. EDT

SPEAKER: Welcome to the first White House Conference on Philanthropy. Today we'll celebrate our great American traditions of giving. At the same time, we'll discuss how to expand that tradition as its practices are changing.

I want to tell you a little bit about what's going to happen this afternoon, before we begin. In a few minutes you'll see a video introducing some ideas and some ordinary heroes of philanthropy. Then the President and Mrs. Clinton will enter and will begin the first topic. Please think of this as a working session. There are refreshments just outside the doors, and if you need anything, just ask a social aide. But do remember that once the video starts, you're on camera. So this is a good time to turn off your pagers and your cell phones.

Over 3,400 satellite downlink sites are watching, and over 150 communities and 42 states have organized their own discussions around this forum. After the first session, the panels will switch and then Mrs. Clinton will moderate an open discussion.

We hope that this is just the beginning of our national conversation about the contributions of philanthropy and the non-profit world. And we look forward to this discussion and to the ideas and actions that will flow out of today.

Thank you. (Applause.)

(A video is shown.)

MRS. CLINTON: Thank you, and welcome to the White House and welcome to all of those who are joining us via satellite at more than 3,000 sites around the country and through public broadcasting.

I think it's appropriate that we begin this Conference on Philanthropy by thanking our donors and supporters. So I want to begin by thanking the National Endowment for the Humanities, the federal agency that keeps America learning about our people and our past, and is co-hosting today's conference.

I also wish to acknowledge the Charles Stewart Mott Foundation for working with South Carolina Educational Television to bring this conference to audiences across America via satellite and Internet. William S. White, the President and CEO of the Mott Foundation, is here with us today, as is Paul Amos, the President and CEO of South Carolina Educational TV.

While we are thanking those who have helped extend our reach beyond the walls of the White House, I also wish to mention at least a few of the many organizations that have done such great work not only to make this broadcast available, but also to host local forums and viewings. I particularly want to recognize Dr. Bernadette Healy, the President of the American Red Cross; and Betty Beene, the President of United Way of America, who are here with us today and who have partnered to sponsor many local events across the country.

We know there are many other groups that have also been participating and helping: The Forum of Regional Associations of Grantmakers; the National Committee on Planned Giving; and the National Association of Fundraising Executives to name just a few, who have worked hard to build a national audience for today's discussion.

I also want to thank the J. Paul Getty Trust; the Community Foundations/Silicon Valley, whose President, Peter Hero, will be joining us later this afternoon; Jill Iscol and the Iscol Family Foundation; and Marcy Pollier (phonetic) and the Marcy Pollier Family Foundation, for their help. And I also want, finally, to recognize Secretary Donna Shalala, who is head of our Combined Federal Campaign this year; and Janice Lachance, the head of the Office of Personnel Management; and my friend, Paul Newman, famous for many things, including his generosity.

Now, the heroes we have just seen and admired in the video are with us in the East Room today. And I would like to ask all of you who were featured in the video that are here today to please stand so we can recognize and thank you. (Applause.)

You know, these are some of the heroes of philanthropy in America today. And they can be found, and others -- millions others like them -- in every single community in our nation. Wherever an American sees a need and acts to fill it; whenever a child sees another child without books or food at school and offers to share her own; wherever a businessperson takes stock of all the blessings in his or her life and bequeaths them to those with none.

Often the simplest acts of generosity are the most heroic. I think of the inspiring story of Oceola McCarty (phonetic), who spent a lifetime washing, starching and ironing other people's clothes, living simply and frugally in Mississippi. Four years ago, she decided to use her life savings of \$150,000 to endow a scholarship fund at a nearby university. "I'm giving it away so that the children won't have to work so hard, like I did," she said. Last month, at the age of 91, Ms. McCarty passed away. But her gifts live on, in the scores of students who will go to college because of her generosity.

They probably weren't even thinking about it when they made their contributions, but Esperanza Rich and Mattel Dawson (phonetic) and Roland Lowe (phonetic) -- all the American heroes we celebrate today have also made invaluable contributions to the strength of our democracy.

I've been privileged to represent our country in many of the world's newest democracies, places where people are just beginning to understand the responsibilities and benefits of freedom. And everywhere I go, people ask me, how has the United States been able to make its democracy work for so many years. So I tell them about our traditions of citizen service and philanthropy. But how our democracy thrives, not just because of our free elections and our free markets, but because in that space between government and the economy, our citizens come together to help each other, to lend a hand in times of trouble, to support non-profit organizations and to look how all of us can make a contribution to doing more.

Our democracy thrives because of Myrian Bodner, a Kentucky homemaker who raised a quarter of a million dollars in relief supplies to help her native Nicaragua recover from Hurricane Mitch. We thrive because of the Reverend Ann Pearson, who gave each of her parishioners \$10 out of a small inheritance to donate to a worthy cause, so that they could recognize all the creative ways each of us can find to help others.

And, literally, there are millions and millions of stories we could tell this afternoon to really in some way represent the 85 percent of all funds given to charity in America that come from individuals.

The President and I have invited you here today to find out how we can magnify and spur the philanthropic spirit of all of our citizens in the new millennium. And though philanthropy comes in many forms, we'd like to focus today's discussions on individual giving. Many of you know that we have created a Millennium Council here at the White House to celebrate this moment in time and to lead a national effort to honor the past and imagine the future. And one important part of the Council's mission is to help all Americans identify the gifts each of us can give to the future. There's no better gift our generation can give to the future than a strengthened philanthropic tradition.

There has never been a better time for philanthropy than today. We are living at a time of unprecedented prosperity. The new economy has brought new wealth to so many Americans. And my generation, and the President's, the so-called baby boomers, stand to inherit \$12 trillion in the coming years.

Just imagine what revolutionary progress we could bring to America, how many lives we could change, if every American family increased their giving by just 1 percent of their income. We could offer child care to more than 6 million children. We could deliver 250 million more meals to the homebound elderly. We could guarantee Head Start to every low-income preschooler in America. We could provide shelter to 4 million people. We could save all the rare books in our libraries. And still have more than enough money left over to create the equivalent of the Ford Foundation each year.

But we cannot assume that any of this will come to pass because philanthropy must be taught. So, today, let us find innovative ways to cultivate the innately generous spirit of our young people. New communities of donors must be asked to participate. We have to find ways to embrace and encourage philanthropists of all races, ethnicities and colors. New avenues of giving must be opened and explored, so we have to utilize the rich possibilities of cyberspace and the Information Age.

These are just some of the opportunities and challenges that I hope we can discuss this afternoon. And I am very pleased now to introduce someone who, seven years ago, called us to find new ways of extending opportunity to all Americans and requesting responsibility from all Americans so that we could create a community of all Americans. And we could not do that were it not for philanthropy. And we could not do that without leadership of the kind the President has given us. So it's a great personal pleasure for me to introduce the President of the United States. (Applause.)

THE PRESIDENT: Thank you and good afternoon. I am delighted to welcome all of you here. I thank all those who are here from our government, and all of you who have come from all over our country, and all walks of life, to this very, very important meeting.

I also want to say a special word of thanks to Hillary for yet another wonderful idea. This was a good idea, to have this conference. (Applause.) And all of you who have helped on any of these millennium projects, I think it's done us a lot of good to take time out and think about the really big issues in our society, and how we want them to play out in the years ahead. And particularly, I think this is an important issue at an important moment.

A long time ago, Alexis de Tocqueville said that charity in America was something more than simple compassion. It was a sign of good citizenship. He wrote, "Americans make great and real sacrifices to the public welfare. They hardly ever fail to lend faithful support to one another."

Today, this is a strong tradition. And the face of this tradition is changing. Philanthropy is, like our country, now more diverse as new groups seize and share opportunity in the new economy. It is more democratic, as Americans of all income levels, believe it or not, give at roughly equal levels. It is younger, as the high-tech economy creates a new generation of philanthropists.

I've got to take a little time out. Last night, I had dinner with a lot of these high-tech gurus who made allowances for the fact that I am obviously technologically challenged. (Laughter.) And we were talking about how we were all going to relate to each other and maximize the potential of the Information Age. And I started talking about this conference today and said, we've got to get more people to give. I said, I would like it if Internet usage were as dense in America as telephone usage is, if we had 98 percent penetration, everybody had an e-mail address. I think we could have a dramatic impact on education and on poverty. I think we could skip a whole generation of development. And how are we going to get this done?

So there is this guy sitting there, he's 27 years old, you know. He says, well, you know, when I got out of college, I started this company and three years later, I sold it for \$150 million and I started three others. And he said, what you need is founder stock. (Laughter.) He said, we need to go all over America and gather up founder stock and put it in a big trust to make universal the access to the Internet. He said, because you've got all these guys like me that don't know we're rich yet -- we're still living on \$30,000 and we've got all this stock. (Laughter.) So he said, that's what you need.

So I've now given you my contribution to this conference, which I learned at the foot of a 28-year-old last night. (Laughter.) So, I mean, that's encouraging to people like me who aren't young, you know? (Laughter.) We don't have to depend on the Rockefellers and the Mellons and the Carnegies or even the Paul Newmans, we can go get founders stock. (Laughter.)

I also think it's important to point out that not only the ways of giving are changing but the people -- when I saw that film I was so proud that there was a federal employee that had given every single month for 25 years. Someone obviously of modest means, doubtless a lot of other claims on her income. So I want to thank people like Mary Grayson and others who are giving. And I think we ought to think about new opportunities, or I think the buzz word is "portals," that are opening in the world of on-line philanthropy and how we can make sure that we can continue not only to increase the volume of money but to broaden the base of giving.

We'll hear today about venture philanthropists and start-up charities and other ways in which the entrepreneurial spirit is invading and energizing this field.

I would like to also point out that volunteering is another important way of giving. This week, Hillary and I celebrated the fifth anniversary of AmeriCorps. And we've already had 150,000 young people serve. And I'm very, very proud of that. (Applause.) I think that is an important thing to say. In a lot of ways, the measure of our life and our happiness is -- to paraphrase one of the many wonderful things Martin Luther King said, can be answered by the question: what are you doing for others?

So I'm encouraged by this conference, by the energy here. Some of my favorite people in all our country are out here in this audience today, people I have admired, some of you for 20 or 30 years, for all the things that I have watched you do for others. And I thank you for coming.

I am glad that the sheer volume of charitable giving is going off the charts. But I think, as we've had this phenomenal increase in wealth in our country, I would feel even better if the percentage of our national income devoted to charitable giving had gone up just a little bit.

You heard Hillary say what we could do if we could just increase it by 1 percent. But going from 2 to 3 percent is a huge increase. We've been sort of stuck at 2 percent. Now, when the stock market triples, 2 percent is a lot more than it used to be. That's not real pocket change; it's real money.

But if you think about what we could do with just a little more, I think it is really worth pondering. We're having the same debate in Congress now, and I don't want to get into any kind of political dispute about that, but just let me give you an example. I very much want the United States to take the lead with the rest of the wealthy countries in alleviating the debt of the poorest countries in the world. And the Pope has asked us to do it for the millennium -- (applause.) Now, this is a campaign with a broad base: it's being spearheaded by the Pope and Bono, the lead singer for U2. (Laughter.) And even though I am not a candidate for anything anymore, I can spot a big tent when I see it. (Laughter.)

So, you know, we ought to do this. And this is just a little bit of all the money we've got. And it's just like de Tocqueville said a long time ago, this is not just charity; this is good citizenship. We take this burden off these people. If they are well governed and they are working hard, we give them a chance to be our partners and friends in a more equal and balanced way for the future.

So there are things for all of us to do. I would like to -- I would hope today that I will learn something and that we will learn something about how we can at least incrementally increase the percentage of our income we are devoting to philanthropy. I hope we will learn something, as I already said, about the ways we can do it. And I hope we will learn a little bit about whether we can all give smarter and whether we can make sure that the money we are giving is spent in the most effective possible way.

I take it we all begin by accepting that we no longer believe that there is a choice out there -- which was never a real choice -- between government meeting all of our society's needs, and government walking away from them all and letting philanthropy do it. We have to have a better partnership, and it will work better if we do.

We need to think about, in government, whether we can do more things to generate more constructive philanthropy. The Treasury Department will meet with representatives of the nonprofit sector next month to discuss this. And I, in the meanwhile, am going to establish an inter-agency task force to strengthen our philanthropic partnership between government, nonprofit groups, and citizens; and to ask the Council of Economic Advisors to do me a study on the role of philanthropy in the American economy, and how they believe I can increase it.

By analyzing trends in charitable giving, by assessing the impact of the baby boomers' retirement, which -- it's going to be interesting to see whether it makes us more or less generous when we retire, this largest of all generations of Americans. It should make us more generous, because the kids in school are finally the first generation bigger than the baby boomers, and they need our help.

But we need to think about that. What's our message going to be to the baby boomers as they move toward retirement? What's our message going to be to people thinking about the shape of our social tensions as we double the number of people over 65 in the next 30 years? What's our message going to be to ourselves, those of us in the baby boom generation, about how our citizenship responsibilities should grow when we lay down the burdens of retirement, particularly if we've been lucky enough to have a secure way to maintain our standard of living.

This is deserving of an awful lot of thought because there is a whole bunch of us. And on the whole, those who manage to escape a career in politics are going to be better off than any generation in American history. (Laughter.) So some serious thought needs to be given

to this.

Well, I've had a little fun with this today. (Laughter.) But I am really grateful to you all for being here. This is a big deal. We all know -- the truth is we're all fairly pleased with ourselves for being here because you feel better about your life when you've spent a portion of it doing something for somebody else. And you feel better about the good fortune you have financially if you spend at least a little of it giving something to someone else.

So what we want to do is to start the new millennium poised to do more and to do it better. And to give more chances to more people to participate.

Thank you all very much. (Applause.)

MRS. CLINTON: Well, the President is absolutely right about the interest in this conference. I don't know that we've ever done anything in the White House that has provoked more excitement or inquiries or requests to be included. And everyone who is not in this room, let me assure you, we are packed to the gills, and delighted that you could be joining us through satellite and Internet.

This afternoon we're going to hear from two panels of speakers, as well as members of the audience. Our first panel will focus on two important issues -- expanding America's diverse philanthropic traditions, and teaching the tradition of giving to a new generation of youth. The second will fo

So let me introduce the first panel. Emmett Carson (phonetic) is President of the Minneapolis Foundation and a scholar of philanthropy in the African American community. Peter Hart, the founder of Peter D. Hart Research Associates, has done extensive public opinion surveys and focus groups on the subject of community involvement, in addition to his extensive work for such clients as NBC News, the Wall Street Journal, and the Smithsonian Institution.

Justin Timberlake performs with the musical group, NSYNC. At the age of 18, he has created his own charitable foundation to help schools create high-caliber music programs. And, finally, Dorothy Johnson, the President of the Council of Michigan Foundations, is a nationally recognized expert on youth giving, in addition to leading the largest regional association of grantmakers in the nation.

So let's begin, and we'll start with Dr. Carson.

DR. CARSON: Thank you very much. Good afternoon. There's an old saying in the African American community that it's not the things you don't know that gets you into trouble, but the things you know for sure that are not so. (Laughter.) Our popular public perceptions about who are philanthropists, what they are interested in, and how they will structure their giving have been narrow and one-dimensional.

The old view has it that philanthropists are wealthy, usually male, often of European heritage, and they practice a top-down, noblesse oblige, rich-to-poor kind of giving. It also argues that people of color have had no giving traditions and they need to be educated.

Now, these false beliefs have permeated both the larger culture, as well as communities of color. We must discard these antiquated views to take full advantage of the changing landscape of philanthropy.

Now, what's the reality? The reality is that every racial and ethnic group has had a strong, strong history of philanthropy and giving. The first and probably most celebrated act of philanthropy is Thanksgiving, where a group of Native Americans who some might say did not act in their long-term best interests -- (laughter) -- ensured the survival -- (applause.)

The current philanthropy day would be well suited to be moved to Thanksgiving as a celebration of philanthropy because it would both indicate the giving tradition does not require you to be rich, does not require that you give down. It requires that people of color do have -- it acknowledges that people of color do have these giving traditions.

One of the reasons why they have these giving traditions is because all of the major religious faiths have had a high premium on the value of giving and volunteering. Christianity, Islam, Judaism, and Buddhism. Organized religion has been an important transmitter for the teaching of philanthropy. It is not unusual for churches or other places of worship, especially in the African American community, to be a conduit for philanthropy.

All racial and ethnic groups have relied on their self-help giving traditions to ensure their social-economic survival during times when their rights were not assured in this country. People of color, women and their supporters have paid the price in dollars, time and their lives in challenging America to live up to its highest ideals -- the civil rights movement and the women's rights movement are two examples of that.

Mr. President, the philanthropy will be different in the new millennium. The new philanthropists will be younger, and the philanthropy of people of color will be more visible. The strong U.S. economy and the wealth generated by the technological industry, the sports and entertainment community, are enabling people to reach economic security at far younger ages. The changing demographics of American society, along with equal opportunity, ensures that people of color will have the means to act on their charitable impulses.

Now, what does this mean for the future? We need to create a new community expectation of citizenship that envisions giving and volunteering as something every American participates in, from the cradle into perpetuity. Philanthropy should be a lifetime endeavor, rather than legacies that start after one is dead or near dead. The combined knowledge and resources of the old and new philanthropists, if coordinated and channeled, can create a lasting renaissance in the quality of life not only for the American people, but also the larger global village.

Non-profit organizations that have diverse board governance, staffing and program outreach will be well-positioned to earn the trust and support of the new philanthropists. Those that do not will not survive. Organizations of philanthropists, such as the Council on Foundations, regional associations of grantmakers, and research centers on philanthropy will need to carefully think through how their definitions of membership may need to change, and what opportunities for information sharing they may need to provide and train.

Finally, and it should come as no surprise to any of you, I believe that community foundations, because of our work with individual donors and broad interests in strengthening their local communities, are especially well-positioned to play a leadership role in addressing these issues.

Thank you very much. (Applause.)

MRS. CLINTON: Thank you so much, Dr. Carson. And thank you for reminding us that many of the traditions of giving in our country are not captured through statistics or IRS collections. When families give to other families in need without expecting a tax deduction or going through an intermediary organization, they are philanthropists. And certainly volunteer time is hard to capture as well, but it is a major way that many, many Americans give to their communities.

So it is important for us to remember that in the new millennium philanthropy will be even more significant in many communities that have not traditionally been seen as part of the

philanthropic community.

Now, I know that there are many people in this audience who have a lot of experience in this area, and before we move on to the next panelist I'd like to hear from several of them who have perspectives on America's diverse giving traditions.

Lorraine Cortes-Vazquez is the President of the Hispanic Federation of New York and the incoming President of Hispanics in Philanthropy. Evan Mendelson is the Executive Director of the Jewish Funders Network. And we will hear from Evan about the role of religious organizations in teaching the giving tradition.

And then I'd like to ask Peg Talburtt, Executive Director of the Michigan Women's Foundation, to speak about women's funds. So, if we could, I would like to start with Ms. Cortes-Vazquez.

MS. CORTES-VAZQUEZ: Mr. President and Mrs. Clinton, on behalf of the Hispanic Federation and Latino not-for-profits, I thank you for hosting this session.

Latinos have also had a longstanding tradition of giving. We give to our church, to our family and neighbors in need. In fact, we have a very strong and large informal network of giving. We send back money to our homes of origin to support relatives. We take in incoming cousins and friends, take them into our homes until they get on their feet in this country. And aunts and uncles help support tuition of a family member.

Those are the examples of Latino philanthropy that occur every day in our community and will never be captured in any published, formal study on giving. Therefore, our level of giving appears to be much lower than it really is. The Hispanic Federation of 1999 Latinos in Giving Survey indicates that two-thirds of all Latinos contribute to an institution or a charitable cause. When asked why they give, they stated that they wanted to promote self-sufficiency; they wanted to rely less on government.

They also recognize and value the work that non-profits do in our community. While half of Latinos give to church, we find that income and education, as it increases, giving to non-profits also increases. This assures that there is room for philanthropy among Latinos.

One day we would hope to have our own Bill Gates or, as my friend, Luis, says, our own Guillermo Puerto. (Laughter.) But until then, we are comforted by the fact that 19 percent of Latinos contribute \$200 or more to the charity of their choice. Yet organized philanthropy has not given us of their share.

We are working hard to raise dollars from our people. The six Latino funds in Los Angeles, San Francisco, Kansas City, St. Paul, Lorraine, Ohio, and of course, the Hispanic Federation in New York, have formed the Latinos Fund Collaborative. Our goal is to increase credibility, to enhance Latino philanthropy at a national level, and to raise public awareness, and to promote giving within our own community.

We will be forever grateful to the Kellogg Foundation for bringing us together and hope that their involvement with us in the future will ensure the growth of Latino giving in this country. Our growth potential is tremendous. In New York City alone, 40 percent of the people stated they had not given because they had not been asked. And ask we will. As we become the largest minority group in the country, with the work of the Latino funds and philanthropic institutions that believe in us, that will invest in us, you can rest assured that future generations of Latino will continue to carry the tradition of giving that is so honored in this country.

I thank you for this opportunity. (Applause.)

MRS. CLINTON: Thank you so much, Lorraine.

Next we'll hear from Evan Mendelson.

MS. MENDELSON: Thank you very much. And it's a real pleasure to be here. And as several of you have already said this morning, philanthropic behavior didn't develop in a vacuum, but rather comes from very strong religious traditions and roots.

Concepts such as stewardship and sedakah (phonetic) are basic values in communities of faith. The U.S. Catholic Bishops describe stewardship as "receiving God's gifts gratefully, cultivating them responsibly, sharing them lovingly in justice with others, and returning them with increase to the land."

In Jewish tradition, sedakah (phonetic) is the responsibility to do justice through your giving and your voluntary efforts. These traditions are handed down through religious teachings and family traditions, and modeled in the various faith communities. The American Jewish community has been carrying on that tradition, giving to federated communal funds and through foundations for over a hundred years.

Every Jew, no matter their economic situation, is expected and asked to be responsible for others beyond themselves and their families. Religious holidays and life-cycle events are especially important times to participate in the mitzvah -- translated as religious obligation -- of sedakah. And at age 13, young Jewish men and women celebrate their bar and batmitzvah, a ritual of joining the adult community with full responsibilities as Jews.

There are several exciting programs in the Jewish community that teach the bar or batmitzvah about philanthropy. In San Francisco, a youth foundation called the Seventh Grade Fund was established at Brandeis Hillel Jewish Day School to teach these young people about grantmaking, Jewish traditions and community needs. Last year they allocated \$13,000 to projects in San Francisco, close to their home, and Kosovo, very far away.

A philanthropist in Springfield, Massachusetts has started a program to promote youth philanthropy all over the country, called B'Naith Sedac (phonetic). And nationally, any young Jew can establish a youth endowment fund at the Jewish Fund for Justice, and then choose the youth organization that he or she wishes to support.

It is through models such as these that we hope to continue to transmit the religious values and traditions of our people to the next generation. Thank you very much. (Applause.)

MRS. CLINTON: And now Peg Talburtt will talk about women in philanthropy.

MS. TALBURTT: Thank you very much. It's a real honor to describe to you not just a set of organizations, but a movement. Women's funds began more than a hundred years ago with the founding of AUW's Educational Foundation. The modern era began with the creation of the MS Foundation in 1972. By the early '80s, there were 13 women's funds, but today there are more than 100 in the United States and a dozen or more globally.

All of these foundations share the similar values of change, not charity; of money ensured to get to programs which serve women and girls specifically, the value of the significance of gender and a desire to engage new donors who share these values.

The results have been tremendous. The Women's Funding Network has tracked just 50 of these funds over the last five years, and already assets have grown by 200 percent, and grantmaking has nearly doubled.

Now let's think a little bit about the future. I'd like to share two programs the Michigan Women's Foundation has created to work specifically with girls. One of them is called the

Element for Change. We have two sites in the state of Michigan. Together they grant more than \$40,000 to programs which they select to serve the needs of girls.

They are trained in philanthropy and leadership; they understand and research the needs of their communities; and they make some bold decisions, including the funding of a non-profit that's suing for Title IX because of discrimination against girls in sports. They have taken teen prostitutes off the streets at a time when a community did not want to admit this problem. And they've also really put their money into bold action.

We also -- as I think about it, am very excited because not only are dollars getting to programs today, but many of these young women now want careers in philanthropy and have reshaped their educational goals. I expect if this conference were held 10 years from now, I would look around and see many of their faces here.

Now, a second program that we're just launching, with the support of the Kellogg Foundation, is a Girls and Giving patch. We worked with all 14 state Girl Scout councils in Michigan to create this collaborative program, which will offer training in philanthropy to every level of Girl Scout, from Daisy to Senior Cadet. That means that within the next couple of years, 130,000 young women in the state of Michigan, and 13,000 of their Girl Scout leaders will have experienced this particular program.

There are many other ways that women's funds are on the verge of the new millennium. They're creating donor circles. They're working in new workplace campaigns. We're establishing new kinds of relationships with women's service and professional organizations to engage them in the act of philanthropy. Whether it's Alaska or Maine or California or Tucson or Chicago or Atlanta, whatever, women's funds are a force.

And what truly excites me about the next millennium is not just the new dollars that are going to come to the table, but the commitment to change and the values and new philosophy that women will bring. Thank you. (Applause.)

MRS. CLINTON: Thank you very much. (End of tape side) -- Peter Hart, who has done extensive research on the attitudes of both the baby boom generation and today's youth on community and responsibility. And, Peter, we'd like to hear your thoughts on those.

MR. HART: Thank you very much, Mrs. Clinton. The rules of the game are changing in every area, but nowhere is it more evident than in the area of philanthropy. What I would tell you is, if we had a Dow Jones average to measure the commitment of young people, the commitment of people's involvement and the engagement in civic affairs, we would be in a bull market. Indeed, looking ahead, I can tell you that the polls we have been doing and the work we have been doing is exciting, challenging, and suggests that there are a lot of good things happening out there.

There are five findings I'd like to sort of relate to you. First of all, from the Generation X. When I look at the Generation Xers, here's what we know. They're the most misunderstood generation that there is. Its members really don't fit into the old models. They have as much idealism and involvement as their older brothers and sisters, or indeed, as their parents. But their idealism is very different. It's not about changing the world, it's about changing their neighborhood.

In our survey for Public Allies, 54 percent of Gen-Xers said a very effective way to make changes in our country was volunteering to help with individuals directly. Only 18 percent felt similarly about political campaigns or social causes. Generation Xers should give us a great deal of hope, Emmett, about the issues of diversity, respect and tolerance, because they place a premium on diversity and reaching out to people of different races and different backgrounds.

When asked about the values that they care most about, appreciating and respecting racial and ethnic diversity of our country, 80 percent of them said it's important. Indeed, it's every bit as important as the other values that we know, such as self-reliance, patriotism and religion.

For now, it's important, as the President just said, to recognize that they are more into giving time than necessarily giving money. Indeed, 85 percent of these Gen-Xers tell us their motivation is to feel that they are making a difference and, indeed, helping those in need. Asking for their time, providing them the opportunities and seeing that the benefits of their participation is what's going to be able to create them into strong volunteers, not only for today, but for tomorrow.

The story of the baby boom generation is more challenging, but just as encouraging. They have less confidence in government and accord a less central role in their lives. Baby boomers do not blindly trust groups in terms of where they give their money, but once you win them over you have them forever. Indeed, they look to charitable and social causes to be able to promote changes. They view their contributions as investments and demand, indeed, accountability.

But what is most interesting and what is most important about the baby boom generation, it's about to become the backbone for our society both in terms of volunteerism and in terms of philanthropy for the decade ahead. Among baby boomers in our survey, we found 59 percent of them said, I plan to give more over the next five years. And if you ask about people over the age of 60, only 18 percent of them say they plan to give more.

But they're also going to be more involved in terms of our communities, because these people plan to leave their careers earlier, and because of that, they look at volunteerism as a central part of their lives. Indeed, a third said, it's going to be a very important part of my life. And they do not want to be asked to do busy work, but they're looking for opportunities that can engage their skills and their abilities.

So as I look at all of this, Mrs. Clinton, what emerges really is, tear up the old play book. Those rules are gone. To be successful what you have to do is you have to go out and ask people. Ask people to get involved. You have to tailor your message to your new audiences. To be successful you have to find a way that people can feel a direct effect of participation. And to be successful you have to use the employers, because these people are ready to get involved through their place of work if they are asked.

It was Thomas Wolfe, who I think, 70 years ago, was talking about a different thing when he said, you can't go home again. You can't go home to the old forms and systems, to the things that once seemed everlasting, but are changing all the time. The home to every one of us is in the future. There is no other way. And, indeed, that's true for philanthropy also. Thank you. (Applause.)

MRS. CLINTON: Well, Justin, I would be very interested in having you perhaps talk a bit about what motivated you to want to give back, and what do you anticipate your foundation doing.

MR. TIMBERLAKE: Well, thank you very much. Before I begin, I've got to be honest. This isn't your normal pop group's demographic. (Laughter.) But, nevertheless, I don't always get to dress up to go to work, so -- (laughter.) I'm a bit excited to be here to talk about what I just started a couple of weeks ago, and it is the Justin Timberlake Foundation.

I remember one of my close friends, he asked me one time, he said, if you could use one word to describe your life, what would it be? And I thought about it and I said, I would use the word "blessed." And let me tell you what I mean.

I've been really lucky in my life. I've landed what started as a hobby and it became a career for me. And with that in mind, I think back to when I used to attend a public school, before I really started pursuing my career with NSYNC, and where that's leading me. And I was in this very small town outside of Memphis, Tennessee, in a public school, about the age of 10 or 11, and had so many dreams and so many aspirations of the arts, and music and entertainment. And there was never, ever, really any way for me to outlet that, to find a way to pursue that.

And I thought about it for a while and talked over this with my parents, and I remember my parents always saying, remember your roots. Whatever happens, remember your roots, remember where you came from. And that's what I'm doing now. I want to give back to the communities. I want to install the best possible music and arts programs in schools -- in public schools today.

You noticed that if it's not an arts school, so to speak, you don't really find it in many arts programs. And I feel that music in my life has -- I've used it to channel so many emotions and so many positive and negative energies that I may have been feeling at the time. I feel that if you give young minds and young hearts those possibilities that they can really do something positive with it, instead of all these negative situations that we've so recently seen in the past year or two with public schools and public high schools.

So I've just started this so recently, two weeks ago, and in the next couple of months I'm going to be working with the Giving Back Fund, who is helping me start this foundation. And you'll be hearing in ways that you can definitely help me give back to the kids and help them, because I really think music has been a way of my life and I think it should be a way of life. It's such a great form of expression. (Applause.) And that's it. (Laughter.) Thank you.

MRS. CLINTON: You know, I should mention that Justin is here in part because tomorrow -- you may have seen this enormous tent we have on the back South Lawn of the White House -- we're having a big concert, sponsored by VH-1 and some other supporters to bring to broader public awareness the lack of music education and opportunities in our schools. And so this is a very direct connection between what Justin believes and what his foundation will do, and why he's here, and the contributions that he's going to make. And I'm very grateful to him.

Now we turn to Dorothy Johnson, who has done a lot of work and a lot of thinking about young people and giving. And I would very much appreciate your telling us how you involve youth in giving and what kind of youth service programs really work.

MS. JOHNSON: Well, thank you, Mrs. Clinton. And you might say that we are in business to create more Justin Timberlakes, ideally, Justin.

MR. TIMBERLAKE: Well, thank you.

MS. JOHNSON: The Council of Michigan Foundations is one of 29 regional associations serving more than 3,300 grantmakers throughout the United States. And a number of these RAGs, as we call them, have new ventures in philanthropy, just as are being discussed here today by many of you.

Our council has two such initiatives that focus on youth, to engage youth in citizen action intended for the common good. In giving, with the support of the W.K. Kellogg Foundation, our Michigan Community Foundation Youth Project has established endowed youth funds to serve every citizen of the state of Michigan.

We've had more than 5,000 youth involved. You might say we're growing our own. But each year more than 1,500 high school youth are involved with what we call youth advisory committees. They have to raise the money, and they grant the money. Today, in 86

Michigan communities, grants are being made by these young people that range from a few hundred dollars to more than \$70,000 annually.

There's nothing like watching a young person make a \$70,000 grant for an issue that they care about. (Laughter.) Our experience with these young people over the last 11 years has taught us that youth are responsible, they're creative, and they're thoughtful. Yes, members of the youth advisory committees, or YACs, as we call them, are national honor students, but they're also teen moms and adjudicated youth. And they have learned that working together they understand the problems of their peers and are creatively working to do something about it.

They haven't been shy about the kinds of grants they have made: Planned parenthood; Aids education; mentoring problems and programs. Our evaluator is tracking this first group of philanthropists, or YACers, that are graduating from college. They're making career-changing decisions about what they want to pursue. They are proving that with training and a shared goal, youth can accomplish a lot with limited resources.

We are very excited to hear today about other youth programs around the country. They are growing, and I believe will continue to grow. This is, indeed, a generation with much to give. They just need the chance.

Now, in serving, we're pleased to say that through a K-12 education and philanthropy project, with support from a group of funders, our council is now involved in developing a new curriculum to teach philanthropy in schools. Not all of us were blessed with that ethic in our childhood, and we believe -- many of us believe -- that it is teachable.

Currently, over 70 classroom teachers are working to build the initial curriculum. The lessons are part of the normal course of study, fulfilling core -- and I underscore core -- educational goals. These lessons, in essence, teach how to have a civil society. Available on the web we now have more than 100 of these lessons for teachers, and plan to have more. We are, in fact, having great interest internationally.

But here are some examples. An elementary school teacher when she's teaching suffixes talks about "selfish" and "selfless" as examples to introduce the language of philanthropy. A 4th grade teacher discusses the underground railroad and talks about how this was done by volunteers, and how individuals worked in the independent sector to confront injustice.

The curriculum is comprehensive. While the private non-profit sector can help, long-term dissemination requires engaging the public education system. In addition, we're partners with the Indiana-based Habits of the Heart effort to use its curriculum with out-of-school programs and religious organizations. And we're excited about the synergies of what that will create.

It's also important to note that through the leadership of the Corporation for National Service, progress is being made to institutionalize learning and service as a standard teaching method. Thank you, Mr. President.

The motto of our collaborative in our state is "every child, every year." Every student will have a special service learning experience. We are learning, with the help of our youth in Michigan, that to learn to give you must have the experience of giving. To learn to serve you need to be of service, and that to learn the meaning of citizen action for the common good, you need to be exposed in classrooms and beyond to the history and powerful impact of philanthropy.

One study after another has shown that adults give more if they give of their time. Just think if we have a pool of committed citizens nurtured in elementary school, trained in middle and high schools, what a force to deal with the individual problems in our communities. Young

people demonstrate to us daily that the philanthropic tradition is safe in their hands. Yes, Justin, it is safe. We just need to be intentional in our efforts to help to give them the opportunity. Thank you. (Applause.)

MRS. CLINTON: Dorothy, I understand that you have with you one of the young people who has participated in this program, and would you introduce her and ask her to stand and perhaps briefly say what it's meant to her?

MS. JOHNSON: Indeed. Chiyo? (phonetic) Chiyo Long Mendes, who is a YACer from Battle Creek, Michigan -- Chiyo.

Q Thank you, Ms. Johnson. I am so excited to be with all of you today. It's a wonderful opportunity to share my experience. I am a member of the Battle Creek Community Foundation Youth Alliance Committee -- better known as the YAC -- which is a group of high school students that meets monthly during the school year to improve the quality of life for area youth.

We accomplish this goal through needs assessment and asset mapping on youth issues, community service -- projects, and two grantmaking cycles per year. An example of a really exciting grant that we made was to a support center for homeless teens that required them to be employed and work toward their GED. A young woman involved in the local GED program designed it.

The residents of the home will be provided with a structured living environment that will include discipline and support services. The home that was donated for this project had been pretty neglected, so our grant of \$10,000 is being used in collaboration with Junior Achievement and Habitat for Humanity to prepare it for its first residents.

The project was one of five grants that we awarded last grant cycle, totalling \$24,200. That was one grant cycle out of two in one year.

Being a member of the YAC has given me the opportunity to become an active member of the community through grantmaking. It has also allowed me to come into contact with dynamic youth who are determined to make a positive impact on their community. It seems to me that my fellow YACers have become more responsible contributing members of our community as a result of their service. Being on the YAC also causes us to want to change the image that adults have of teens.

Because our YAC is giving the income generated by a permanent endowment, the YAC will be around forever. New youth grantmakers are always getting involved. If a non-profit organization is going to develop a new program for youth, the leadership now knows that it should visit the YAC and get us involved up front.

We are aware of youth grantmakers in more than 20 states and 5 countries. In Michigan alone, there are over 70 YACs. This past summer we have had youth grantmakers from 5 states and British Columbia participate in the Council of Michigan Foundation's Youth Leadership program. This program was a wonderful way to broaden our knowledge of grantmaking.

Thank you for this wonderful opportunity to share my experience in philanthropy. (Applause.)

MRS. CLINTON: Earlier today we had a roundtable on youth voice on giving, sponsored by the Corporation for National Service. And I think that Malik Evans is here. And Malik, if you could, just in a very short time, just tell us briefly what you came to conclude about the roundtable.

MR. EVANS: Yes. Basically, I did have the honor of attending the Corporation for National Services roundtable. And the young people there who represented a diverse group of young people from across the country came up with three areas that they thought that people who deal with philanthropy should look at: national policy, media, and awareness in education.

Under national policy, the young people concluded that this should be a Cabinet level position established called maybe a youth minister. Many countries have a Cabinet position where the minister focuses exclusively on young people, and we need this also in the United States because we understand that young people truly are the future leaders of tomorrow. (Applause.)

Also under national policy, there's a Senate committee on youth violence, and we feel as though it is necessary to take a proactive approach, so there should be a Senate committee on youth service, to see and assess how young people could get involved in service as they move forward into the new millennium. (Applause.)

Also, our second category, which was media and awareness, we hear so often of the Columbines or the Paducahs, of young people getting involved in negative behavior, but we want to see a youth media association where young people highlight and really come to conclusions and broadcast what they are doing in areas around philanthropy to stimulate other young people to get involved.

Also we want to see money that is allocated to foundations, that foundations give out, handled by youth. So that means money from youth going to youth to impact the projects in which they are involved in.

And lastly, a big one was education. We have to understand that school is important, and we have to integrate education with service, because one of the biggest forms of philanthropy is service. So from kindergarten on up, service has got to be a major part of the curriculum in our schools. Thank you. (Applause.)

MRS. CLINTON: Thank you so much. We have many other organizations who are here that are working to engage young people in service and in giving. And I want to acknowledge the Girl Scouts, an organization that has long been committed to teaching the ethic of service, and which is unveiling a new philanthropy patch. And I want to commend the Girl Scouts for taking this important step, and thank Joyce Richards, the national director for advancement of the Girl Scouts, who is here with us today.

I'm also pleased that a group of organizations, including United Way, City Year, 4-H, Save The Children, the U.S. Committee for UNICEF, and the Corporation for National Service, have come together to plan a new initiative on youth philanthropy. The Gates Foundation, which has in a very short time made such a significant contribution to so many important causes, is committed to supporting the next stage of the groups' planning process. And I'd like to ask Patty Stonesifer, the co-chair of the Gates Foundation, to say a few words about the importance of this initiative.

MS. STONESIFER: Thank you, Mrs. Clinton and President Clinton -- we agree with you completely when you say this was a very good idea. The past hour has been both informational and inspirational. And so we are very pleased to take up your challenge to support the many youth initiatives and the proposals that have been put forth today, as well as organizations and foundations already working to spread the good works of youth.

Many exceptional things have happened to Bill and Melinda Gates in their life, and they believe that gives them exceptional responsibility. But one thing that they shared with essentially everyone in this room is that they came from communities and families that really believe that community service and philanthropy was a responsibility for every one of us. And they are very excited to be able to support another conference of this sort that

actually takes the momentum expressed here today, whether it is in Michigan or Tennessee or around the country, to really accelerate the enormous commitment of our youth to continuing and extending the impact of their service in philanthropy.

So, thank you. (Applause.)

MRS. CLINTON: Well, I'm going to thank these panelists. And as they rejoin the audience, I'm going to ask the other panelists to come forward -- Kevin Fong and Catherine Muther and Steve Case. And while we're changing the panelists, I'm going to ask the President to reflect on this first panel.

THE PRESIDENT: I'd just like to say a couple of things. First of all, I want to personally say -- I know I speak for all Americans -- I was very grateful by the extraordinarily large and generous gift that the Gates Foundation has given to the education of minority children for the future. I think it will empower a lot of people, and train them for our future. (Applause.)

And the thing I liked about the last panel was that we talked a lot about how young people have something to give, and ought to be in charge of how it's given away. And I liked that, because I believe if we could -- and there was some talk here about service. Maryland is now the only state in the country that requires some form of citizen service in the school curriculum as a condition of graduation from high school. Twelve years ago, the then-governor, Republican governor of New Jersey, Tom Kean, and I were on a commission to study the middle school experience, and we recommended that every state impose -- just add it to the curriculum. I didn't see it as a burden; I thought it was a gift. But I think that -- what I got out of all of you is that we have to try to start this habit in a systematic way early.

The other thing is the recommendation that there ought to be some Youth Department or something. You might be interested to know, Boston and a number of other cities actually have city councils that are youth councils. Some cities actually have Youth Mayors that do parallel jobs. But the city council, actually, in Boston, the Youth Council actually has regular, systematic input into policy affecting the young people of the country. And I just had one of my roundtables here last week with a lot of young people who recommended that I ought to do something like that, and try to get it kicked off here at the White House over the next year or so. And I've got that under advisement.

But the thing that I got out of all this is that we often think about our obligations to our young people in terms of our education, health care and other things. But I think systematizing philanthropy, service, and then letting more kids

-- this Michigan thing, I love this, letting more young people decide how the money they raise is given out, I think, is a very, very good thing to do.

So I hope we can do some things to work on all those. But as you go back home, please, if you ask the people in your state to add community service to the curriculum of the public schools. It is the right thing to do. This is not something I can or properly should do; this is within the purview of the states. But I've been out there hawking it, now, for a couple of years. And you could probably have more success than I've had. But it's a big deal. And it's a wonderfully popular thing in Maryland, and it could be in every other state in America.

Thank you. (Applause.)

MRS. CLINTON: Now this panel will look at innovations in philanthropy and the role of technology. Our first panelist will be Kevin Fong, a general partner of the Mayfield Fund, a California-based venture capital partnership, and co-chair of Silicon Valley II, a new fund for young professionals that promotes giving to non-profit organizations.

He will be followed by Catherine Muther, who has held senior positions in leading Silicon Valley companies and is the founder and President of the Three Guineas Fund, whose mission is to create access to opportunity for women and girls.

Then we will hear from Steve Case, the chairman and CEO of America On Line. The AOL Foundation works to use technology to improve the lives of families and children and has just unveiled this week its new philanthropy website.

So we'll start with Kevin Fong.

MR. FONG: Thank you for having me here. I will start by defining what founder stock is. (Laughter.) I'm going to talk about venture philanthropy and founder stock. Mayfield Fund is a venture capital partnership, and our business role is in the business of starting and creating and funding new companies and helping entrepreneurs get started in business.

Three years ago the partners at Mayfield Fund decided that there was more to just starting companies and we decided to get involved with the community in a much larger way. Silicon Valley has been -- where we come from and where we're based, has been very good to us. It's a tremendous environment with great economic growth and creativity, and we think it's going to be compared to the days of the Renaissance, what's really happening out in the valley.

We've all benefitted, I've benefitted from that. And I think it's time to share, to stand for something that comes from the heart and is about giving back. I ask myself why couldn't I use the visibility that I've gained in venture capital and the high-tech industry to bring that message to others and cause them to act with me. Mayfield has been a leader in creating over 350 companies in the last 30 years, and we can be a leader in philanthropy as well, and bring other venture capital firms and start-ups with us at the same time.

So what is venture philanthropy and what does it mean? What it means to us is taking the principles of venture capital and bringing that to the philanthropic world. And what are those principles? First, it's about taking risks and willing to fail and not being afraid to fail. Being entrepreneurial means trying things and sometimes failing. In our business, to be successful, the successes count, the failures don't, and you learn from your failures.

It also means being an active investor or an active giver. It means being involved not just with your dollars, but also with your time. And that's the success behind our business in venture capital. It also means invest, measure and invest. By measure, it means that you know what you're shooting for. When you invest you have certain things that you're measuring things with, and that accountability is important. And with that accountability comes the ability and the desire to participate and invest again.

And then, finally, when it comes to fundraising, we can use the magic of stock options and founders stock for community purposes. To that end, the managing partner of Mayfield Fund, Gib Myers (phonetic) started something called the Entrepreneurs' Foundation. The Entrepreneurs' Foundation is focused on early-stage companies that we've started in the Silicon Valley, whereby they give founders stock to the foundation. Now, in the early days the stock isn't worth very much money, and we've only started in the last two years, but already 53 companies are participating and six of those have gone public -- thank you for the stock market. And it's generated \$4 million in value already to this foundation at a very early stage. We think that will grow just from today's forecast to \$8.5 million, and I think that's very significant. And that can grow to very, very much more.

So the wealth that's been created by the individual in the valley I think can be translated and I think the Entrepreneurs' Foundation can really point the way and show them how to participate in how stock options and founders stock can really make a difference.

So at Mayfield Fund we help seed the Entrepreneurs' Foundation the same way that we seeded and incubated many other companies, and we think this is our proudest accomplishment to date, actually.

The next thing we've done is -- myself and a co-chair, Laurie Ariaga (phonetic) with the sponsorship of the Community Foundation of Silicon Valley, of which I'm on the Board of Directors, has started something called Silicon Valley Social Ventures. We call it SV2 for short. And this is targeted at the young entrepreneurs in Silicon Valley who really have no idea of the magnitude of wealth that they've created, or what that can mean for the community.

I think there is a common misperception, even amongst the wealthier young entrepreneurs in our community of how much it really takes to make a huge difference. And the traditional networks of family or church are being replaced, actually, in the valley by the network of the Silicon Valley and by the workplace, and by -- with SV2, we hope to reach and deliver with their peers and with leaders in their industries, and set an example for how they can get involved with the community. And we think that's a very worthy effort. We've just started it; we've had two organizational meetings and, essentially, it's, again, trying to provide leadership in showing other young people how they can get involved.

I think there's a normal cycle of how one gets involved in community, which many of these, the 27-year-olds, don't experience yet. When you get married, you have children, your children go to school, you get involved in this school and then you get involved, and that pulls you into the community. Many of these people aren't married yet, and all they know is about work. So by these networking events in SV2 we're hoping to get people involved much earlier on and letting them know both that there are worthy causes and there's a lot of pleasure and self-satisfaction in getting involved.

So SV2 is all about starting venture philanthropists. So in Silicon Valley we're really known for innovation and for trying new things. It's all about changing the world and doing things differently. That's the core of venture philanthropy. That's not saying that things that were done in the past were poor or wrong; it's just that maybe there are some new ways that, with some creative energy that we can bring to the table, that we can think about new ways of doing things. It's worked for Silicon Valley; it's working in many other places, and we hope other people will follow us as well. Thank you. (Applause.)

MRS. CLINTON: Catherine, would you describe the Three Guineas Fund and then also perhaps share your thoughts about how more people from the high-tech community can become investors in the non-profit sector?

MS. MUTHER: I wanted to begin with a story, though, first, if that would be okay with you. Two years ago I was sitting on a bench, a wooden bench, facing 30 other women in Bangladesh, one of the poorest countries in the world. These women were members of the Grameen Bank and had received very small loans to begin to engage in small enterprise in commerce and trade. And they asked me to introduce myself, and I said, well, my name is Cate Muther, I work in business to support my family and send my children to school.

And all 30 of them said, we, too; we, too. And I know Hillary Clinton had a very similar experience there. Then they showed me around the village to see the wells that they had dug, the toilets they had made, the roofs on houses and children in schools.

I learned through that personal experience what the Grameen Bank had discovered, and it is this: that women, when given an opportunity to participate in the economy, tend to reinvest in social value. They send their children to school, they invest in education, they invest in health and they invest in sanitation. And this is a principle that I have worked into my foundation, which does have a mission to create access to opportunity for women and girls, particularly in education and the economy.

One of the issues, access issues that we've been working on, is women's access to capital. And we have created, with the help of our community foundation and several foundations that are here -- corporate philanthropies and others -- a model to begin to work at what is a systemic problem in our society.

The idea is to bring together entrepreneurs who are starting up companies in information technology and, in this case, an incubator for women CEOs and founders who are developing and building new companies. We're creating a kind of learning laboratory in entrepreneurship and we're creating a kind of learning laboratory in philanthropy.

Each entrepreneur who comes into the incubator pledges 2 percent of the value of the company into an equity reinvestment fund. So, like, Mayfield's Entrepreneur's Foundation, over time -- in a venture capital time frame of perhaps three to 10 years, we would expect that all of the companies coming into the incubator and some graduating to the community, that we would have created wealth to ensure the self-sustainability of the incubator and to provide a fund for the entrepreneurs who helped to create that wealth to come back and to participate and to practice making the philanthropic decisions about how that wealth is reinvested in the community.

This is one example of some of the kinds of practices and approaches that people like myself and Kevin and Steve, who have been schooled in the new economy, bring to the philanthropic sector. Kevin told you a little bit about how he sees venture philanthropy, and I wanted to add to some of his remarks by saying that I think some of -- just as Rockefeller and Carnegie brought a set of assumptions and business practices to their work in the sector, that we bring a set of business practices and assumptions in how we think about how we solve problems and how we work.

And one of these is a strategic focus on change. We embrace change. We live through technology that is transforming our society and we think about how -- what are models, or what are the methods that one could use to bring out change in solving systemic kinds of problems. So for example, with the women's technology cluster, we're working on the issue of access to capital. What's that about? How do you begin to understand what this is about?

And so we approach it with a hypothesis and a theory about change, which in this particular case is that -- the hypothesis is that differences, especially with respect to color and gender, tend to be perceived as riskier. And an industry that he's in, which is very homogeneous and is all about risk and managing risk and getting rewarded for risk, that it can influence outcomes in terms of how investments are made.

So with this incubator we are reducing risk, we're accelerating growth and we are facilitating women's access to capital to build companies.

The second business practice is teamwork. The models of management based on command and control are fired, basically. We don't think that you get things done by ordering people around. We think that the way to solve complex problems is to get a team of people together from diverse points of view and with a whole set of skills.

So, for example, the way a new product is developed is you put the engineers and the marketing people and the technicians and the technical support people and the documentation writers and the trainers and sales all together, on a team. You give them resources and you solve the problem. And I think that this approach to thinking about complex problems, social problems, is one that could be adopted in this sector with some, you know, potential to really working at some of these problems.

The third business practice is, we have a propensity to partner. It's a way of getting things done. It's part of how business is conducted. And if you think, for example, about -- if I

could use as an example, Steve -- you know, he may think of himself as a tycoon. I don't think of him as a tycoon. I think of him as a sort of new millennium community organizer. (Laughter.) This guy, he's built -- he's got 10 million customers, he's got thousands of partners. He built that company because he and his company understand what it means to partner and to what a difference that could make.

Along with these business practices -- the strategic focus on change, tackling complex problems with teams and partnering -- comes a set of attitudes. And I figure that Carnegie and Rockefeller have their baggage, too. (Laughter.) In fact, when people ask me, what is venture philanthropy? I think, well, it's philanthropy with attitude. (Laughter.) So we have some attitudes.

One of those is a sense of urgency. And sometimes this looks like impatience. We are confident. Sometimes this looks like arrogance. In fact, sometimes it is arrogance. (Laughter.) And we have a sense of accountability and results. And sometimes this looks like control. But together I think this set of business practices and the attitudes that come along with it are part of what we really bring to you; that they're part of our human capital. We have the founder's stock and we have the -- we have the comfort with technology. But I think that it's this human capital that we bring here that provides a kind of convergence from the traditions that we were talking about on the first panel and how philanthropy is moving into the new economy.

In fact, I think that philanthropy is the soul of the new economy. And I think that, as Steve talks about the role of technology and how it is transforming industries, it has the potential to have a transformative effect in the independent sector, as well. (Applause.)

MRS. CLINTON: Thank you very much. You know, as you were talking about your experience in Bangladesh, I remember very well sitting on that same bench. And among the conversations that we had is whether or not -- in my house, we lived with our animals. (Laughter.) All different kinds of animals.

Well, Steve, you've already been referred to several times and I know that you've just unveiled this new website, but you've also got a lot of other ideas about how to increase giving and use these opportunities, that I'd like you to share with us.

MR. CASE: First of all, I'd like to be clear, I do not consider myself a tycoon, either. (Laughter.)

It's interesting. I'll talk about the Internet, but I think it's worth going back to where we started with a video, which is striking to me in several respects. The first was, I had never realized that this was the first White House Conference on Philanthropy. And the fact that we've been around for 200 years and we haven't had one, I think, is stunning and I really congratulate you for shining a spotlight on this issue. (Applause.)

And the second part of the video which was striking, and a little humbling, were some of the stories -- having an 11 year old child spending time, collecting I think it was 2 million pennies. Or a 78 year old forklift operator who kept working so he had the capability of continuing to give. It kind of -- it really does kind of hit you, that if they're making these kind of sacrifices, maybe we all could be doing even more.

So I think the first step here is simply shining a spotlight on the issue and educating people. And some of these, I think, little stories really bring it to life. And seeing those little stories and TV public service ads or on Internet or having, as you just did, congratulate Bill and Melinda Gates for making some major contributions, really building a culture of service, a culture of philanthropy, is the first thing. Because the Internet really is not creating new needs, as much as a better way to allow you to communicate, a better way to allow you to shop, a better way to allow you to invest.

So it's really taking things that people have decided are important and making them a little more convenient. And I think there is a growing thirst in this country and around the world for people who want to give back. There is a growing capability because of so many successes. So what we're trying to do is, just as we've tried to make communications easy --

(end of tape one; beginning of tape two-- gap)

You can go to a portal to get to content, or go to a portal to get to commerce, why not go to a portal to find out about organizations that need your help. There are 620,000 organizations that are now listed in this helping.org site, and you can go directly to it and find out -- in your state, or based on your particular interest, maybe it's in youth development -- which organizations need your help, if you want to volunteer time, or could use your money, and make it easy for you to kind of make one click donation.

So it doesn't stimulate that desire. That has to happen in your family or in your church or through a spotlight in the culture on the importance of giving back. But it does make the process of giving back a lot easier. And we've seen this with e-mail. Now, AOL alone delivers more e-mail each day than the U.S. Postal Service. The reason is it's so easy to type a message and send it; people are now more in touch with their family and relatives and business associates than they were before. It just made it easier. We want to make philanthropy easier.

And it's not just an AOL initiative. We're working with American Red Cross and GuideStar and Volunteer Match -- a lot of people have really come together to build the helping.org site, to build this portal for philanthropy, with the idea that we can take all these tens of millions of people who are starting to change their lives because of the Internet and help them change society because of the Internet as well.

MRS. CLINTON: Well, it's a very exciting development, obviously, that we're all going to be hoping will do exactly what Steve said, which is to provide a better means for that spirit of giving that we hope to spark in all of us.

There was a roundtable also about e-philanthropy earlier today, sponsored by the National Charities Information Bureau, Greater Good, Charitable Way, the AOL Foundation and the Commerce Department. And a group of non-profit organizations and companies came together to discuss the pitfalls and potential of giving through the Internet. And I'd like to ask one of the participants to speak briefly about what happened and perhaps some of the plans that might have come out of it. Bill Massey is the President of the National Charities Information Bureau.

Mr. Massey.

MR. MASSEY: Thank you, Mrs. Clinton, and fellow guests. Earlier today, across the street from the White House, at the U.S. Chamber of Commerce building, National Charities Information Bureau hosted a public forum on e-philanthropy, technology and the non-profit community. The forum, as Mrs. Clinton described, brought together business leaders, government leaders, foundation and non-profit executives to begin a conversation about opportunities for community-based, as well as national and regional non-profits, to benefit from the existing and emerging Internet technologies.

We are, relatively speaking, at the dawn of new ways of supporting charities and non-profits. And National Charities and Information Bureau, which, for 82 years, has promoted informed giving and accountable non-profit management, is impressed by the commitment of industry leaders to affirm voluntarily fundamental practices that will safeguard and ensure the interest of both donors and non-profit organizations.

Accordingly, this morning, the three sponsors of the forum -- the AOL Foundation, Charitable Way and Greater Good.com -- affirmed four tips for non-profit net transactions. The tips include security and privacy of information; informed choice that is free of hidden detail; full disclosure, including tax deductibility and exactly how charities benefit; and ease in getting answers on-line to questions or issues.

Furthermore, today we have resolved with the White House to host additional forums and meetings to extend and expand the dialogue begun here, to encourage best practices in the areas of e-philanthropy, and to nurture the capacity of community-based, as well as national organizations, to benefit from the exceptional possibilities of Internet philanthropy.

We thank you for bringing together this distinguished group of committed and visionary leaders, and for your own commitment to the promise of America's future. Thank you. (Applause.)

MRS. CLINTON: Well, our final participant in this segment of our program will be Professor Rosabeth Moss Kanter, a professor at the Harvard Business School who is an expert on corporate community involvement. And I would like to ask Professor Kanter how employers can stimulate more individual giving and what some of the best practices you've seen might be.

PROFESSOR KANTER: We have heard a set of very exciting stories and role models here today, and I'm glad that we're talking about the role of employers because, to some extent, the chance to do community service while employed by a company may be one of the hottest new employment benefits today. While maybe not as hot as stock options -- (laughter) -- but service options are also considered extremely important, even in start-up companies.

There's a little start-up software company in Cambridge called the Buzz Technologies. Few people; they adopted a school because it was a way that they could not only enhance their knowledge of software development by working with kids in the school and having to teach it, but it was a way to create a corporate culture that expressed their values.

And employees today are too busy, often, to organize volunteer activities for themselves; they are grateful when the employer helps them do that. And there are many innovative new models on the horizon from which we all can learn.

Some employers are starting to turn their employees into grantmakers, a little bit like what we were learning about the YAKs, although these are adults. Bank Boston, for example, through its diversity resource groups, organized groups of employees who are identified with a particular aspect of diversity, whether it was working parents, disabled employees, ethnic minorities, gays and lesbians, and gave them \$25,000 that they could give in grants to organizations of their choice, which then stimulated those employees to give even more out of their personal funds and to begin to volunteer for the organizations that they were associated with.

Employers are also increasingly offering community service opportunities for their employees and providing the release time to do it, which has enormous community impact. Whether it's Timberland's five days a year for community service, many of which are organized in partnership with City Year, a non-profit organization, youth service organizations serving the communities, or Bank of America, which allows its employees two hours a week if they are volunteering in the schools of release time. That's big and that's powerful.

Or Home Depot, that works with Kaboom to organize Home Depot employees and bring supplies in order to build playgrounds that have immediate visible impact on the community. What employers are doing is not just stimulating activity, they're increasingly

organizing it so it creates the kind of change we've been hearing today is so important.

And when they do it with a strategic focus, it is often incredibly powerful. IBM's Reinventing Education is a pathbreaking way to take IBM technology and talent, coupled with IBM employee volunteers and giving, to attempt to transform many of the ways public education occurs in America. And some of the statistics are amazing. IBM, through its employees, as well as its own foundation, has contributed nearly a quarter of a billion dollars in cash, equipment and employee time. Now, 60 percent is from the company, but 40 percent is from employees that are stimulated by the values of the company and the encouragement of the company and the leadership of CEO, Lou Gershner.

There are one-to-one matching grants, but five-to-one matching grants when they involve K through 12 education, which is IBM's major focus. About 4.5 million hours of employee service, a quarter of it to K through 12 education, was contributed last year. And when employees volunteer more than 100 hours a year for a particular organization, IBM will chip in a \$1,500 grant to that organization.

These are powerful incentives for employees to get involved and employees love it. So, of course, it benefits the company, in building a strong corporate culture, in training leaders of the future, in building teams of diverse people across the company who would never work together if it weren't for community service. So it's not only corporate citizenship and citizenship, it's community involvement as a tool to build businesses.

And when these are in partnership with non-profit organizations, like Timberland with City Year, or Home Depot with Kaboom, or IBM with the numerous school districts in the public sector with whom it partners, this is a new kind of partnership that's impact and results oriented, that has the potential to reinvent American institutions and revitalize communities, and convert philanthropy from an afterthought -- you know, spare change, what's left over after you do your real work -- to a force for transforming the way we do things in America -- to real change that makes a real difference. (Applause.)

MRS. CLINTON: Well, the President is going to have to leave us before we get into further discussion. But I wanted to be sure that he had a chance for the final word of this segment of the conference.

THE PRESIDENT: I'll be quite brief. I want to say, first of all, all these participants have given something special to us to think about for the future. I think what Rosabeth said is very important, if we can somehow institutionalize for companies of all sizes the idea that this is an important part of their mission, and that they can leverage their own employees' gifts by matching them in money or giving them sustained, organized time, I think that's a big deal.

And one of the things that I think ought to come out of this conference is our determination here at the White House to do whatever we can to replicate that and accelerate that process.

I think what Steve has done in giving interested people access to the world of giving in an intelligent way is also very important. That's one of the things I said at the beginning -- we want to not only increase the volume, but make sure people know what they're doing better.

I think what Kevin said is really wonderful. You know, he explained to you what I tried to make fun of and joke about, because I don't have any of that, founder's stock. (Laughter.) But Silicon Valley and the whole venture capital, high-tech community needs to be at the forefront of what we're doing for the same reason that Willie Sutton robbed banks -- that's where the money is. (Laughter.)

MRS. CLINTON: I don't know how you're going to get out of that one. (Laughter.)

THE PRESIDENT: That's where the money is, that's what he said.

And I have been very impressed by the number of people that I personally know because, obviously, there are so many issues that we have to deal with that involve the high-tech community. And I have been amazed at the accelerating rate with which people with whom I come in contact bring these kinds of philanthropic issues up now and are looking for ways to leverage the skills and the techniques and the attitudes that Kevin and Catherine talked about.

The last point I want to make is this: Hillary and I discovered the Grameen Bank -- you talked about the Grameen Bank -- probably 15, 16 years ago, now. And we opened a branch of the South Shore Development Bank, a bank like that, a development bank in Arkansas, when I was governor. Now AID, in our administration, funds 2 million loans a year to poor village women. And we also -- we just got another appropriation to fund our micro-credit program here in the United States in poor neighborhoods, and apparently won, late last night, our battle to support financial modernization, which will increase the size and sweep of our financial institutions, but preserve their obligations to make reinvestments in the community.

Now, against that background, I just would like to say that given all that both of you have said, I think that the people who are in the high-tech community are particularly well-qualified to focus on individual economic empowerment to people and places that have been left behind in this astonishing economic recovery. If this thing keeps going until February, we will have the longest expansion in the history of America, and there won't be a war involved. We already have the longest peacetime expansion.

And yet we all know there are people and places that aren't a part of it. Of all the philanthropic things that the high-tech community can do, the obvious best candidates to me are education, for the obvious reasons, and the relations of technology. But the other thing is, we are struggling to find ways to bring enterprise and opportunity to hardworking, decent people who live in places that have been totally passed by, by this marvelous recovery that -- normally I'd just stand up and reel off the good statistics. But every night I go to bed and I think about how in God's name could we have the biggest economic boom in the history of the country and have so many places that it passed over, just like a storm in the night?

And I do believe that for all the reasons you said in your remarkable presentation, and the things that you said about what's in the heart as well as the mind of the people, and the incredible power of the technology that Steve talked about -- if you could focus on what -- a philanthropic strategy designed to maximize this moment, to deal with the poor who are willing to work and have been left behind, you could make a profound, permanent contribution to the well-being of American society. (Applause.)

MRS. CLINTON: It's a good time for a 7th inning stretch. I think that our satellite time is over -- right? So you don't have to worry about being on television anymore. (Laughter.) But we're going to use our remaining time to discuss some of these issues or other issues that might be on your minds.

I'm just so appreciative of the contributions thus far, and we've covered so many different topics, and we've got about, I think, 45 minutes or so left to try to make sure that no stone is left unturned of good ideas and thoughts that any of you have. And so to that end, we're going to ask people to keep their questions or their comments focused and as brief as possible.

We started by talking about teaching generosity and involving all aspects of the community, all generations in giving. We've just finished a very stimulating discussion about technology and venture philanthropy, and I know there are so many innovations going on around the country. And there really is a common thread running through all of these points that

various speakers have made, and that is a larger context for the concluding remarks of the President, to think of ways that we can use philanthropy to further the common good and the better opportunities for Americans in this upcoming new century.

We've probably never had the capacity to empower so many people and to have such a positive impact on the lives of so many people as we do today. And the question is whether we'll take advantage of that connectedness and use the new technology, pass on these lessons to our children and create a very concerted effort that cuts across as many different lines in our country as possible to move into this new time with a more philanthropic focus and commitment.

Now, I know there are many of you whom have much to say and I am not going to prejudge where we start. I think what we'll do is just begin, and if you will perhaps raise your hands for either questions or comments, we will have the folks with the microphones coming around, and I'll start right there with you, John. And I think it would be good if people would identify themselves as well.

MR. DEGIORIA: Hi, I'm John Paul DeGioria and I am a baby boomer. In the 1960s, many of us went out there and wanted to change the world. We protested, we carried signs, we made promises you wouldn't believe. A lot of our seniors said, wait until they grow up. They're just a bunch of hippies. They're going to think differently.

Well, at that time, we didn't have the finances or the influence to make major changes. Well, times have changed. Today, we have the influence, we have the money; we even made it to the White House. So we can make some really big changes. (Laughter.)

Well, when the young man was speaking earlier, he said something that just really hit me I wanted to share with you all, because we could all do something to make your dreams come true, too. Now, we can make great changes. We can help them change. Here's my suggestion.

Anyone who has an organization or a company that publishes a newsletter or a tabloid, any kind of a publication, put a little section in there for achievements of youth, and start putting in things that people under 20 have achieved. One, it will create more family values, and, second of all, it will encourage kids through examples to do a heck of a lot better. Thank you.

(Applause.)

MRS. CLINTON: Thank you so much.

MR. GALLANTER: I'm Marty Gallanter. I'm from Dakota State University in Madison, South Dakota, one of those areas the President was talking about. And I'd like to just take a moment and put an explanation point on the President's remarks, although I'm not sure he needs any, it was so well said. But from the earliest part of American philanthropy, rural America has been schooled -- urban America, as youth, all the way back -- and we still have the resources and the values, and we still have the family structures and the faith-based communities, and we still have the space and the room, but what we don't have very often are the ears of the funders.

The vast majority of wealth in this country is within a day's drive of an ocean. And, having just spent three days in New York speaking to foundations who said, "Oh, you have wonderful ideas, but why would he do it in South Dakota" -- and that's a quote, and I won't tell you which foundation -- (Laughter.) I ask you all to think about a lot of good reasons why; the President gave them to you, and not to ignore the postmarks if they're not from just around the corner.

MRS. CLINTON: Thank you. Thank you so much. (Applause.)

MS. VAUGN: Hello. I'm Billy Vaughn (phonetic) and I'm with the Scholarship Foundation of Santa Barbara. And I wanted to talk to you just a minute about the power of community-based scholarships. In our community, we have every director of Boys and Girls Club who are former scholarship recipients from our community, the director of the Asian art exhibit at the museum of art in our town, and then the most amazing thing. We have hundreds of examples. But we have a young man, Chris Martinez, who went to UC Berkeley on a scholarship for the Scholarship Foundation.

And he, there, in the city of Oakland, established the Student Tutorial Endeavor Program, called STEP. And the STEP program has involved 50 to 100 UCB students, who are tutoring and mentoring and having weekend programs for students that had no place to go. So I just wanted to reconfirm the concept that in its heart and soul, philanthropy is individual, personal, and often locally based. (Applause.)

MRS. CLINTON: I appreciate you raising that because, you know, one of the most gratifying efforts that I've ever been involved in and helped to start was a single parent scholarship. Because a lot of the scholarships that go to worthy students do not cover the kinds of expenses that keep young parents from continuing their education -- you know, when the car breaks down, when the utilities are going to be turned off, when you can't get child care.

So I think it's -- we need to think of a broader definition of scholarship and to think about what it really takes to put together the financial resources to enable a person to go through community college or four-year college. And too often, the giving is too limited in terms of what it can be used for in order to keep somebody in school.

Yes, right over there.

MS. MCPHEE: I'm Penny McPhee from the John S. and James L. Knight Foundation in Miami. We've heard a little bit today from and about community foundations, and I want to share with you an idea that I find very appealing that was invented by a small, new community foundation in Boulder, Colorado. It's called the Millennium Trust, and the idea of it is to make philanthropists of everyone in the community at the millennium by asking everyone to donate their last hour's salary of the millennium to the Community Foundation and to become a philanthropist no matter how small his or her salary is. I think it's a great idea that every community ought to undertake. Thank you.

MRS. CLINTON: Thank you, Penny. (Applause.)

PROFESSOR SCHERVISH: I'm Paul Schervish from Boston College, and in addition to doing research on the numbers and the material growth and wealth that is generating philanthropy, we have also investigated what is the central motivation for all of this. And it turns out that it's embedded in the biblical traditions and the spiritual traditions that we all are aware of. And that is simply the notion of identification with the fate of others, starting with our own family, with the children that we love, that we care for, and seeing the extent to which this identification of the fate of others being like our own extends in time, then in space, and then relationally, further to horizons that are anonymous and are not necessarily in our daily purview.

MRS. CLINTON: Thank you. There are a few people I'd like to call on, because I know they have some contributions that we want to hear. Rebecca Adamson of the First Nations Development Institute has a different take. I understand that First Nations pools funds from different sources based on the culture of giving and your institution. And can you explain how that works, Rebecca?

MS. ADAMSON: I'd love to. Thank you very much for bringing us all together too, also. I don't know if I can be as eloquent as the last speaker, but I'd like to just simply say that giving is a way of life for native people. I think everyone in the room has probably heard the term "Indian giver," and by and large, you think of it as pejorative. It appeared in the first American English dictionary because of the fundamental understanding that if you had a gift, you were expected to give. There was a real reciprocity of giving within the native traditions.

Today, this giving is taking many forms. Tribes, such as Prairie Island, Agua Caliente, the Oneidas of Wisconsin, all have major tribal giving programs. And many Native American people have their own foundations or they work in community foundations, such as Emma Carsons.

The emerging funds that you spoke about, Mrs. Clinton, are recent and they are a rapidly-growing phenomenon. Our fund, the Eagle Staff Fund, is one of the oldest. We combine the native culture of giving with strategic techniques of effective grant-making. We have over 50 foundations and corporations, we have over 30 individual donors. You can imagine everyone has their own opinion and their own experience and their own interests.

So our key technique really and truly and simply is learning from one another, and it's in a partnership that includes the tribal communities. Solutions come from people, they don't come from programs. There's a brilliance in our communities. We give away \$1,000 to \$450,000 grants, and over the year, we give about \$1.5 million a year.

Much like this administration, we focus on assets. Building upon an asset-based strategy through our pooled fund, we're able to create opportunities in communities that many people think will never succeed. We're able to create opportunities for the reciprocity of giving. Thank you.

MRS. CLINTON: I know Lucille Echohawk is also here. And, Lucille, you have some additional insight into the traditions of giving. Is Lucille here? There she is.

MS. ECHOHAWK: Thank you, Mrs. Clinton. I'm very pleased to be here. For the past six months, I have found myself as a formal part of organized philanthropy in this country as the Indian Child Welfare Specialist for the Casey Family Program, which is one of the largest operating foundations in our country, headquartered in Seattle, Washington. And their focus has been children and families at risk for more than 30 years, and it's one of the best -- in my opinion, one of the best-kept secrets in Indian country that they have been very focused on native children and their families for about 20 of those 30-some years.

I am also a founder of Native Americans in Philanthropy, which is about to celebrate its 10th anniversary year in the year 2000. And we have worked very hard to bring forward much of what Rebecca has expressed about the work of First Nations and other native people working both in organized philanthropy and in native communities, and I think that work is just taking off.

And to relate to what the President said about those parts of America that have been passed over, Native America is certainly one of them, and we see that changing in the new millennium. Thank you. (Applause.)

MRS. CLINTON: Thank you very much. There are so many hands. There's a hand back there.

MR. ROSENBERG: Thank you very much. My name is Claude Rosenberg, and I am the founder and chairperson and sole supporter of something called "The New Tithing Group" in San Francisco. This is another way of saying, relax, we are not going to solicit anybody here for money. (Laughter.)

On the other hand, what I would like to mention has to do with solving the problem that was mentioned by the President before, having to do with why philanthropy is stuck at 2 percent and what we can do about it -- 2 percent of GDP or two percent of income.

In The New Tithing Group, our major goal is to enhance philanthropy in general, and that includes having people being smarter, wiser about their giving. But the major concept that we preach is that one of the problems in philanthropy in America today is that there is no formula for charitable giving. People are guessing.

At one time, it was tithing, and tithing is a wonderful custom. And I want to make it clear that I have not come here to bury tithing. But the fact is that from a financial standpoint, tithing, which the dictionary is very clear about, stating that it is giving money based on your income, a percentage of your income, and often 10 percent of your income. That particular definition should remain, but it should be useable by people who have income alone, or income and very little in the way of investment assets.

For the rest of America -- and there are so very, very many, particularly after the great economy that we have had and are enjoying at this time, and a lot of the founders' stock that exists, it's no longer income that should be the criterion; it is the combination of income and one's investment asset wealth.

And that's the definition that we preach about -- new tithing, and we would hope that if people, in fact, the wealthier people are, the less they budget at all; that's one of the advantages of being wealthy, you don't have to budget. And, therefore, you don't know yourself what perhaps you might be able to afford to give.

Our work indicates, because we concentrate on affordability, and that is that in this present year, if people simply did on a very conservative viewpoint by our technology, which would indicate that nobody is impaired their investment asset wealth or their standard of living, an additional \$242 billion a year could be received by charity.

We at New Tithing Group, feel very strongly that we want to help people understand that. And, frankly, the best way to do that is to have people from various parts of the country who really feel strongly, like Joe Selvaggio who is here today from Minneapolis as a former Catholic priest who has done a great deal for Minneapolis, that if we have small groups for every community, and if you want to come to our web site, which is WWW.Newtithing.org, we can give you a lot of information, all free of charge. And we would be most happy to try to educate anybody that you want to send to San Francisco or in any other place, perhaps, in the country, to educate them, as we all need an education, as what we can really afford to do. That's what's missing, and there is something we can do about it. So I hope that the administration and America will adopt the term, "New Tithing." Thank you very much. (Applause.)

MRS. CLINTON: Thank you very much. Some of those who are among the new wealthy in the country are sports and entertainment figures; we heard from Justin earlier. And Lou Katz is here, and he, through the New Jersey Nets, has been doing quite a bit of work in Philadelphia. And, Lou, I was wondering if you might share what it is you're doing and how you went about it.

MR. KATZ: You should have told me. (Laughter.) That wasn't very nice.

MRS. CLINTON: I got a note from the President, Lou. I do whatever he tells me --

MR. KATZ: Yes, I saw when he walked out, he gave me a signal. (Laughter.) It's really my partner, my wonderful partner, Ray Chambers, who came up with the idea while we were walking on 5th Avenue. And he said, "Why not buy an NBA team in a nonprofit trust,

dedicated to our hometown children?" I'm from Camden, New Jersey, he's from Newark, New Jersey. "So that all the profits from this team, whether we do it on an operating or on a sale, would go back to helping disadvantaged children in the minority community?"

I loved the thought. And then he took it further and said, why not take this team and move it into an impoverished area? Instead of looking for a stadium in the suburbs, let's go back to Newark and help one of the poorest and the largest cities in New Jersey, not only in an economic way, but in a social capital way, to help restore self-esteem to people in the community that would understand the benefit of having an NBA team come back to an area and begin to play professional basketball?" We said, think about how the people of Brooklyn felt and still feel so many 30 years later, 40 years, let's reverse that tie.

So we're going to move the New Jersey Nets back to Newark; we've only done this in the last 11 months. And with a little bit of luck and a change in our economic fortune, who knows? At each game, we give a scholarship -- the players, at every game, at halftime, to an impoverished youth. We've told our players that as important as winning is, we think it's just as important that they represent the community from where they come and understand how important their conduct is to the children of the inner cities.

They've bought into this concept, and in the recent days, we've lined up with another team, which hasn't been officially, officially announced, and hopefully, that new team will do very well in the next week and there will be plenty of profits coming to the New Jersey Nets -- (laughter) -- and, hopefully, you'll come and visit. Thank you very much. (Applause.)

MRS. CLINTON: Thank you, Lou. This woman -- young woman right there.

MS. BEENE: Thank you. I'm Betty Beene with the United Way of America, and, too, delighted to be here. You know, the United Way is 1,400 organizations across this country, really about the business of making philanthropy local. The smallest one raises \$14,000, the largest one, \$100 million. And we're benefitting from the economy just like everybody else is; our numbers are going up.

But I want to raise an alarm for all of us, and it springs from back to that basic definition of philanthropy, that it's about helping our fellow man, it's not about investing in things that make our own lives more comfortable and delightful.

Haynes Johnson once said that "We're moving from a nation that once engaged one another on our front porches to one where we talk to ourselves on our back decks." And our ability as a nation to engage deeply in affecting the lives of people we don't know and ever see has only declined.

There is an alarm bell in this nation when you understand that the proportion of philanthropy given to Health and Human Services is going absolutely in the wrong direction. So as wonderful as it is to have a million new great ideas about how to do things, I suggest and hope that we can take those new approaches to deal with the basic issue that our biggest accountability is to help people that we don't know and that we never see who need us desperately. Thank you. (Applause.)

MRS. CLINTON: You know, Betty, I'm really glad you raised that. (Applause.) Because that's a very important point, that although philanthropy has stayed even and the two percent of a larger pie has gotten bigger, the proportion of that bigger pie that goes to Health and Human Services to the neediest of the needy and the poorest of the poor is going down.

There was a recent report in the last week or two that a lot of the shelters that feed poor, hungry people in New York are running out of food. So there's a way in which we -- we don't want to skip steps here. What we're trying to build is a better concept of a more effective philanthropy, but we've got to remember that people's basic needs is where we

started -- to go back to the very beginning of this conference with the Thanksgiving image of the pilgrims who would have starved had it not been for that intervention.

This gentleman right there in the front row.

MR. SHELTON: Hi. My name is William Shelton. I'm the community relations coordinator from Brooklyn Manor Apartments right here in Washington, D.C., one of those communities that the President talked about. And one of the things I want to emphasize to everybody is, not only do those communities need money, but they also need time and resources.

I think a lot of what I've been listening to is money. But as Mr. Carson said, that a lot of people, specifically African American people, we don't necessarily have a whole lot of money, but we have a whole lot of time. And one of the things we need to realize is, you know, Mr. Jobs and other people from other organizations and other businesses need to come back to those communities and help people in those communities understand how to start small businesses, do things like that, and which will give them the opportunity to be able to give back not only time, but also money.

So I really want to emphasize the fact that we need to not only put money out there, but we need time and resources. People who have businesses to show other people how to operate those businesses and do things like that. (Applause.)

MRS. CLINTON: I think that's another good point. You know, one of the concerns many people have about foundations is how foundations often will not give to operating expenses or to the kind of day-to-day work of delivering services that have to be -- (applause) -- have to be carried out. And I think that's another thing I would like the foundation community to rethink.

Because much of the work that has to be done is grudge work, it is rebuilding communities with that kind of constant attention and technical assistance. It's not very jazzy and doesn't attract new attention, but if done over the long run, can result in the kinds of changes that this gentleman referred to.

Steve.

MR. CASE: I'd just like to comment on both of the last points that were made, that were very important. What we are trying to do, at least with the Helping.Org initiative, is really work with what is already there. We're not creating new organizations -- there are already 620,000 organizations, and many of them have been doing this successfully for sometime.

What we're really trying to do is be a bridge between people who can give time or money to people who need it. And one of the things I think is nicest about it is the ability to localize. You can type in your zip code and find out who needs help in your area, or type in your zip code, and a particular interest you have, and target money to just that.

So our hope is, it will make some of the organizations that are doing good work maybe right around your street that are invisible to you, that will bring them to light and actually stimulate things at a local level. And I'm actually more excited about what might happen on the volunteering side as opposed to the money side, because I think there are a lot of people who want to give their time, but they just don't know where to start, so they just don't. And hopefully, this will be a way to make it easier for people to help, irrespective of how they want to help and irrespective of where they want to help.

MRS. CLINTON: Yes, Pat?

MS. LILE: I'm Pat Lile, from Arkansas. We're proudly covering the -- (laughter.) Bill's

going to be coming home and we're not sure about where you'll be going, but -- (laughter) -- but you're always welcome in Arkansas. And it'll always be the Presidential Library for the President and First Lady in our book. And that's really one of the things I wanted to bring up today is that, as extraordinary as this conference is and how we applaud this leadership, I don't have any particular confidence that it will necessarily be continued; I don't know what's going to happen.

And I know one way it could be continued is for it to be a focus of the presidential library. And I know you're giving thought to a focus or several ways to focus your efforts that will be effective, that will help more than just one part of the country.

I do think that the best gift of the future of your administration is yet to come, and I think much of that will come through its influence in the years ahead, and particularly through the presidential library. And so I'd like you to think about how you can take the extraordinary elements of your leadership -- and you certainly have excelled in knowing how to do fundraising and fund development -- and that's what much of philanthropy is all about.

So I'd just like to urge you to think about that, and say that I hold in my hand a map, put out last week, talking about the assets per capita all over the country. And the region I'm from, the three-state region, Arkansas, Mississippi and Louisiana -- has less than one-third of the assets per capita in foundation assets of the rest of the country.

So when we wonder why some parts of the country have been left behind in this era of the new technology, it's partly because we have fewer foundation assets to help do some of those remarkable things that are at work in other parts of the country. Thank you very much. (Applause.)

MRS. CLINTON: Thank you, Pat.

MS. MULVILLE: Thank you very much. I'm Barbara Mulville, Chairman of the Board of the National Society of Fundraising Executives. And thank you for holding this conference. I think one of the things that you did today is one of the most important things that anyone could have done. You have brought together all of the resources that are needed to conquer this big problem. We have government leading at the first conference, and as Mr. Case said, we should have done this 200 years ago.

We have the philanthropists here, we have the foundations, we have the corroborators, and I represent 22,000 of the professional fundraisers throughout the United States, and I just want to thank you. You have -- (End of tape, side one; begin side two in progress) -- how to do it, but that the visibility of this kind of conference, all the kinds of service recognition that people have been speaking about, and people coming together across class and across experience is really what's going to make philanthropy be a bigger thing that's going to make people give more money away, that's going to make people recognize that people of all classes give money away, and that I would put that out as a challenge for us to then be able to turn around and say, now, go to Helping.Org and find out about organizations you don't know, but work together with people to do that. (Applause.)

MRS. CLINTON: I also don't want us to overlook the role that United States citizens and institutions play in global and international philanthropy. When Catherine was talking, she was referring to the Grameen Bank, which has certainly influenced many of us here at home, and led us to try to do more both abroad and domestically.

Is there anyone who would like to say something about international global issues regarding philanthropy? I don't want to be unfair to this side of the room here. Perhaps right here. Yes?

Q Thank you for the opportunity to speak. I'm with the United States Committee for

UNICEF, which as you know, has programs which help children and women around the world. One of the great things about the U.S. Committee is that years ago, it began the U.S. Committee Trick or Treat for UNICEF Campaign. And what's marvelous is that a generation of young professionals have grown up recognizing that philanthropy starts in very small ways at the local level, but that it can impact on the lives of children they'll never see. So I thank you for that.

MRS. CLINTON: Yes, sir?

Q Thank you. My name is Victor Pinchon (phonetic) I'm President of the Americas Foundation. And Mr. Case and the rest of the panel, this is addressed to you and also a challenge to the President to try to find ways to overcome poverty throughout the world. I'm originally from Colombia, and our countries in Latin America, they are about 70 percent poor. This is a tremendous waste of human resources, and we feel that through (inaudible) and through now Internet, we have a wonderful way to empower people, economically and educationally, and of course then politically, so that they can take action to improve themselves. I think this, through Internet, that we can reach to them with messages of how to empower them by training, making them, for example, low-tech through computer literacy training, to work and there are so many ways that we could increase the service economy throughout the world, especially, we are highly interested in the Americas.

Would you comment on high-tech, sir, on this issue?

MR. CASE: Sure. No, we absolutely believe that the Internet holds promise to really be a global phenomena, and it's already happened to an extent, but there are many countries that are left behind, or at least aren't sufficiently developed. And a lot of people are doing a lot of things. We actually be launching AOL in Latin America in a few weeks, so we do believe that there is an opportunity to take these tools and make them something that everybody has the ability to connect to.

And we also are dealing with not just Latin America, but all around the world -- this real concern we have, and I think others share, of the digital divide, that as these tools develop, that we need to make sure we're not leaving people behind and there are a lot of initiatives, including some we'll be announcing soon, to deal with that divide issue. I think it's a very important issue as we move into this Internet century that we don't leave people behind.

MRS. CLINTON: You know, one of the issues that we're all concerned about is this one that Steve just mentioned. And I think that we face the same kind of challenge and opportunity that our country faced earlier in this century when we had to make a decision whether we were going to electrify the country or not, and it became a public-private partnership because there were hard-to-reach places, Pat, like Mississippi Delta that we know so well, or Appalachia and other places, that it was not profitable for utility companies to go in and provide service and so, through the TVA and other means, the federal government stepped in so that the entire country could be unified and utilities could operate without disruption from one coast to the other.

I think we face the same kind of challenge and opportunity when it comes to Internet access, and certainly, it's going to be an issue that we're going to have to address, because there are many places in this country, such as those the President was referring to, where, it is at this moment not profitable. But the longer it takes to provide the kind of access that people need, the further behind those people will fall. And I particularly appreciate the comment from the gentleman from the Dakotas. That's a daunting task, to figure out how you're going to wire those great expanses and make sure every American is connected.

MR. O'CONNELL: My name is Brian O'Connell, formerly with -- (inaudible) -- and now with Tuffs Lincoln Filene Center for Citizenship. I was just going to offer something that might provide some focus among so many inspiring and good ideas.

If you look at the various commissions and studies that have been operating the last three years about what to do about keeping this spirit alive another 50 and maybe 250 years, the common finding of all of those studies is to bring this subject back into the educational system. We lost it in the education system because it got pushed out. We all took civics, most of us, anyway -- it got pushed out in the name of more time for science, more time for biology, more time for various subjects. It got pushed out of the colleges for the very same reasons. And the rationale became, well, this is not really the responsibility of education. But if we really look at it, everything else that America depends on depends upon people being aware of the blessings of liberty and the responsibilities of supporting it.

The obligation I think of all of us here -- and to the extent we can work together, we can accomplish it because the acceleration is there -- is to be sure that nobody goes through a grammar school, high school, college education without being prepared for, oriented to a lifetime of active citizenship and personal service. That is a fundamental aspect of education in a democratic society, and we've lost it. We're finally beginning to get it back, but there's still a lot of arguments, well, we just don't have time for that kind of soft business. We've got to decide this is absolutely essential.

One other point about focus, and that is -- it goes back to something Peter had said when he talked about people's attitude. People's attitude increasingly is toward support of non-profit endeavor and a preference not to mix with government. And we have to be awfully careful in promoting philanthropy, volunteer initiative, that we not exaggerate what we can do if it allows us to exaggerate what government need not do. And that's why we've got to help people realize that this is not simply doing good for those poor folk or those needs, but changing the way our communities work so that they do work. And that includes working in partnership that certainly have to include government.

MRS. CLINTON: Very important point. (Applause.)

Well, I'm told we have about 10 minutes left. This is a terrible dilemma for me. (Laughter.) We'll go -- as many questions as we can get in, and way in the back. I always feel sorry for the people -- yes, ma'am, way in the back.

MS. RIDINGS: I'm Dot Ridings, President of the Council on Foundations, and I want to raise an issue that hasn't been mentioned here yet today. But first let me say what wonderful stories these have been. We know that these things come alive through the stories that we tell, and I hope we can encourage everyone in this room and everyone who is hearing this or reading this elsewhere to continue telling the good stories of what's really going on.

But I do want to raise the issue of the legal and regulatory framework within which we work, and to urge the people in this room to do something about that. We do operate within a favorable legal and regulatory framework. We operate in the public trust, and I think most of us take that quite seriously. But the Council, over the past year and a half, has conducted some extensive research and has learned that our stories are not well-known by opinion leaders in this country, including many members of Congress, our local and state officials, and many influential members of the media. These are stories that are not well-known. And I think we operate at some risk, without those stories being well-known.

So I would like to encourage everyone in this room, as we have encouraged all our members to tell the good news, to get to know and make personal relationships with your members of Congress, the House and the Senate, with your local and state legislators, regulators, the influential members of the media, the opinion leaders, so that they really will know these stories and will know what is really going on, and the value of that to the American society.

MRS. CLINTON: And can I read between the lines and just point out that you're talking about threats to tax deductibility and other kinds of restrictive regulations that would in

some way inhibit the kind of giving or the direction that a particular not-for-profit could take because of political opposition.

MS. RIDINGS: Certainly. And certainly we can do a bunch more in this country to encourage that. There are many proposals that have been made and many of the people in this room are the ones that have been talking about that for years. But we have to start at ground level, Mrs. Clinton, and make sure that the opinion leaders, those who do make the laws and deal with the regulatory framework in this country are aware, as we are aware, of what's going on and what is possible, and how that is made possible through the legal and regulatory framework.

MRS. CLINTON: This section. (Laughter.) Isn't there some way you could all just get together? (Laughter.) Yes, this gentleman right through there.

MR. JACKSON: Thank you, Mrs. Clinton. My name is Rodney Jackson. I'm with the National Conference on Black Philanthropy. I congratulate you on having the foresight to have this conference. It has been very interesting, and I appreciate the opportunity to be here.

I wanted to say that I was particularly struck by your earlier comment about the one percent, and also Dr. Emmett Carson's comment about a philanthropy holiday, because, interestingly enough, they just both happen to be subjects that we at the Conference of Black Philanthropy have been thinking about over the past year.

Specifically, how we could raise giving among African Americans, and we call that our "three-quarters equals one percent" campaign -- three-quarters is a date, it's March 4, and the one percent was to encourage giving of at least one percent or more among African Americans. And it's certainly a concept that would apply to all Americans around the country.

So, as the President already pointed out, this is a very big tent, and I wanted to -- it occurred to me that perhaps there are other people who would be interested in making this idea a reality. So I wanted to extend a general invitation to anybody who wanted to just get together over coffee or juice or something, and think about ways in which we can make the idea of a philanthropy holiday into a reality that would benefit the whole country and raise the boats for everybody.

MRS. CLINTON: We've got a couple of different ideas. Let's not forget, too, the less hour of pay of the year, too.

MS. DAVIDSON: Thank you so much. I'm Pamela Davidson, from Indiana -- the great state of Indiana, where we have our very generous Lilly Endowment -- thank you so much -- this year's President of the National Committee on Planned Giving, which has a very exciting program, the Leave A Legacy program, which is now in 123 communities throughout this country. And the interest is growing and thriving every single day.

Those are programs where the community defines its own philanthropy, defines its own goal to achieve those goals, and is the motor to make that legacy within its community happen -- a very exciting program.

One thing that I think many of us have forgotten today in our discussion -- and I thank you so much for being the convener; we appreciate it so much because we don't get a chance to chat with each other enough -- the one thing I think we need to stress is what incredible personal satisfaction being a philanthropist creates for a donor -- that I hear stories in my 15 years of gift-planning of people who weep for joy being able to do for somebody what somebody did for them -- like Esperanza Rich, sitting right over there -- where someone extended a hand out to them, made all the difference in the world, the most modest

circumstances. And they are anxious and it's their life mission to give back. And I really think we need to confirm the joy of what being a philanthropist can mean to an individual. Thank you again. (Applause.)

MS. WALTERS: Thank you. My name is Kate Pew Walters. I'm from Grand Rapids, Michigan. I am the President of the Kate and Richard Walters Foundation. Thank you for asking me to be here today.

We talked a lot about people who are forgotten, and I'd just like to mention that people with disabilities oftentimes are forgotten as we think about the categories that we all give funding to. Oftentimes, when we're looking for money, we say, well, we don't give for organizations serving people with disabilities. And I guess I would remind you that people with disabilities have health care issues, and people with disabilities have housing issues, and we have education issues. And we need to be included on all of those tables. And we also need to be included with traditional organizations that serve people with disabilities on those boards, and that needs to be required. Thank you. (Applause.)

MRS. CLINTON: I'm going to call on Bill White, now, from the Mott Foundation, one of the major sponsors of today's conference, for his thoughts. And I know there are many, many more hands of many people who wish to speak, so I want to hear from Bill, and then I have a suggestion about how we can make sure everybody is included.

MR. WHITE: Thank you. Everyone has commented that this is the first, and I think it's wonderful to celebrate this core value of the charitable impulse, whether it's volunteering or whether it's giving, because I regard it as much of a core value as we take some of our other freedoms -- freedom of speech, freedom of assembly, freedom of worship. And there are many countries in this world where there would never be a seat of government having a conference on philanthropy because they would not also have a conference on freedom of speech, right of assembly, or right of worship. And so it is something we take for granted in this country, but really, fundamentally, defines our society and what makes us great.

The other thing I've been reminded of today, and it's just come home time and time and time again, and that is that life in America occurs on Main Street. That's where it is and that's where it's worked out, and we have to figure out ways, whether we're a national foundation such as Ford or Rockefeller or Carnegie or Kellogg or Lilly, or even Mott -- we have to figure out how to work on Main Street, USA.

And our friends from the technology field are going to help do that. Because, clearly, if we can't figure out how to work with Main Street, USA, we in the national foundations at least are going to be distant, we are going to be arrogant, and we're probably going to be what you might call horse's asses. (Laughter.) So one of the things I do like is community foundations, United Ways. And that's one of the reasons we have supported these types of organizations for years. Because it enables a distant funder to work in a local community. And we have supported the community foundation movement not just in the United States, but also overseas. And it really does bring that biblical -- who bow their head and gave those two guineas together with the man who stood up and said, I have a lot of money -- together to solve community problems. And I think that's what we're talking about.

And finally, I have to close -- I had a seat here, located behind this row, in particularly behind this young man, and it's sort of humbling to someone who gives away millions and millions of dollars a year, and then now here's a guy who has done it and gotten it at a very early age. So, anyway, I think the charitable impulse is alive and well. And if this generation has anything to do about it, we're going to be amazed at what's going to happen. Thank you. (Applause.)

MRS. CLINTON: We promised everyone that we would be able to break at a quarter to 4:00 p.m. We've already gone past that -- because I know there are planes to catch and many

of you have made considerable effort to get here. But there are a number of people who have other things they want to say and other ideas.

I'm going to ask Shirley Segowa (phonetic) who works for me, who, along with Ellen Lovell at the White House Millennium Council, really planned and organized this conference, to stay up here. And for those of you whose hands were up that I couldn't call on, please go and tell Shirley and Ellen your particular ideas. Because we do want to come out with a report of some sort that details the ideas and the concepts that were put forth, and the challenges that we think that presents to us.

As we have done with previous White House conferences, we don't expect this to be the end, but the beginning. We intend to do everything we can to look for ways to act on the ideas and suggestions, to facilitate continuing conversations, meetings, so that people can act on what we have heard today. And we can do it through strength by bringing people together to address the issues that have been raised.

I want to thank everyone who has been a part of this. I want to thank again our sponsors for making it possible. But as Bill White was finishing his remarks, I was reminded how often in my travels in other parts of the world I would be met by lack of understanding about volunteerism and philanthropy -- because for people who lived under communism, totalitarianism, military dictatorships, there wasn't anything comparable at all to what we think of as volunteering. People were ordered to volunteer. They would be told that this is their duty to the leader or to the party, or whatever.

And so there was, and still is in many parts of the world, great suspicion about what we are sitting here talking about. The idea that people would assemble and freely speak and use their own money to meet social needs to supplement government programs has been, for most people in the world, truly a foreign concept.

And yet, as more and more democracies are coming to grips with what it takes to create an ongoing democratic, dynamic society, they're understanding what for great fortune Americans have always understood, and that is there has to be this charitable impulse put into action. There has to be an identification with your fellow citizen in order to create this concept of a common good that enables all of us to make progress together.

So it is something that we cannot take for granted. And as we move into this new century, looking for new ways to deepen the American philanthropic tradition, I think we are not only doing it for ourselves in every way that that can possibly be meant -- for our own personal satisfaction, for our own feeling of worthiness, and for our fellow citizens, those we can touch and see and those further distant -- but we are doing it to set an example. Because only through the creation of civil society, which depends greatly on volunteerism and philanthropic works, can any society really understand what it means to be a democracy, and then that democracy can be rooted in very, very strong soil.

So this is an incredibly important occasion, and we will look for ways to continue this conversation and working with you. And I'll ask Shirley and Ellen to come forward now, and I hope people will be sure, before you leave, to let them know any additional thoughts you have or topics you would like to see addressed.

Thank you all very much. (Applause.)

END

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OFFICE OF THE
DEPUTY DIRECTOR

October 5, 1999

MEMORANDUM FOR MARY MCGUIRE
OFFICE OF THE FIRST LADY

FROM: MARA T. PATERMASTER, DIRECTOR *MTP*
CFC OPERATIONS

SUBJECT: Long-Term Givers to the Combined Federal Campaign (CFC)

Attached is information on three long-term contributors to the CFC.

One of them was in the original list of CFC heroes, Wallace Hopkins. The other two candidates are Mary Grayson and Ric Chisholm. The biographical information for Wallace Hopkins and Ric Chisholm are attached. We will fax Mary Grayson's biographical information to you as soon as possible.

Please call me if you need further information.

Attachments

CFC Long-Term Givers

Ric Chisholm
Air Traffic Manger
Portland-Hillsboro Air Traffic Control Tower

Mr. Chisholm has contributed to the CFC since he joined the Navy Reserve in 1961. He has performed in a CFC leadership capacity since 1986 when he began as a Loaned Executive and has held the positions of CFC Co-Chair, CFC Vice-Chair and CFC Chair.

Wallace M. Hopkins
Chief Executive Officer
Armarillo VA Health Care System.
CFC contributor for over 25 years

Mary Grayson
Area Coordinator
US Postal Service Los Angeles Performance Cluster
CFC contributor for over 20 years

} african amer

A BRIEF RESUME FOR KARL (RIC) CHISHOLM

Oct 2 1999

*since joined
reserve 1961*

CURRENT POSITIONS HELD:

Member Board of Directors: Warren Strickland Foundation, Youth Center for Aviation Sciences (a two-year aviation program for at-risk children. Basically we teach them how to fly using flight simulators both in-cockpit and computer generated through the application of math, science and aerodynamics of flight). The organization introduces children to all aspects of aviation from catering to aircraft piloting during the summer camp program. Each of the centers has a daily program that revolves around flight simulator training, aviation history specific to their ethnic origin, design and engineering and building of remote control aircraft.

I authored and orchestrated a letter writing campaign and fund raising activities for this, our third center over a two-year period. I have acted in the capacity of site coordinator for the installation of all donated items and resource development for this center, which is located in an on-airport hanger. This facility now houses an engineering room, a computer room, complete with computer generated flight simulators, a conference room, employee break room, Executive Director room, reception area and a hanger with access directly to the runway, complete with flight simulator and a donated aircraft for the children to rebuild in cooperation with the EAA (Experimental Aircraft Association, a world wide organization). I completely renovated this 1934 building over a two and one half-year period. Most labor and materials were either donated by community members, businesses or myself. This includes new carpeting throughout the entire building, all drywall and insulation, disassembling hanger doors and cut-to-fit to accommodate the new interior, wall paneling, lighting, exterior renovation including painting the entire building interior and exterior, replacing all dry rot and crack sealing all concrete floors and new bathroom facilities, flooring and fixtures (before and after pictures available for viewing upon request). In this capacity, work was required with our Mayor, Chief of Police, City Councilpersons, District Judge's, Administrators and Directors of all Youth and Juvenile Agencies and local T.V. personalities in the Portland and surrounding areas. For an over view of the commitment and the outcome, I suggest you contact Virginia Hansen, Director Boys and Girls Club of America at 232-0077. The Boys and Girls Club was instrumental in helping me acquire this building.

In Sept of this year, I had been with the Strickland Foundation's Youth Center for Airway Sciences for three years. Upon completion of the third center, I resigned

from the Board on Aug 29th to pursue a higher level of personal growth and broaden my interests and the areas in which I could serve my community in new and challenging ways.

Board of Directors: Boys and Girls Club of America. Accomplishments: Recently recognized as one of the principals for soliciting and providing a large number of donated items for the annual silent/oral auction. This auction is Oregon's largest fund raising event.

Board of Directors Tualatin River Keepers. Currently reclaiming 70,000 acres of Tualatin River wet lands and returning it's natural bird and animal habitat in cooperation with local farmers and river landowners and local businesses. Organize Tualatin river canoe trips to preserve the river environment.

Nominated for Board of Directors Rafael House. One of Portland's most respected rehabilitation centers for abused women and children.

Board of Directors NOW (abused women's housing and rehabilitation center)

Board of Directors Jackson Bottom Slough Historical Society and Interpretive Center. Reclaiming Slough area (historical Indian hunting grounds) and building an interpretive center, trails and river walk areas.

Served for two years as a committee member of a number of United Way community outreach programs and allocation and distribution sub committees.

Member of the Hillsboro Airport/Community Relations Committee. Improves community relations regarding airport issues i.e., noise abatement, justification of airport operations (an airport runs as many operations as we do and that averages 15 incidents/accidents a year requires considerable interaction with an active and growing community. Impact of zoning changes on property managers/owners surrounding the airport, effects on community employment, positives regarding "contributions" to community tax base, coordinating construction projects, including cranes, hotels and building heights and so forth, that are elevated above certain heights relative to airport safety glide slope criteria within a five nautical radius of the airport...lots of that stuff over the past 10 years... etc, etc.

Member Hillsboro Aviation Business Association.

Coordinating airport activities and consequences of growth with community activities and promoting the aviation industry and interests. Politically active position. Includes Senator Ron Wyden as a board member. Harry Merlow's representatives, Jack Erickson, NIKE, Premier Jets (carries organ transplants worldwide) Hillsboro Helo, worlds largest helicopter training facility. Dick Van Grassen, worlds largest manufacture of small, single wing aircraft.

Member Hillsboro Aviation Advisory council.

Chamber of Commerce Revalidation Committee and other numerous sub-committees. Recognition for largest fundraiser for Chamber of Commerce annual fund raising event, Moonlight and Roses dinner/dance.

Eleven years as a member of the Steering Committee for the Hillbory Airshow. Often rated by ICAS, the world air show evaluation organization convention as is the top five air shows in the United States.

1993 Nominated for the Presidential Award of Excellence for Community Involvement and Activities. Did not receive award, but the nomination was written and forwarded by the Portland Federal Executive Board to the President of the United States.

*** I was nominated for and accepted the position League Executive, and over a 13 year period I held the positions of League Executive, Co-Chairman, Vice-Chairman and Chairman for the Combined Federal Charities Campaign. This is the only "internally" sanctioned charitable campaign allowed within government agencies throughout the world. I began giving to CFC when I join the Naval Reserve in 1961 at \$2.50 a pay period. I have given to CFC continually until 1999. My current contribution is \$50.00 per pay period. This of course does not include what I give to individual charities.**

Chairman of the Equal Employment Opportunity Council for Los Angeles, Calif.

Chairman of the Regional Pilot Awareness and Safety seminar program for Los Angeles, Calif. and surrounding areas. This culminated into my making two to three presentations a week. I still make several presentations monthly to diverse groups such as the Rotary, Lions, Kiwanis, Moose Lodge (the local clubs that meet once a month at "The Humdinger All-Yea-Can-Eat" culinary palace crowd), numerous pilot groups and non-profit, fund raising organizations and groups.

Air Controller of the Year award in 1983.

Air Controller of the Year Award 1985.

Outstanding Services Fellowship award's 1987 and 1988

Certificate's of Merit and Outstanding Achievement Award 1983, 1984, 1985, 1989, 93, 96, 98!

Special Achievement Award presented by the FAA Director.

Certificate of Award presented by Airline Pilots Association.

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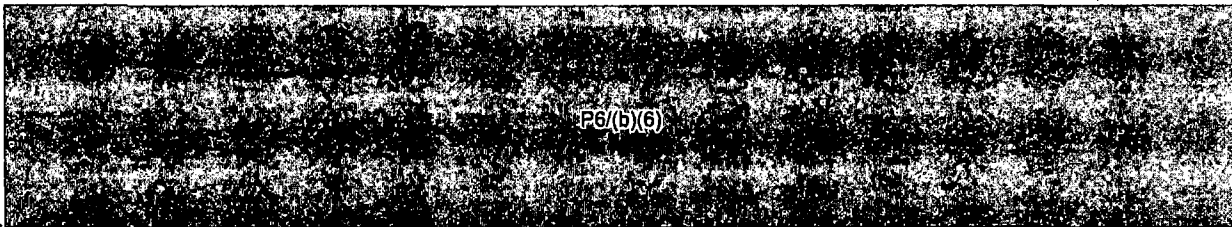
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AMARILLO AREA CFC Nominee: Wally Hopkins

Our CFC Hero is Wallace "Wally" M. Hopkins, FACHE, Chief Executive Officer of the Amarillo VA Health Care System. Through Mr. Hopkins' leadership, skill, innovation and perseverance the LFCC has seen remarkable growth.

In 1997, only one short year after arriving in Amarillo, Wally Hopkins demonstrated his interpersonal skills in solving a potentially debilitating crisis within the ranks of the Combined Federal Campaign employees. In August of that year Mr. Hopkins gathered twelve members of the National Association of Letter Carriers at his office to discuss union issues and their support of our community. Through open and honest exchange at this meeting and his skills as an agent of change and compromise, Mr. Hopkins facilitated a complete turn around of the CFC from the year before. In 1997 the CFC in Amarillo and Canyon raised the largest amount of money ever, a whopping 42% increase over the previous year. Of that increase, the U. S. Postal Service, through the support of the National Association of Letter Carriers, contributed over half of the dollars. Mr. Hopkins continues to be actively and enthusiastically involved with the CFC, serving as Chairman of the Amarillo and Canyon Federal Campaign for the past three years



[001]

Philanthropy and service to others runs in the Hopkins family: his father was recognized by the South Korean government for his efforts in opening an orphanage in Seoul after the Korean conflict.

Wally Hopkins' personal and CFC experience has demonstrated throughout his career the value of commitment, perseverance, and leadership. Community service and active participation in professional associations are second nature to Wally Hopkins. He is currently serving his second term on the United Way of Amarillo and Canyon Governing Board; is a member of the Board of Directors of the United Way of Texas; and has been chairman of the Amarillo and Canyon Combined Federal Campaign for three consecutive years, 1997, 1998, and 1999. He is a fellow of the American College of Healthcare Executives and a member of the Senior Executive Association of the United States Government Federal Executives. Due to his leadership in the Welfare-to-Work Program in 1999, the Amarillo Medical Center received Vice President Gore's National Partnership for Reinventing Government "Hammer" Award for noteworthy efforts, particularly the hiring of minorities, women and the disabled.

The Amarillo Area CFC proudly nominates Wallace M. Hopkins as its CFC Hero, our true "unsung hero."

October 22, 1999

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Supporting the Role of Nonprofit Organizations

The United States is the most generous nation on Earth. In 1998, an estimated \$175 billion was given by American individuals, communities, foundations, corporations and other private philanthropies to a wide variety of causes and organizations. Individuals accounted for 85 percent of all contributions in 1998 and their giving has increased by almost one third since 1995. And over the next 20 years, approximately \$12 trillion in wealth is expected to be transferred from one generation to the next – more than one trillion of which will flow to nonprofit organizations through charitable giving.

In many cases it is nonprofit organizations that convert philanthropy into results -- helping people in need, providing health care and educating our nation's youth. The nonprofit sector is an integral component of our nation's life, embracing more than one and half million organizations with operating expenditures in excess of \$600 billion. But more telling than the dollar figures is the new spirit of service and civic activism that nonprofits of every kind are now exhibiting. We are today in the midst of a nonprofit boom, a time when the activities of this sector are becoming ever more creative and entrepreneurial.

Nonprofits are uniquely able to identify problems, mobilize fresh thinking and energy, care for those in need on a human scale, and promote social change at the community level. As this sector grows in size and importance, there is a growing opportunity to forge partnerships that include government, nonprofit groups, businesses and citizens to address pressing public problems. There are already many ways that nonprofits work closely with the Federal government. For example, Federal grant programs from the National Science Foundation and the National Institutes of Health assist nonprofit research institutions that search for cures to cancer. And the Corporation for National Service partners with nonprofits throughout the nation to provide after-school and tutoring programs. Our challenge in this time of burgeoning social entrepreneurship is to encourage government, nonprofits and others to work together more meaningfully.

Therefore, today I am asking the Directors of the Domestic Policy Council and the National Economic Council, and the Chief of Staff to the First Lady, to convene an Interagency Task Force on Nonprofits and Government (hereinafter, the "Task Force"). The purpose of this Task Force will be twofold: first, to identify current forms of collaboration between the Federal Government and nonprofits; and second, to evaluate ways this collaboration can be improved.

Structure of the Task Force

The Assistant to the President for Domestic Policy, the Assistant to the President for Economic Policy, and the Assistant to the President and Chief of Staff to the First Lady will jointly Chair the Task Force. The Office of the Vice President, the Office of Management and Budget and the Council of Economic Advisers will be regular participants.

The Task Force shall be composed of the:

- (1) Secretary of Treasury
- (2) Attorney General
- (3) Secretary of Agriculture
- (4) Secretary of Commerce
- (5) Secretary of Education
- (6) Secretary of Labor
- (7) Secretary of Health and Human Services
- (8) Secretary of Housing and Urban Development
- (9) Secretary of Education
- (10) Secretary of Transportation
- (11) Administrator of the Small Business Administration
- (12) Chief Executive Officer of the Corporation for National Service

The Chairs of the Task Force may call upon these, other officials, and independent agencies as they deem appropriate to further the purposes of this effort or to participate in specific aspects of it. For example, matters relating to nonprofit management could involve the Small Business Administration. Matters relating to the economic impact of nonprofits could involve the Council of Economic Advisers. The Chairs, after consultation with Task Force members, will appoint staff members to coordinate the Task Force's efforts. The Chairs may call upon the participating agencies for logistical support to the Task Force, as necessary. Members of the Task Force may delegate their responsibilities under this order to subordinates. During its work the Task Force will consult regularly with the nonprofit sector.

Objectives of the Task Force

Among its objectives, the Task Force will:

1. Develop a public inventory of "best practices" in existing collaborations between federal agency programs and nonprofit organizations. The Task Force, in cooperation with nonprofits, will work to apply these leading models to other governmental efforts. For example, cross-agency initiatives that reflect the community-wide focus of many nonprofits could be highlighted and replicated. The Task Force will also examine ways that Federal agencies can better draw upon the experience and innovations of nonprofits in the development of public policy.
2. Evaluate data and research on trends on nonprofits and philanthropy. Understanding the significance of the relationship between the nonprofit and government sector requires an understanding of the presence that the nonprofit sector has on the economy and in its role in

public service. For example, the Council of Economic Advisers should undertake an analysis of existing data from the private and nonprofits sectors concerning the role of philanthropy in the economy, including an examination of the factors that affect giving and an investigation of trends that are likely to affect giving in the future. This analysis could lead to further research and inquiry by the nonprofit sector on these issues. The Task Force will also coordinate agency efforts to identify the contributions made by the nonprofit sector and information regarding philanthropic activity.

3. Develop further policy responses. The Task Force will meet to discuss new findings and to consider new or modified Administration responses on coordinating efforts between the Federal Government and the nonprofit sector. For example, the Task Force will work with the nonprofit sector and others to explore ways to encourage philanthropy and service, efforts to help nonprofits develop and grow (including "venture philanthropy"), opportunities for closer collaboration on research and in meeting local needs, and ways to reduce governmental barriers to innovative nonprofit enterprises. From time to time, the Task Force will report to me on the results of its efforts.

General Provisions

This order is intended only for internal management of the executive branch. This order is not intended, and should not be construed to create, any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or its employees. This order shall not be construed to create any right to judicial review involving the compliance or noncompliance with this order by the United States, its agencies, its officers, or any other person.

Philanthropy Fact Sheet
Prepared for the First Lady
by the Council of Economic Advisers
October 1999

- **Philanthropic giving in 1998 was estimated to be \$174.5 billion.**
- **Individuals accounted for 85 percent of all contributions in 1998**, while corporations and foundations accounted for 5 percent and 10 percent of contributions, respectively. Contributions by individuals have increased 31 percent since 1995, while foundation giving has increased by over 50 percent.
- **There has been a recent resurgence in philanthropy as a percentage of GDP.** Total giving represented just over 2 percent of GDP in 1970. However, it dropped in the 1970s to just 1.7 percent in 1979 and remained fairly constant at about 1.75 percent in the 1980s and early 90s. But since 1995, giving has risen sharply to just over 2 percent in 1998 – back to the levels of 30 years ago.
- **Religion was by far the single largest recipient of contributions, at 44 percent of the total last year.** Donations to religion averaged about 50 percent of total contributions from the early 1980s to the mid-1990s, but have fallen as a share of the total since 1995.
- **Other organizations have received substantial increases in donations since 1990.** These include education (up 59 percent), environmental organizations (up 69 percent), public-benefit organizations such as civil rights groups and community development organizations (up 77 percent), and gifts to foundations (up 254 percent).
- **Families at every level of income (except the very top) are about equally generous:** The 95 percent of families with incomes under \$100,000 all tend to contribute roughly 1.5 percent to 2 percent of their incomes, on average – even the very poor. Those with incomes above this level tend to contribute a higher percentage of their incomes.
- **Elderly households (over age 65) at every level of income are generous givers.** They tend to make larger inter vivos contributions in terms of both donation size and as a percentage of their incomes than non-elderly households.
- **Wealthy households give a disproportionate share of individual contributions.** The 20 percent of families with incomes of \$60,000 or more in 1994 gave 67 percent of all individual contributions that year. The 4.3 percent of families with incomes above \$125,000 gave 46 percent of the total.
- **An estimated \$12 trillion in wealth will be transferred over the next 20 years.** This will result in an estimated \$1.7 trillion in charitable bequests. Over the next 55

years, the wealth transfer is estimated to be \$41 billion, resulting in \$6 trillion in charitable bequests.



THE WHITE HOUSE MILLENNIUM COUNCIL

PHONE: 202/456-2000

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TO: Shirley Sagawa
May Ellen M. Guin

FAX: 456 62 44

PHONE: _____

FROM: Malcolm

DATE: 3/15/00

Number of Pages (Including Cover): 3

MESSAGE:

Shirley, May Ellen - Did you happen to
see the 'Call to Action' in this month's F&A Company?
Sounds as if the publisher benefitted from attending
our conference!

Malcolm

THE WHITE HOUSE MILLENNIUM COUNCIL
708 JACKSON PLACE, NW
WASHINGTON, DC 20503

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THE PROMISE OF THE NEW ECONOMY IS AT RISK.

THE NEW ECONOMY IS ABOUT **UNLIMITED OPPORTUNITY,** DEMOCRACY IN THE WORKPLACE,

and a commitment to link financial rewards to individual contribution and effort.

Increasingly, though, the new economy is also about economic inequality, rampant opportunism in the marketplace, and a troubling disconnect between unreal financial rewards and any individual's real contribution and effort.

The promise of the new economy speaks to our fundamental sense of economic fairness, social equity, and personal freedom. But there is also a danger underlying the new economy: Excess and exploitation can undermine even the most robust period of economic growth and wealth creation.

What will the impact of the new economy ultimately be? Will it come to represent a better, smarter, fairer, and more humane version of democratic capitalism? Will it create opportunity for people who were previously unable to participate in our economic life? Will companies be built to last and built to work—or will we be satisfied with companies that are built to flip? More to the point, what responsibility do those who are flourishing in the new economy have toward those who are not? What can we do, what should we do, to ensure that the promise of the new economy will be kept—and that the danger of the new economy will be averted?

There are some hopeful signs. Men and women throughout the

country—entrepreneurs and venture capitalists, wealth creators and investors—

are coming to see that the future of the new economy depends on finding ways to share wealth, to extend the benefits of financial success, and to promote a sense of equal opportunity. And many of those people are realizing that they don't need to wait for their millions to come in before they act on that imperative. Here are a few noteworthy examples.

■ **The Austin Entrepreneurs Foundation**, in Austin, Texas, has received pledges of pre-IPO stock from several local companies, with the understanding that the money will go toward community-oriented purposes. As of January, eight Austin-area companies had made such pledges.

■ **The Entrepreneurs' Foundation**, in Menlo Park, California, has 61 member companies that have each donated roughly \$100,000 worth of stock for the purpose of addressing the needs of people in their community. (The value of each donation is based on a company's most recent round of venture financing.) As of January, 8 of the 61 companies had gone public.

■ **Mayfield Fund**, a venture-capital firm located in Menlo Park, California, often donates a portion of its post-IPO gains to local nonprofit organizations. (Last year, six of its portfolio companies





IT STANDS JEOPARDIZED BY EXCESS AND EXPLOITATION.

FAST COMPANY ISSUES THIS **CALL TO ACTION**
AND INVITES YOU TO READ IT, SIGN IT, AND
JOIN THE MOVEMENT THAT WILL MAKE IT HAPPEN.

went public, and it donated \$500,000 of the resulting profits to 14 community organizations.)

■ **The Triangle Community Foundation**, in Research Triangle Park, North Carolina, has enlisted 43 entrepreneurs (representing 25 companies) to commit \$10,000 or more in stock to the cause of addressing community needs.

This list is far from exhaustive—yet it is suggestive of an important trend: Across the country, entrepreneurs, leaders of startups, and venture capitalists are beginning to contribute pre-IPO stock either to existing community foundations or to company foundations that they have created. Many businesspeople are donating their expertise to community organizations as well.

We believe that this trend needs to become a movement.

WE AT FAST COMPANY ISSUE THIS CALL TO ACTION:

As a first step toward keeping the promise of the new economy, we call on entrepreneurs and venture capitalists who have benefited from the recent IPO market to commit a portion of their IPO stock to not-for-profit public causes of their choice; to join together to form organizations that will advance new-economy philanthropy; and to heighten the business community's commitment to sharing the benefits of the new economy.

We call on entrepreneurs who are starting new companies, and on venture capitalists who are funding those companies, to allot a portion of their pre-IPO stock either directly to a nonprofit community organization or to a public foundation whose mission is to address community-based needs—even if the community in question is halfway around the world.

We call on entrepreneurs to make stock donations a standard element of their business plans; we call on venture capitalists to encourage the entrepreneurs whom they fund to make stock donations an integral part of each company's startup activity; and we call on venture capitalists to make stock donations of their own as their portfolio companies go public.

We call on leaders of the new economy to engage in an open conversation to address the issue of economic and social equity.

THE GOAL: TO FIND NEW AND BETTER WAYS OF KEEPING THE PROMISE OF TODAY— BY CREATING OPPORTUNITY FOR ALL IN THE FUTURE.

Finally, we invite you to visit our Web site (www.fastcompany.com/online/32/action.html) to sign this call to action, to offer suggestions on how to further the cause, to identify people and companies that are making a contribution today, and to join in an ongoing conversation on this important topic. ★

Q&A: Executive Memorandum on Supporting the Role of Nonprofit Organizations
October 22, 1999
Draft

Q: What does this Executive Memorandum do?

A: The President announced the formation of a new interagency Task Force to examine current partnerships between the Federal Government and the nonprofit sector and evaluate ways that these partnerships can be improved to help both government and nonprofits better fulfill their missions. The President recognizes that the nonprofit sector is a significant part of our economy and national life. Nonprofits are also uniquely able to identify problems, care for people in need and create positive social change at the community level.

Specifically, the Task Force will develop a public inventory of "best practices" in existing collaborations between Federal government agencies and work to apply these models to other government efforts. The Task Force will also work on making the government more responsive to nonprofits and examine ways government can draw on the experience and innovations of nonprofits in the development of new ideas. Together, nonprofits and government will undertake an analysis of what we know about the role of philanthropy and nonprofits on the economy and the trends that are likely to affect giving in the future. Finally, the Task Force will work with the nonprofit sector to develop new ideas that will help coordinate efforts between government and nonprofits.

Q: Why is this Task Force necessary?

A: The nonprofit sector is an integral component of our national life and in many cases, government and nonprofits work together to address common goals such as, helping people in need, providing health care and educating out nation's youth. With their already wide reach and potential, we should embrace the opportunity to strengthen the relationships that already exist. We should look at the best partnerships between government and nonprofits that help people and make a difference and try to apply what works to other partnerships throughout the government. There's still a lot of potential and opportunity for closer collaborations as we look for ways to reduce governmental barriers to nonprofits and explore ways to encourage philanthropy and service. The goal here is that better partnerships will lead to better results for individuals, communities and the entire nation.

Q: Does the President intend that the Task Force will address the concerns of all types of nonprofits, including religious institutions?

A: The nonprofit sector is a collective name to describe institutions and organizations that are neither government nor business. The nonprofit sector in the United States is vast and diverse, including more than a million organizations that spend nearly \$500 billion each year. Of course, we are particularly interested with the types of nonprofits that already partner with

government include charities, foundations and social welfare organizations that work on helping people and improving our lives and communities. Of course, faith-based organizations are an integral part of this fabric and the President believes that religious institutions can play an important and constructive role in providing social services.

Q: What is the Task Force going to produce?

A: The Task Force will inventory current partnerships between government and nonprofits at which point they will be in a better position to examine what types of collaborations work best. The Task Force will also be working with nonprofits to evaluate current research on trends on nonprofits and philanthropy, which could lead to further research by the nonprofit sector. The Task Force will also be working with nonprofits on efforts to help nonprofits develop and grow and also explore opportunities for closer collaborations. In the end, this work may or may not be compiled for purposes of a report.

Q: Are we asking nonprofits to pick up more responsibility in serving the public?

A: Absolutely not. The nonprofit sector serves a unique role that is separate from government although the two sometimes share common goals. The nonprofit sector brings new ideas and energy to the table and in many cases is in a unique position to promote social change at the community level. We need to encourage and protect what is special and separate about nonprofits but we should also recognize and foster the potential to combine the forces of the nonprofit and government sector to address problems and help individuals.

Q: What does this Task Force on Nonprofits have to do with philanthropy?

A: Philanthropy, through giving of money or service, is usually converted into results that shape the face of our nation through nonprofits. The United States is the most generous nation on Earth. Last year, an estimated \$175 billion was given by Americans to a wide variety of causes and organizations that turned this philanthropy into action, such as helping people in need, providing health care and educating our nation's youth.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

MEMORANDUM FOR: Eric Liu
Deputy Assistant for Domestic Policy

Ellen Lovell
Deputy Assistant to the President and Adviser
to the First Lady for the Millenium Program

FROM: Jonathan Talisman 
Deputy Assistant Secretary (Tax Policy)

SUBJECT: Background Material for Philanthropy Conference

DATE: October 20, 1999

At our meeting last week, we agreed to provide you with some background materials for the October 22nd philanthropy conference. As we discussed, enclosed are a description of the current subsidies to charitable giving and charitable organizations through the tax system, brief descriptions and talking points on some of the provisions in the vetoed tax bill that would affect charities, a summary of the contacts of Paul Newman with the Treasury regarding his proposal to increase giving limits, and some stylized facts and statistics on charitable contributions that had been requested earlier.

As we discussed last week, we have agreed to meet with a group of representatives of the philanthropic community to consider issues affecting the charitable sector. We understand that the President in his remarks at the Conference may refer to future governmental efforts to respond to issues raised at the Conference. We would like an opportunity to review any remarks relating to the Treasury Department's role.

Enclosures

cc: Eric Gould, Malcolm Richardson

Current Tax Subsidies for the Charitable Sector

The tax system provides three main types of tax subsidies to the charitable sector: tax deductions for charitable contributions, federal income tax exemption (and eligibility to issue tax-exempt bonds) for charitable organizations, and tax benefits associated with the consumption of goods and services customarily provided by charitable organizations, such as educational institutions.

Deductions for charitable contributions:

Individuals who itemize deductions can deduct contributions to section 501(c)(3) charitable organizations on their Federal income tax returns. In addition, most state income taxes follow Federal rules in allowing charitable deductions. Because of the tax saved from the deduction, the "price" of giving \$1 to charity is one minus the tax rate. Thus, for a taxpayer in the 39.6 percent tax bracket the price or net cost of giving \$1 is \$0.604.

Generally, a taxpayer who donates appreciated capital gain property, such as corporate stock or real estate, can deduct the full market value. This is even more advantageous than giving cash because a taxpayer who would have sold the asset anyway, saves the capital gains tax in addition to the savings from the deduction. In the most extreme case of an asset with a zero basis (such as might be the case for the founders of a company) the price of giving can be as low as \$0.304 (computed as $1 - .396 - .20$).

Generally, charitable deductions are limited to 50 percent of Adjusted Gross Income (AGI). Because of the greater tax benefit, deductions of appreciated capital gain property are limited to 30 percent of AGI. Deductions of gifts to private foundations are limited to 30 percent of AGI (20 percent for gifts of appreciated property). Taxpayers are allowed to carry forward for up to 5 years any charitable deductions disallowed by the limits.

Charitable bequests are deductible on estate tax returns, with no upper limit on the contributions. Currently estate tax returns are filed for about 3 percent of adult decedents and about half of these are taxable.

Corporations can deduct charitable contributions up to a limit of 10 percent of net income. Business deductions for donations of their products or inventory (ordinary income property) are generally limited to the firm's cost. A more generous rule applies to donations of property for the care of infants, the ill or the needy, to scientific property donated to higher education, and to computer equipment donated to schools. In these cases, the business can deduct the cost basis plus one-half of the appreciation if the property had been sold, provided that the amount of the deduction does not exceed twice basis.

Tax-Exempt Status

Charitable organizations generally are exempt from the corporate income tax on contributions received, investment income, and receipts from activities that further charitable purposes. However, to prevent non-profits from unfairly competing with for-profit businesses, charitable organizations are required to pay the corporate tax rate on their income from regularly carried on, unrelated commercial activities (the so-called UBIT tax).

In addition, many state and local governments provide exemptions from state and local income taxes, property taxes, and sales taxes for at least some non-profit organizations. The exact rules vary across the states.

Charitable organizations are also eligible to issue tax-exempt bonds, which allows charitable organizations to finance their activities at lower interest rates.

Tax benefits associated with consumption of goods and services customarily provided by charitable organizations

Taxpayers may receive tax benefits with respect to their consumption of goods and services provided by certain charitable organizations. For example, taxpayers may be eligible to claim a Hope Scholarship Credit or Lifetime Learning Credit for tuition expenses paid to qualified educational institutions. Similarly, college scholarships are generally excluded from the gross income of the recipients.

October 20, 1999

**Provisions Affecting Charitable Giving in the Taxpayer Relief Act of 1999,
H.R. 2488 (vetoed)**

1. Repeal of the Estate Tax.

- Repeal of the estate tax would eliminate the current tax incentive for charitable bequests. The results of studies of charitable bequests suggest that such bequests could be reduced by several billion dollars per year.

2. Tax-free withdrawals from IRAs for Charitable Purposes

- This provision provided an exclusion from gross income for qualified charitable distributions by taxpayers age 70 1/2 or older and would have been effective in 2002.
- Since the taxpayer can already achieve the same benefit by including and then deducting the IRA distribution as an itemized deduction, this provides a net benefit only in certain cases. Net benefits would accrue for non-itemizers, taxpayers who give more than the allowed deduction of 50 percent of Adjusted Gross Income, and high-income taxpayers subject to the 3 percent reduction in itemized deductions. In addition, the provision would benefit only those taxpayers who have excess retirement assets.
- The Administration opposes this proposal because it would create inequities by granting more favorable tax treatment to taxpayers making charitable contributions of IRA assets than those making comparable contributions using other income or assets. To the extent that present law limitations are too restrictive, it would be better to modify those limitations as they apply to all taxpayers than to create an exception for charitable contributions funded using IRAs.

3. Expand Estate Tax Rule for Conservation Easements

- The Taxpayer Relief Act of 1997 provided an exclusion from the estate tax of 40% of the value of land subject to qualified conservation easements. The maximum exclusion is \$200,000 in 1999, increasing by \$100,000 each year until it reaches \$500,000. The land must be within 25 miles of a metropolitan area, national park or wilderness area, or within 10 miles of an Urban National Forest.
- This provision would have increased the distance of eligible land from 25 to 50 miles from a national park or wilderness area, and from 10 to 25 miles from an Urban National Forest, effective after 1999. The provision would also have changed the date for determining compliance to the date of donation, effective after 1997.
- The Administration opposed these changes because the existing provision is already generous. A donor can claim an income tax deduction for the value of easement, exclude the reduction in value from the estate tax, and exclude an additional 40% of the value of the remaining value of the land. As a result, the value of the tax savings

can be as much as \$1.24 for each dollar of value of the easement granted for top-bracket taxpayers.

October 20, 1999

Other Charitable Giving Proposals

One or more individuals or charitable groups have made the following proposals. Note that the Administration's position is that proposals to reduce taxes must be funded by offsetting tax increases or spending cuts.

1. Non-Itemizer Deduction

- The Senate version of the tax cut bill (HR2488, the Taxpayer Relief Act of 1999) included a proposal to allow non-itemizers to deduct up to \$50 (\$100 for married couples filing jointly). This provision was not included in the conference version of the Taxpayer Relief Act of 1999.
 - The amount of the standard deduction claimed by non-itemizers already includes an allowance for estimated annual charitable contributions.
 - This type of proposal, which provides a deduction for the first \$50 (or \$100) contributed, offers no incentive for increased giving. The average non-itemizer already gives more than this amount.
- The most recent research suggests that the cost to the government in lost tax revenues would be greater than the gain to the charities in additional contributions. That is, this would be a relatively inefficient subsidy.
- Many non-itemizers have no tax liability and would not benefit from a deduction.
- Having a non-itemizer deduction leads to situations where some taxpayers may have to calculate their taxes twice, once assuming the non-itemizer deduction and a second time assuming itemizing all deductions.

2. Increase Percentage Giving Limits

- The Senate version of the tax cut bill (H.R. 2488) included proposals to phase in 20 percentage point increases in certain of the percentage giving limits for individuals. The current deduction limit on overall giving of 50 percent of income would be increased to 70 percent by 2007.
- The Senate version of the tax cut bill (H.R. 2488) included a proposal to phase in an increase in the limit in the deduction for corporate charitable contributions from 10 percent to 20 percent of net income.
- Increases in the percentage giving limits would primarily benefit a small percentage of the wealthiest individuals and may help them to completely avoid paying any income tax in some cases. These adverse distributional effects have to be weighed against any potential benefit to charities.

Paul Newman and Charitable Giving

Background on Contacts with the Treasury Department and Newman's Policy Proposal:

In the spring of 1998, Paul Newman met with Treasury Secretary Robert Rubin, and proposed increasing the limits on charitable deductions for corporations and individuals. Newman said that some of his businesses were created with the purpose of giving all their after-tax income to charity.¹ Charitable deductions for corporations are currently limited to deductions of 10 percent of corporate net income, while deductions of individuals are limited to 50 percent of income (Adjusted Gross Income). Treasury staff was asked to prepare an analysis of the proposals, and a letter was sent to Newman from the Secretary in late 1998. The major problem of the proposal is that it would be difficult to increase deduction limits without opening up potential abuses such as complete avoidance of income taxes by combining charitable deductions with other provisions. Newman responded with a letter to Secretary Rubin asking for further consideration of his proposal. In response to a request for suggestions for attendees for the Philanthropy conference, Treasury passed along the information about Newman's policy interest in this area. A second letter was sent from Rubin to Newman informing him about the conference and that his name had been passed along to the Philanthropy Conference committee.

Policy Concerns

A charity that engages in an unrelated trade or business must pay tax on its income from the business at ordinary corporate tax rates, even though all of the income will be devoted to charitable purposes. Like a taxable corporation, a charity may claim a deduction for charitable contributions of up to 10% of its unrelated business taxable income. The "unrelated business income tax" is designed to prevent charities and other tax-exempt organizations from competing on an unfair (i.e., tax-free) basis with for-profit enterprises merely because the profits from a commercial enterprise are ultimately used for charitable purposes.

Thus, under current law, a taxable corporation (such as Newman's Own) that devotes 100 percent of its after-tax profits to charity is treated the same as a charity that finances its exempt activities by engaging in an unrelated trade or business.

October 20, 1999

¹ The company says that 100 percent of after-tax profits from Newman's Own, Inc. sales of salad dressing, pasta sauces and other products are donated to charity. According to the company's web page (www.newmansown.com), it has donated over \$100 million to over 1,000 charities since it was founded in 1982.

Individual Charitable Giving

1. Individual giving over a 5-year period:

- As measured by average giving, high-income taxpayers give a higher percent of income than middle-income taxpayers (about 6 percent of income in the top income class (\$2.5 million and over) versus 3.4 percent in the \$50,000 to \$100,000 income class).
- The median high-income household is no more generous than the median middle-income household; both give 1 1/2 -2 percent of income.
- The higher average giving of high-income households is the result of exceptional giving on the part of the most generous 5 percent of contributors, who give 22 percent of their income or more.
- Many high-income households tend to bunch their giving over time. While they may give large gifts in some years, in other years they may give relatively little.
- Almost all high-income households report giving something within a 5-year period (99.8%), and nearly as many give in any given year (94%).
- Giving as a percent of income for high-income households (the top 1 percent) declined during the 1980s, and has recovered to previous levels only in the last few years.

2. Charitable Bequests:

- About 1/5 of estates subject to the estate tax include charitable bequests. This proportion increases to about 1/2 for the largest estates.
- The largest percentage of bequests goes to private foundations (37% in 1995), followed by medical and scientific organizations (28%), and religious organizations (10%).
- As a matter of tax planning, it is generally better for an individual to donate before death in order to obtain an income tax deduction as well as a reduction in estate taxes (since the donated assets are no longer in the estate).

3. Effects of tax deductions:

- A long economics literature has generally concluded that the allowance of deductions for charitable contributions increases giving. This conclusion applies to both lifetime giving and charitable bequests.
- While the evidence on this has evolved over time and is somewhat controversial, the

most recent studies generally find that the induced increase in charitable contributions is less than the cost to the government in lost tax revenues.

- Rather than the efficiency of the incentive, the charitable deduction must be justified more on the basis of the value of having substantial private sector support of the non-profit sector and the value of allowing individuals to choose how their charitable contributions are allocated.

October 20, 1999

Charitable Giving by Itemizers by Income Class

Giving and Income of Itemizers, 1997

Adjusted Gross Income Class (\$1,000s)	Number of Returns	Average Giving	Percent of Returns Reporting Contributions	<u>Giving as a Percent of Income</u>		
				<u>Mean</u>	<u>Median</u>	<u>95th Percentile</u>
25-50	10,607,920	1,352	85.3	3.6	1.6	13.8
50-100	16,331,969	1,987	86.5	2.8	1.4	10.3
100-200	4,931,577	3,420	95.7	2.6	1.4	8.9
200-500	1,325,689	7,920	96.1	2.8	1.2	8.9
500-1,000	239,152	20,357	96.7	3.0	1.0	10.6
1,000-2,500	95,865	56,045	97.3	3.7	0.8	17.0
2,500 and over	36,062	378,006	97.8	4.6	0.7	22.8
All income classes	36,582,434	2,742	89.0	3.6	1.5	12.8

Giving and Income of Itemizers Over 5 Years, 1992-1996

Adjusted Gross Income Class (\$1,000s)	Number of Returns	Average Giving	Percent of Returns Reporting Contributions	<u>Giving as a Percent of Income</u>		
				<u>Mean</u>	<u>Median</u>	<u>95th Percentile</u>
25-50	5,606,421	1,817	96.7	4.6	2.5	16.4
50-100	11,207,734	2,373	98.5	3.4	1.9	12.4
100-200	3,450,414	4,150	99.5	3.1	1.9	10.7
200-500	840,975	9,339	99.3	3.2	1.7	11.9
500-1,000	148,070	23,142	99.4	3.4	1.4	13.3
1,000-2,500	56,081	60,733	99.8	4.1	1.5	16.6
2,500 and over	17,462	365,166	99.8	6.3	1.6	23.0
All income classes	22,456,881	3,291	98.0	3.7	2.0	14.3

Source: IRS Statistics of Income, Individual Income Tax Returns

Notes: Giving includes cash and non-cash contributions made in the current year.

Adjusted Gross Income is modified to adjust for changes in the definition over time.

Only the data for tax returns with itemized deductions are included in this analysis.

Philanthropy Q & A

Q. *Is undercounting – especially among low-income households – a problem in calculations of giving?*

A. Some data on contributions do undercount giving by lower-income donors. However, several analyses are designed to take low-income contributions into account and are likely to provide a fairly accurate picture of giving.

Q. *Do the poor donate a larger or smaller percentage of their income than wealthier Americans?*

A. Actually, research has shown that, excluding those with the highest incomes, families at every level of income give about equally generously.

Q. *Do senior citizens give more than non-seniors?*

A. Yes. Elderly households (over age 65) at every level of income make larger inter vivos contributions in terms of both donation size and as a percent of their incomes than households under age 65.

Q. *How do charitable trends vary by income versus by wealth?*

A. Giving as a percentage of income, as discussed above, is fairly constant below \$100,000 or \$200,000 and then rises at higher income levels. Giving as a percentage of net worth (“wealth”), on the other hand, actually tends to fall somewhat as net worth rises.

Q. *How do trends in giving vary by race and ethnicity?*

A. White households appear to give larger contributions than African-American or Hispanic households – a trend that may be largely explained by income differences between the groups. The Federal Reserve Board’s Survey of Consumer Finances (SCF) also finds that white households give more as a percentage of their incomes than African-American or Hispanic households, although it is unclear how much undercounting – due to the survey’s exclusions of smaller donations – plays a role in this finding.

Q. *How do levels of giving among contributors differ from giving levels among everyone?*

A. The latest estimates comes from *Giving and Volunteering in the United States, 1999*. The average household contribution among contributing households was \$1,075 in 1998. Among all households, the average contribution was \$754. The difference reflects the fact that an estimated 70.1 percent of households contributed to charity that year.

Q. *What are the estimates of future trends in giving?*

A. One prominent estimate of future giving is from an article by Avery and Rendall in 1990 and based on 1988 SCF data. The article estimates that over the next 55 years there will be about \$10 trillion in wealth transfer. A new estimate comes from Social Welfare Research Institute at Boston College (SWRI) and uses a micro-simulation model. It predicts that \$12 trillion will be transferred over the next 20 years, and \$41 trillion over the next 55 years. Bequests are predicted to be \$1.7 trillion and \$6 trillion over the 20 year and 55 year periods, respectively.

Q. *What are the main sources of data on giving?*

A. Three of the main data sources for giving include *Giving USA* (from the AAFRC), *Giving and Volunteering in the United States* (from the Independent Sector/Gallup), and the Survey of Consumer Finances (from the Federal Reserve).

Philanthropy Q & A – More Details

Q. Is undercounting – especially among low-income households – a problem in calculations of giving?

A. Some data on contributions do undercount giving by lower-income donors. However, several analyses are designed to take low-income contributions into account and are likely to provide a fairly accurate picture of giving.

More details: Two of the main sources of data on giving do undercount giving by low-income contributors. IRS data are only for itemizers and so exclude donations from non-itemizing taxpayers. Also, the Federal Reserve's Survey of Consumer Finances (SCF) excludes contributions under \$500.

The Independent Sector's report *Giving and Volunteering in the United States* (hereafter "*G&V*") uses data from a representative national sample of adult Americans and therefore should not undercount lower-income households.

Undercounting should not be a serious problem either for the AAFRC's annual report *Giving USA*, since it incorporates *G&V* data. Specifically, *Giving USA* combines IRS data on itemizers with data from *G&V* on non-itemizing taxpayers. (As described in the methodology section of *Giving USA 1999*, data on non-itemizers from *G&V* were compared with similar data from the General Social Survey (GSS) and the SCF. The three surveys were found to yield consistent, though not identical, results.)

The report "Wealth and the Commonwealth," by the Social Welfare Research Institute at Boston College, is another attempt to get representative data on giving. It uses a composite measure combining (1) the distribution of average contributions under \$500 reported on the 1996 GSS in each income category with (2) the distribution of average contributions of \$500 or more reported on the 1995 SCF.

Q. Do the poor donate a larger or smaller percentage of their income than wealthier Americans?

A. The answer appears to be "neither." Research has shown that, excluding those with the highest incomes, families at every level of income and wealth give about equally generously.

More details: As a group, the 95 percent of families with incomes under \$100,000 all tend to contribute about the same proportion of their income to charitable causes, roughly 1.5 percent to 2 percent. Giving as a percent of income rises for those with incomes above these levels.

Surveys often find that the lowest income group – such as those under \$10,000 – give somewhat higher percentages of their incomes than those in the \$10,000 to \$100,000 income range. For example, in “Wealth in the Commonwealth,” giving among families with incomes between \$10,000 and \$100,000 varies between 1.36 percent and 1.86 percent, while giving among those with incomes under \$10,000 equals 2.84 percent of their incomes (or \$91). This higher percentage of giving, however, reflects lower-income but higher-wealth retirees with substantially higher wealth than other households in the same income groups (see “The High Giving Poor” by SWRI). These households are lower income, but are not “poor.”

Also of note is that the lowest-income families (even including those with higher wealth) contribute only a small fraction of total charitable giving each year. For example, according to “Wealth in the Commonwealth,” the 49 percent of families with incomes below \$30,000 gave about 12 and a half percent of total contributions in 1994. By contrast, 20 percent of families making at least \$60,000 gave 67 percent of all contributions, with the 4.3 percent of families with incomes above \$125,000 giving 46 percent of the total.

Q. Do senior citizens give more than non-seniors?

A. Yes. Elderly households (over age 65) at every level of income make larger inter vivos contributions in terms of both donation size and as a percent of their incomes than households under age 65. (This does not include bequeaths.)

More details: According to the 1995 SCF, the percent of households making donations rises with age from 6 percent among the youngest households (under age 25) to 40 percent among those age 45-49 and then declines with age, reaching 23 percent among householders of age 80 or more. All told, 32 percent of elderly households made contributions, compared to 29 percent of non-elderly households.

The SCF data also show that, with respect to the dollar amount of contributions, elderly households give more than twice that of non-elderly households (\$5,102 versus \$2,255). G&V 1996 found very similar patterns in terms of the percentage of families who gave and their average contributions.

Part of the reason that older households donate more money is that their incomes are greater. However, even when income is taken into account, generosity tends to rise with age. In 1995, for example, elderly households contributed 5.2 percent of their incomes while non-elderly ones contributed only 1.4 percent. (On average, elderly households were only slightly more generous in relation to their *wealth* holdings, contributing 0.5 percent of their wealth, than non-elderly ones, who donated 0.4 percent of their net-worth.)

Q. How do charitable trends vary by income versus by wealth?

A. Giving as a percentage of income, as discussed above, is fairly constant below \$100,000 or \$200,000 and then rises at higher income levels. Giving as a percentage of net worth ("wealth"), on the other hand, actually tends to fall as net worth rises.

More details: Data from the SCF, as well as from "Wealth and the Commonwealth," find that although the average contribution increases as net worth increases, it does not increase in proportion to wealth. According to "Wealth and the Commonwealth," families with positive net worth of less than \$10,000 contributed an average of 5.1 percent of their net worth to charitable causes. In contrast, families with net worth of \$10 million or more contributed only 0.5 percent of their net worth. (It should be noted that 5.1 percent of the net worth contributed by families with wealth under \$10,000 represents only 0.02 percent of income.)

One possible explanation for this finding is that people tend to make charitable contributions primarily from their incomes (and possibly liquid assets) during their lifetimes and make charitable contributions from their wealth via their estate planning. High levels of wealth may therefore provide donors with sufficient security to make larger contributions from their incomes during their lifetimes, but unless that wealth is accessible and deemed discretionary, such wealth may not translate into inter vivos giving.

Although the average percentage of net worth contributed to charitable causes tends to decline as net worth increases, the relatively few families with high levels of wealth give a disproportionately large share of total contributions. According to "Wealth and the Commonwealth," for example, the 3.2 percent of families with a net worth of \$1 million or more in 1994 contributed 46 percent of total contributions that year.

Q. How do levels of giving among contributors differ from giving levels among everyone?

A. The latest estimates comes from G&V 1999. The average household contribution among contributing households was \$1,075 in 1998. Among all households, the average contribution was \$754. The difference reflects the fact that an estimated 70.1 percent of households contributed to charity that year.

More details: The figure of \$1,075, above, is much lower than the 1995 SCF estimate of the average contribution, among contributing households only, of \$2,939. This is likely because the SCF excludes donations under \$500.

Q. How do trends in giving vary by race and ethnicity?

A. White households appear to give larger contributions than African-American or Hispanic households – a trend that may be largely explained by income differences between the groups. The Survey of Consumer Finances also finds that white households give more as a percentage of their incomes than African-American or Hispanic households, although it is unclear how much undercounting – due to the survey's exclusions of smaller donations – plays a role in this finding.

More details: The most recent data on giving by race and ethnicity come from G&V 1999. It shows that in 1998, 75 percent of white households reported contributions, compared to 63 percent of Hispanic households and 52 percent of African-American households. Among households that reported contributions, the average amount was \$658 for African-Americans, \$504 for Hispanics, and \$1,174 for white respondents.

Data on contributions by race are also available from the 1995 SCF. (Since the SCF excludes contributors under \$500, it is likely to undercount contributions from minority households, who have lower average incomes than white households.) The SCF data show much lower levels of participation in giving than G&V data, almost surely because of the exclusion of contributions under \$500. The SCF finds that 32 percent of non-Hispanic white households, 19 percent of non-Hispanic black households, and 16 percent of Hispanic households made charitable donations in 1995.

Levels of giving, however, were found to be higher in the SCF than in G&V, most likely because the SCF samples more high earners. Among households who made donations, non-Hispanic white households gave an average of \$3,203, non-Hispanic black households gave \$1,451, and Hispanic households gave \$1,599 per household. The SCF also finds that non-Hispanic white households donated the highest proportion of their income – almost double that of other groups. However, non-Hispanic black households and Hispanic households gave a higher percentage of their wealth than non-Hispanic white households.

Q. What are the estimates of future trends in giving?

A. One prominent estimate of future giving is from an article by Avery and Rendall in 1990 and based on 1988 data from Federal Reserve Board's Survey of Consumer Finances (SCF). The article estimates that over the next 50 years there will be between \$10 trillion and \$10.6 trillion in wealth transfer. A new estimate comes from Social Welfare Research Institute at Boston College (SWRI) and uses a micro-simulation model. It predicts that \$12 trillion will be transferred over the next 20 years, and \$41 trillion over the next 55 years. Bequests are predicted to be \$1.7 trillion and \$6 trillion over the 20 year and 55 year periods, respectively.

Q. What are the main sources of data on giving?

A. Three of the main data sources for giving include *Giving USA* (from the AAFRC), *Giving and Volunteering in the United States* (from the Independent Sector/Gallup), and the Survey of Consumer Finances (from the Federal Reserve).

More details: The AAFRC's *Giving USA* provides one of the most complete pictures of giving. The 1999 report (including 1998 data) has recently been published. The report draws from many sources in creating its estimates.

- For individuals, it bases its estimate on IRS data for itemizers and *G&V* data for non-itemizers.
- For bequests, it uses a 1981 baseline amount from IRS data and adjusts it each year using data on bequests for higher education (reported by the Council on Aid to Education) and bequests for other recipients (calculated by AAFRC).
- For foundations, estimates come from the Foundation Center.
- For corporations, *Giving USA* defines corporate giving as gifts by corporations and their foundations to non-profits. It begins with IRS data on corporate giving, and subtracts the value of gifts to corporate foundations (as reported by the Foundation Center). It then adds the value of corporate foundation grants.
- The report also uses interpolation for years when certain data are unavailable, and regression analysis in forecasting the most recent year's giving.

The Independent Sector's *Giving and Volunteering in the United States (G&V)* is another comprehensive examination of giving. The 1999 report (including 1998 data) was released October 19th, 1999. The report is based on in-home personal interviews conducted by The Gallup Organization, with a representative sample of 2,553 adult Americans. The survey has been conducted biennially since 1988 but skipped 1998 and will resume biennially this year (1999). The skip was done to move the survey away from election years, when people are inundated by surveys.

The survey oversamples African-Americans, Hispanics, and affluent Americans with household incomes over \$70,000 (in order to be able to do statistically reliable analyses). Weighing procedures are used to ensure that the final sample is representative of the adult population in terms of age, race/ethnicity, education, marital status, size of household, region, and household income.

The Federal Reserve Board's Survey of Consumer Finances (SCF) is another source of data on giving. It is conducted every three years to provide detailed information on the finances of U.S. families, including charitable giving. Its sample size is 4,500 families, and the most recent data available is for 1995. An advantage of the SCF is that it oversamples wealthy families and so is able to capture a more accurate picture of giving among those families. Disadvantages of the SCF are that it only occurs every three years, and that it excludes contributions under \$500.