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Box 10 of 11

Philanthropy

Miscellaneous Philanthropy conference + Gov.
Philanthropy -- Nonprofit Task Force + Gov't
Philanthropy -- Nonprofit Task Force recommendations
Philanthropy -- Conference on Partnerships 2001
E-Philanthropy Conference
Corporate and International Philanthropy
Philanthropy event 2001
Philanthropy -- AOL Meeting
Philanthropy handouts 1/01
Philanthropy -- ~~2001~~ Conference RSVPs
Philanthropy -- ~~2001~~ Conference planning/background materials
Philanthropy -- ~~2001~~ Conference speaker letters/bios
Philanthropy -- ~~2001~~ Conference guest list Guest List
Philanthropy -- Oct 1999 Conference guest list
Philanthropy -- Nonprofit Task Force report drafts and agency input
Philanthropy -- Miscellaneous philanthropy handouts
Philanthropy -- Nonprofit Task Force report background
CEA Philanthropy report draft
Philanthropy Conference report
Philanthropy -- Dear Colleagues from 1999 Conference
Philanthropy -- Tax and Tax Rollout
Transcript Oct Philanthropy conference
Philanthropy youth giving event memo
Philanthropy – students
Youth Philanthropy
Hispanics in Philanthropy

Towards a More Vibrant Society

Strengthening the Role of Nonprofits

ELECTION 2000 POLICY RECOMMENDATIONS

for Candidates for President and Congress

INDEPENDENT
SECTOR

Towards a More Vibrant Society:
Strengthening the Role of Nonprofits

Election 2000 Policy Recommendations

for Candidates for President and Congress

Independent Sector
Sara E. Meléndez
President and Chief Executive Officer

Independent Sector is a national leadership forum, working to encourage philanthropy, volunteering, not-for-profit initiative and citizen action that help us better serve people and communities. Founded in 1980 and based in Washington, DC, Independent Sector is a national coalition of more than 700 voluntary organizations, foundations and corporate giving programs with national interest and impact in philanthropy and voluntary action.

Independent Sector

www.IndependentSector.org

EXECUTIVE SUMMARY

INDEPENDENT SECTOR's Election 2000 Task Force (see APPENDIX A) was established to link political and nonprofit leaders, bring important issues to light and provide information to the people who will lead our nation into the 21st century. INDEPENDENT SECTOR offers the following recommendations for the consideration of both candidates for president from the major parties, members and prospective members of Congress and the new administration.

Policy Recommendations:

I. Encourage Giving and Volunteering

Enact legislation allowing individuals and families that take the standard deduction — roughly 70% of Americans — to deduct charitable gifts subject to an appropriate floor and allowing the direct, tax-free transfer of retirement account assets to charity. Recognize that the estate tax has a significant impact on charitable giving through bequests.

II. Preserve the Independence of the Nonprofit Sector

Protect and enhance the right of nonprofits to inform, advocate and lobby policymakers on issues of importance to them and their supporters. Support the rights of nonprofits to use their own resources to speak out on behalf of their constituencies and communities.

III. Strengthen the Capacity of Nonprofits

Ensure a level playing field on access to grants, contracts and other forms of financial support for both for-profit and not-for-profit organizations, with recognition of the limited access of nonprofits to working capital; and, establish and fund mechanisms to strengthen the capacity of nonprofit organizations.

IV. Increase Collaboration and Policy Dialogue with Government

Create an effective mechanism for on-going consultation and collaboration between government and the nonprofit sector.

V. Stimulate and Encourage Volunteering and Community Service

Encourage volunteering and community service activities and, where appropriate, create or expand community service opportunities through government action; enact legislation to reauthorize the Corporation for National Service and extend AmeriCorps.

VI. Ensure Accountability of the Nonprofit Sector

Ensure that the exempt-organization division of the Internal Revenue Service (IRS) effectively performs necessary oversight and guidance functions and is adequately funded (above current levels) to do so.

INTRODUCTION

The vibrancy of all three sectors of our society — government, business and nonprofit — is essential to the well-being of Americans and our communities. Of these, the nonprofit sector is less visible to our government and political leaders. However, for nonprofits to serve the public good effectively, policymakers and government representatives must hear their views.

Here are some important facts:

- 1.5 million nonprofit organizations exist in the United States.
- 10 million workers are employed by them, or about 8% of the working population.
- Annual revenues of nonprofits are $650 billion, comprising 6.8% of national income.
- 109 million people volunteer in some capacity – the equivalent of more than nine million full-time employees at a value of $225 billion.
- Corporate and private foundation grants paid out in 1999 totaled over $30 billion.
- 70% of all households give $190 billion to charity.

The facts are important. But in some ways the cold facts mask the unique contribution of this sector. Nonprofit groups are an important part of the fabric of American life. We add the essential ingredient of civil society and touch on virtually every aspect of our national life. Nonprofits enhance our cultural lives with museums, symphonies and dance. Nonprofit hospitals provide cutting-edge research and needed health care. Nonprofits provide critical human services — from childcare to emergency food and shelter to counseling and job training. Many universities and colleges are nonprofits. A large and important part of the nonprofit sector is comprised of religious institutions that not only offer people the opportunity to express their faith but also sponsor many programs and activities. Nonprofits help preserve our environment and provide education and training to millions of Americans each year.

In addition to providing services, nonprofits enhance our democracy. We help people exercise their civic responsibility and freedom to advocate on a wide range of issues, from fighting zoning changes and opposing or proposing family planning, to protesting wars and challenging discriminatory practices. Nearly every great social change in our nation's history, from the abolition of slavery, to the passage of voting rights for women, to civil rights protections for all citizens, has been nurtured in the nonprofit sector.

In this spirit, we offer the following policy recommendations for strengthening the role of nonprofit organizations.

I. ENCOURAGE CHARITABLE GIVING

A. Provide a Tax Incentive for Charitable Giving by All Americans

Enact legislation allowing individuals and families that take the standard deduction — roughly 70% of Americans — to deduct charitable gifts subject to an appropriate floor.

Background

Offering a charitable deduction to all individuals is consistent with our nation's tax policy framework and would result in an increase in charitable giving levels. PricewaterhouseCoopers, in a recent study commissioned by INDEPENDENT SECTOR, estimates this proposal will increase charitable giving by more than $18.5 billion over the next five years. There is parallel action in the states. North Carolina, Minnesota and Colorado have enacted legislation to provide a charitable deduction for non-itemizers and a number of other states have begun to examine similar proposals.

B. Allow Tax-Free Rollover of IRA Assets to Charity

Enact legislation to allow direct, tax-free transfer of retirement account assets to charity.

Background

As a result of careful planning, many older Americans are finding that the value of their IRAs and other retirement savings accounts substantially exceed their retirement income needs. Current law can discourage the transfer of retirement assets to charities. Now, the donor pays income tax on the full value of the gift to a charity, and attempts to claim an offsetting charitable deduction. However, if the donor does not itemize deductions, or if the amount of the transferred assets exceeds certain limits relative to the donor's adjusted gross income, then the donor will not be able to claim a full, off-setting income tax deduction.

C. The Estate Tax

Recognize that the estate tax has a significant impact on charitable giving through bequests.

Background

In 1999, Americans donated over $15 billion to charities and foundations through bequests. Research by INDEPENDENT SECTOR has shown consistently that the decision on whether to give to charity is not based primarily on tax considerations, but the decision on how much to give is. In a study jointly commissioned by INDEPENDENT SECTOR and the Council on Foundations in 1997, PricewaterhouseCoopers found that the repeal of the estate tax would decrease charitable giving through bequests by $3 billion per year.

II. PRESERVE THE INDEPENDENCE OF THE NONPROFIT SECTOR

Protect and enhance the right of nonprofits to inform, advocate and lobby policymakers on issues of importance to them and their supporters. Support the rights of nonprofits to use their own resources to speak out on behalf of their constituencies and communities.

Background

Lobbying laws affecting nonprofits unnecessarily restrict the important lobbying and advocacy role of nonprofits. The lobbying rights of nonprofits should be enhanced. In addition, public funding of nonprofit organizations must not infringe on the free speech rights of nonprofits. While government may generally regulate the use of government funds, it should not regulate what a recipient of such funds does with non-government resources.

III. STRENGTHENING THE CAPACITY OF THE CHARITABLE NONPROFIT SECTOR

A. Equitable Access to Public Funding for Nonprofit Organizations

Ensure a level playing field on access to grants, contracts and other forms of financial support for both for-profit and not-for-profit organizations with recognition of the limited access of nonprofits to working capital.

Background

Particularly since devolution, government and nonprofits are partners in the delivery of programs and services in communities across the country with public dollars making up three out of ten dollars to do this. Current rules and requirements can pose significant financial barriers to the participation of nonprofits in government-funded programs.

A level playing field means setting appropriate capital or reserve requirements and ensuring that payment schedules and reimbursement procedures do not unfairly restrict the ability of nonprofits to carry out both their publicly- and privately-funded activities. All service providers should meet minimum professional standards and agreed-upon performance measures. Safeguards should be built into programs to ensure that the rights of consumers are respected. And, accountability measures should be fair and consistent for all service providers.

B. Strengthen the Capacity of the Nonprofit Sector

Establish and appropriately fund mechanisms to strengthen the capacity of nonprofit organizations.

Background

Government provides infrastructure support to targeted segments of the business sector — particularly small business — to increase productivity, create jobs and grow businesses to benefit the economy. Nonprofit enterprises also add to the economy. As noted above, they employ almost 8% of the workforce and account for 6.8% of the national income. In addition, they provide valuable community services and enhance civic life. Investing in improving the infrastructure and capacity of the sector can pay big dividends in efficiency and effectiveness and increase the public benefit. Currently, many government services including access to capital, management training (including information technology) and networks are not available to small nonprofits.

IV. INCREASE COLLABORATION WITH GOVERNMENT

Create an effective mechanism for on-going consultation and collaboration between government and the nonprofit sector.

Background

Levels of government and various constituencies have access to the administration through White House offices. All major sectors of our economy have direct engagement with government through cabinet agencies including business, labor, agriculture, small business, transportation, technology, aviation, etc.

A mechanism should be created, either through a White House office on government-nonprofit relations or another mechanism with high-level access and clear lines of responsibility, that would:

- Assess the impact of public policy, as well as legislative and regulatory proposals, on nonprofit organizations, and where appropriate, develop policies that strengthen nonprofits;
- Serve as a channel for the views and interests of nonprofit organizations before other federal agencies whose policies and activities may affect these entities;
- Conduct outreach and research in support of the nonprofit sector. Data collection efforts of government should be reviewed to determine whether basic statistical information about the nonprofit sector or data that would be useful to the ongoing work of the nonprofit sector are being collected and appropriately disseminated.

V. STIMULATE AND ENCOURAGE VOLUNTEERING AND COMMUNITY SERVICE

Encourage volunteering and community service activities and, where appropriate, create or expand community service opportunities through government action; enact legislation to reauthorize the Corporation for National Service and extend AmeriCorps.

Background

The United States has a long history of community service programs that have improved communities including the Civilian Conservation Corps, the Senior Corps, the Peace Corps, VISTA and AmeriCorps. Many, many more have been created by partnerships of schools, universities, business and local communities. And, nonprofits work with millions of America's volunteers in communities every single day. This important civic function should be encouraged and supported with adequate funding and a legal and regulatory framework that does not inappropriately create barriers to community service activities.

Reauthorization of the Corporation of National Service and passage of legislation that would extend and strengthen programs such as AmeriCorps are critical to fostering community service across the nation. These programs have received broad bipartisan support from forty-nine governors, the Clinton Administration and a number of legislators from both sides of the aisle.

VI. ENSURE ACCOUNTABILITY OF THE SECTOR

Ensure that the exempt-organization division of the Internal Revenue Service (IRS) effectively performs necessary oversight and guidance functions and is adequately funded (above current levels) to do so.

Background

While the IRS has taken some positive recent steps through reorganization and elevating the importance of the role of the exempt organization function, it continues to suffer from lack of adequate staffing and financial resources. Such resources are necessary to provide guidance to tax-exempt organizations, to interpret new rules and regulations and to carry out the IRS's oversight functions. Appropriate federal government regulation, combined with state government regulation and self-regulation within the nonprofit sector itself, is a critical part of maintaining accountability of nonprofit organizations and the ensuing high public trust in the nonprofit sector.

CONCLUSION

INDEPENDENT SECTOR believes that the issues facing the nonprofit sector and our society must be urgently addressed. As the leading philanthropic organization bringing together foundations, corporate giving programs and voluntary organizations, we will seize every opportunity to participate in ongoing policy dialogue with the candidates for president and Congress. Many issues, in addition to those listed in the above statement, require broad policy consultation. We are encouraged that both major party presidential candidates have brought attention to the role that the nonprofit sector can play, and we believe that a renewed dialogue is needed now more than ever. INDEPENDENT SECTOR will widely distribute our recommendations during the election cycle and looks forward to working with the transition team, new administration and the 107th Congress to forge policy solutions that strengthen the role of nonprofits to promote a more vibrant society.

(APPENDIX A)

INDEPENDENT SECTOR
Election 2000 Task Force Members

We would like to thank the members of the Task Force for their valuable contribution to this statement. INDEPENDENT SECTOR, however, bears full responsibility for the statement.

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Great YAC Grants!

- A matching grant of $2500 from the Barry County CF YAC helped in funding a program called Kids' Café. The program is designed to help children of low-income families receive proper meals and nutrition during the summer months. The children will be taught good nutrition, healthy snacking, and how to grow their own food in window boxes. Approximately 400 students from the Barry County Area have been identified as qualified for the program.
  For more information, contact the Barry County Community Foundation, (616) 945-0526.

- Allegan County TAG Team (the Community Foundation's youth committee) granted in 1999 $10,000 to the City of Allegan for the construction of a skate park. The park's purpose will be to give area youth a designated area to skate.
  For more information, contact the Allegan County TAG Team at (616) 673-8344.

- The Cadillac & Kellogg for Youth Committee has made two outstanding grants recently. One grant of $9900 was to the District Health Department to aid in paying for dental care for children of low-income families. It is anticipated that this Grant will enable over 500 youth to obtain basic dental treatment.
  For more information, contact the Cadillac Area Community Foundation at (231) 775-4708.

- The Cadillac & Kellogg Youth Committee also awarded a grant of $2450 to Project Prom, for after prom activities for Cadillac High School. Project Prom is an annual event for Cadillac High School students, and is designed to provide safe, alcohol and drug free activities for youth following prom.
  For more information, contact the Cadillac Area Community Foundation at (231) 755-4708.

- The Manistee County Youth Advisory Council partially funded a Youth Environmental Conference in March of 2000. The day-long conference featured workshops and multiple exhibits about "Youth Taking Action to Save Our Planet."
  For more information, contact the Manistee County Foundation at (231) 723-7269.

- Branch County Community Foundation's Youth Advisory Council assisted the Community Health Center with a grant of $4000. The money was designated to support a section focusing on youth at the Community Fest in June of 2000.
  For more information, contact the Branch County Community Foundation at (517) 278-4517.

- The Crooked Tree Arts Council recently received a grant from the Charlevoix County Community Foundation YAC. The grant of $3000 was designed to purchase a portable, adjustable pottery wheel for a new "Pottery for Everyone" program.
  For more information, contact the Charlevoix County Community Foundation at (231) 536-2440.

Need a Grant? Ask a Kid

Youth Philanthropy Grows Through Diverse Methods

■ BY AMY BRACKEN

Kari Pardoe is barely out of high school, but she's already given away more money than many people do in a lifetime.

She has served on six grant-making boards, worked at two foundations, and spoken in five states, in Vancouver and at last October's White House Conference on Philanthropy. She also teaches philanthropy to fourth graders — a mere decade younger than she.

Pardoe is a youth philanthropist, one of thousands across the country who are building a movement that blends community service and youth development.

From the youth board of the Community Foundation of Waterloo, Iowa, which gave a youth group $250 to take Bosnian refugee students out to social gatherings, to the Michigan Youth Advisory Committee that awarded $10,000 to set up a Safe Haven project for at-risk youth, teens are controlling charitable dollars aimed at improving their communities and the lives of kids.

Youth philanthropy programs began growing as experiments a decade ago, and now operate in an estimated 26 states and at least six countries. In Michigan alone, where Pardoe makes her mark, the W.K. Kellogg Foundation has invested $65 million in youth philanthropy since 1988. More than 8,000 youths have helped decide how to spend the Kellogg money and the challenge funds raised by community foundations.

But the bang is not just in the bucks. Youth philanthropy is touted as a new tool for empowering youth, teaching them valuable skills and educating them about their communities. It is seen as benefiting foundations, which may be overly removed from the community issues they seek to address, and communities, which gain from greater civic involvement by their youth.

Yet this growth has raised numerous questions, including how to raise the money, how to decide who gets it, how to assemble racially and socioeconomically diverse youth boards, how to determine how much good the grants do, and how much power to give the youths.

"There are still some people who feel that youth aren't knowledgeable enough" to control charitable funds, says Mary Ann Burk, executive director of the Community Foundation of Waterloo.

Skeptics are irked by the idea of high school dropouts and former gang members sitting on boards, while others see such diversity as an asset — illustrating that even as youth philanthropy conferences, databases and best practice resources proliferate, the field remains far from standardized.

Big Bucks and Pennies

"Youth philanthropy" can mean many things, but in its most pure form it involves youth service and leadership in grant-making bodies. The structure of youth philanthropy organizations varies greatly, but if there is a prototype it is the Youth Advisory Committees (YACs) administered through the Council of Michigan Foundations' (CMF) Michigan Community Foundations' Youth Project (MCFYP), based in Grand Haven.

With backing from Kellogg, the nation's largest foundation supporter of youth philanthropy, some 1,600 youths now serve as grantmakers on 90 YACs throughout Michigan. There are typically about 20 members on a board, ages 14 to 18, and an adult advisor or co-chair. The boards meet every two-to-four weeks to assess the needs of youth in the community, raise funds to match their Kellogg challenge grants, and award grants themselves.

"Other states want to replicate us and they do," said Pardoe, 19, of Mt. Pleasant. "But it's hard to get that much money."

The CMF model has been replicated in Indiana, through the Lilly Endowment's $150 million Giving Indiana Funds for Tomorrow initiative, as well as in British Columbia and Italy. Other large foundations — including the Ford Foundation in New York City; the Charles Stewart Mott Foundation in Flint, Mich.; the Heinz Family Foundation in Pittsburgh, Pa.; the Ewing Marion Kauffman Foundation in Kansas City, Mo.; and the Surdna Foundation in New York City — have launched their own youth philanthropy efforts.

But as with most youth development work, providers scramble for funds to give away. Local community foundations invest their own money, apply for grants from larger foundations, and team with government agencies. Ditto for nonprofits — except that they work with community foundations rather than drawing from their own funds

CRETSINGER: "Adults should not be over-involved."

SEATS OF POWER: The Youth Advisory Committee of the Community Foundation of Silicon Valley interviews grant applicants. From the end of the table to the rightare: Stephany Baker, Alex Rios, Jesse Rivera, Yesenia Ortiz and Christian Mairena.

In contrast, the Pine Crest Community Foundation in Fort Lauderdale, Fla., founded by students in 1995 and run by students, has no steady financial support. Youth conduct walkathons and penny donation drives, and canvass local businesses and residents, to come up with the $1,000 to $6,000 grants for local youth-oriented projects.

Not the Usual Crowd

Who are the youths who control this money? Some are like Maria Cuenca, an 18-year-old mother of two — and a board member at Girl's Best Friend Foundation in Chicago, one of three foundations in the United States that give grants exclusively to programs for girls ages five through 18. Introduced to Girl's Best Friend by a youth worker at Youth Service Project, Inc., she came on board because, she says, "More girls and young women are becoming pregnant and maybe having more than one child at a very young age." She also wanted to help prevent girls from "getting pregnant, joining gangs, taking drugs and dropping out of school," having grown up with friends who did all of the above.

One of the key objectives in youth philanthropy is to draw in more youths like Cuenca. That means "not pulling the already-chosen leaders," the ultra-involved kids who seem to be everywhere, says Molly Cretsinger, a former consultant for Kellogg and, at 24, a five-year veteran and theoretician in the field. Cretsinger is author of a youth philanthropy handbook ("Youth Philanthropy: A Framework of Best Practice") and is setting up a youth board at the Community Foundation of Greater Greensboro (N.C.) in partnership with the local United Way.

Youth philanthropy organizers want board members who somehow reflect the populations they serve. That means a diversity of races, economic backgrounds, interests, personalities and social circles.

The Community Foundation of Silicon Valley, which gave $25,000 to 39 organizations last year, draws its board members from the clientele of the nonprofits it funds. Youth Program Officer Julie Dean says several former gang members, a teen mom and teens from alternative programs for high school dropouts have served on the board.

Young Sisters for Justice, part of the Boston Women's Fund (BWF), is a female-focused program that puts a high priority on the backgrounds of its board members. The six teens on the board are all girls of color from low-income neighborhoods around Boston.

In fiscal year 1998-1999, the youths and the six adult board members gave $250,000 to programs dealing with issues such as domestic violence, gender equity in schools, affordable housing and reproductive rights.

But Terry Langston, a 31-year-old YAC advisor in Shiawasseetown, Mich., who has been involved in philanthropy since he was 19, thinks that youth philanthropy organizations have a long way to go in including African-Americans like himself. "People pay a lot of lip service," he says.

And diversity presents its own challenges. In a survey conducted by Indiana's Habits of the Heart, one YAC member wrote, "[A] problem which can easily be also thought of as an asset is in the different educational levels among the YAC The group consists of very young and inexperienced students and then it also has the leading youth of the organizations they represent. It makes it difficult to accomplish tasks with such a wide variety of youth."

So Many Causes...

The biggest and sometimes more painful challenge for youth board members is deciding where the money goes. There is generally little to give. Youth boards typically distribute about $20,000 a year While some Michigan YACs give away $300,000, Sisters Empowering Sisters, a program run by Girl's Best Friend in Illinois, gives away $10,000 annually Individual grants generally range in the high hundreds to low thousands, with a high of $10,000.

Some examples:

- A $700 grant from the In Youth We Trust program at the Rockford Community Foundation in Illinois went to two grade school students living in a homeless shelter who were concerned that there were not enough resources at the shelter's day care center. They bought cribs, baby clothing and diapers.
- A $980 grant from Sisters Empowering Sisters supported a program called "Girl Power," in which girl artists ages 11 to 18 visited women-owned art galleries in Chicago to get ideas, then put together an art show and contest by and for girls in Ottawa, Ill.
- A Northern Michigan YAC gave Planned Parenthood $500 to run an "Out of the Locker Room Program" to help teenage boys explore sexuality issues and healthy decision-making.

"I think the most difficult aspect of youth grantmaking is deciding to whom you are going to dole out your money," says Jeanie Ringelberg, who served on the Grand Haven Area Community Foundation Youth Committee in Michigan for four years before joining Youth on Board in Massachusetts. "When all of the applicants are awesome organizations, it is difficult to choose who receives how much money, if any."

But small grants can make a big difference, to both the receiver and the giver. "To the giver, ultimately it doesn't matter much," says Bob Long, program director for the philanthropy and volunteerism programs at Kellogg. "When you hear the young people talk about these grants, in their eyes a $1,000 grant to a youth organization is a large amount of money."

What's important, say many youth philanthropy advocates, is the process. It usually strives to involve volunteering, site visits, retreats that help board members get to know each other, and a high level of youth control (i.e., minimal adult involvement).

"You couple volunteerism with resources and grantmaking, and you've got a really potent combination," says Rob Collier, president of the Council of Michigan Foundations.

Adult Control?

The amount of youth control and adult involvement, however, varies greatly, and is sometimes a source of tension. Youth board decisions usually need to be approved by adult governing boards.

"Youth should have full control over the money they are allowed to grant," says Ringelberg. "We always had the fact that adults still had to okay our decisions."

But maybe it's the idea that irritates rather than the reality. Ringelberg can't remember the adult board ever turning down a decision by the youths.

Cretsinger, however, has witnessed cases in which adults "just kind of took over."

"One thing that we've stressed is that adults should not be over-involved," she says.

Final Result

Given the pint size of youth grants, short-term benefits for the community may be difficult to detect. The impact of philanthropy on the youths who practice it depends, of course, on the quality of the program and the youth workers who staff it. However, teens and youth workers say the boards help the youths: develop communication skills, including listening, articulating thoughts, and moderating their opinions; understand how foundations and nonprofit organizations work and the problems that their communities face; and increase their self-confidence, sense of empowerment and bonds with caring adults.

None of which can be proven. The Kellogg Foundation expects to release its eight-year longitudinal evaluation in 2001. This should show the impact of youth philanthropy on youth participants.

Many of the youths already feel the impact. Says Pardoe, "I love the feeling you get when you have made a difference in someone's life." ■

For a free copy of "Youth Philanthropy: A Framework of Best Practice," visit www.wkkf.org/Resources/Lessons/youth_pv.htm or call (616) 968-1611.

YOUNG SISTERS FOR JUSTICE: The youth board members who decide on grants are all girls of color (L to R): Jennifer Chin, Taylor Millen, Remi Austin-Tucker, Lisa O'Neill, Jamara Bonilla and Claudia Contreras.

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Grand Rapids, MI

Teen-agers dabble in philanthropy

ASSOCIATED PRESS

GRAND RAPIDS, June 26 - Clad in T-shirts, jeans, cargo pants and the occasional wooden bead necklace, the half-dozen teen-agers seated around the cherry conference table look more like they belong in a Gap clothing ad than a boardroom.

BUT THE GRAND Rapids Foundation Youth Grant Committee means business: The high school students have nearly $80,000 to give to charities that help young people. More than three-dozen nonprofit groups have applied for the money, including a summer program that wants $15,000 to help disadvantaged children.

"I still don't understand how you are going to use this money," 17-year-old Jamal Chilton, one of the committee's co-chairs, says during an interview with the summer program's directors. He repeatedly asks, "Can you explain it again?"

Such questions are on the rise. From California to New York, charities are increasingly looking to young people to raise money and help decide what organizations to support.

Their motives range from a desire to get a younger perspective to concerns that, without training programs, charities won't have the leadership they need to carry them through the 21st century. The hope is that teaching teen-agers about philanthropy will make them more likely to get involved and open their checkbooks as they get older.

The Council of Michigan Foundations estimates there are 300 youth grant-making programs nationwide.

The Grand Rapids' youth committee, which is fully funded by its community foundation, is one of 80-plus such groups in Michigan that grew out of grants from the W.K.

STORY Today in America

Some of the programs are self-funded. Others fund only

Kellogg Foundation.

programs for young people or programs administered by young people. Some partner young people with adults. But all the efforts share two key qualities.

First, they allow young people a direct say in deciding where charitable money should go. Second, they tend to focus on recruiting students from varied racial, socio-economic and academic backgrounds, including those who aren't already school leaders, in hopes of making their groups as representative as possible of the community.

In Rochester, N.Y., six teen-agers and two adult advisers hand out $10,000, in grants of up to $750, to fund programs run by their peers.

"In the history of charitable organizations, young people who came to us were often viewed as problems needing to be addressed, as kids-at-risk," says Jennifer Leonard, who heads the Rochester Area Community Foundation.

INTERNET The Grand Rapids Foundation

"In the last 10 years, there's been a large mind-shift," she says. "That mind-shift really looks at young people as potential sources of great strength for themselves, their families and communities."

The Community Foundation Silicon Valley in California recruits high school students from the communities of East Palo Alto and East San Jose, which border some of the country's most affluent neighborhoods. This year the Youth In Philanthropy committee gave away about $20,000 - about 15 percent of which they raised themselves - to youth-initiated projects.

"The whole concept of philanthropy is pretty new to most of them," says adviser Julie Dean. "They're tough grant-makers. By the time they get to the end, they're asking really good questions about groups' motivations, grilling them on their budget. They learn a lot of critical thinking skills."

In Indianapolis, the Youth As Resources program pairs teen-agers with adults on grant-making boards and fund raising efforts. Director Paula Allen describes the effort as a great way to educate young people and enlighten adults about youths' needs.

"When you have youth on the board it absolutely fire up adults. Youth has a lot of enthusiasm. They haven't been spoiled by experience - everything is possible," Allen says.

The Grand Rapids' youth committee, which is fully funded by its community foundation, is one of 80-plus such groups in Michigan that grew out of grants from the W.K. Kellogg Foundation.

Participation in one of those groups as a high school student inspired Jennifer Zeisler of Alanson, Mich., to plan a career in philanthropy.

"Without this, it would have never occurred to me to even look at the nonprofit world," says Zeisler, now a

This year, the Grand Rapids committee approved about 13 grants. But the summer program targeting disadvantaged youth wasn't one of them. ...

20-year-old college student studying communications.

This year, the Grand Rapids committee approved about 13 grants. But the summer program targeting disadvantaged youth wasn't one of them. The students decided they didn't know enough about the project's budget and that the directors hadn't adequately answered their questions.

Seventeen-year-old Kelsey Haynes, the group's other co-chair, says she and the other 40 or so committee members feel a tremendous responsibility to make sure the grants they give out are well-spent and clearly benefit young people.

"It's opened my heart to giving more money when, in the future, I have a job and money to give," she says. "You learn a lot about others when you do something like this."

On the Net: Community Foundation Silicon Valley: http://www.cfsv.org

Council of Michigan Foundations: http://www.cmif.org

Youth As Resources: http://www.yar.org

W.K. Kellogg Foundation: http://www.wkkf.org

Rochester Area Community Foundation: http://www.racf.org

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SEPTEMBER/OCTOBER 1998

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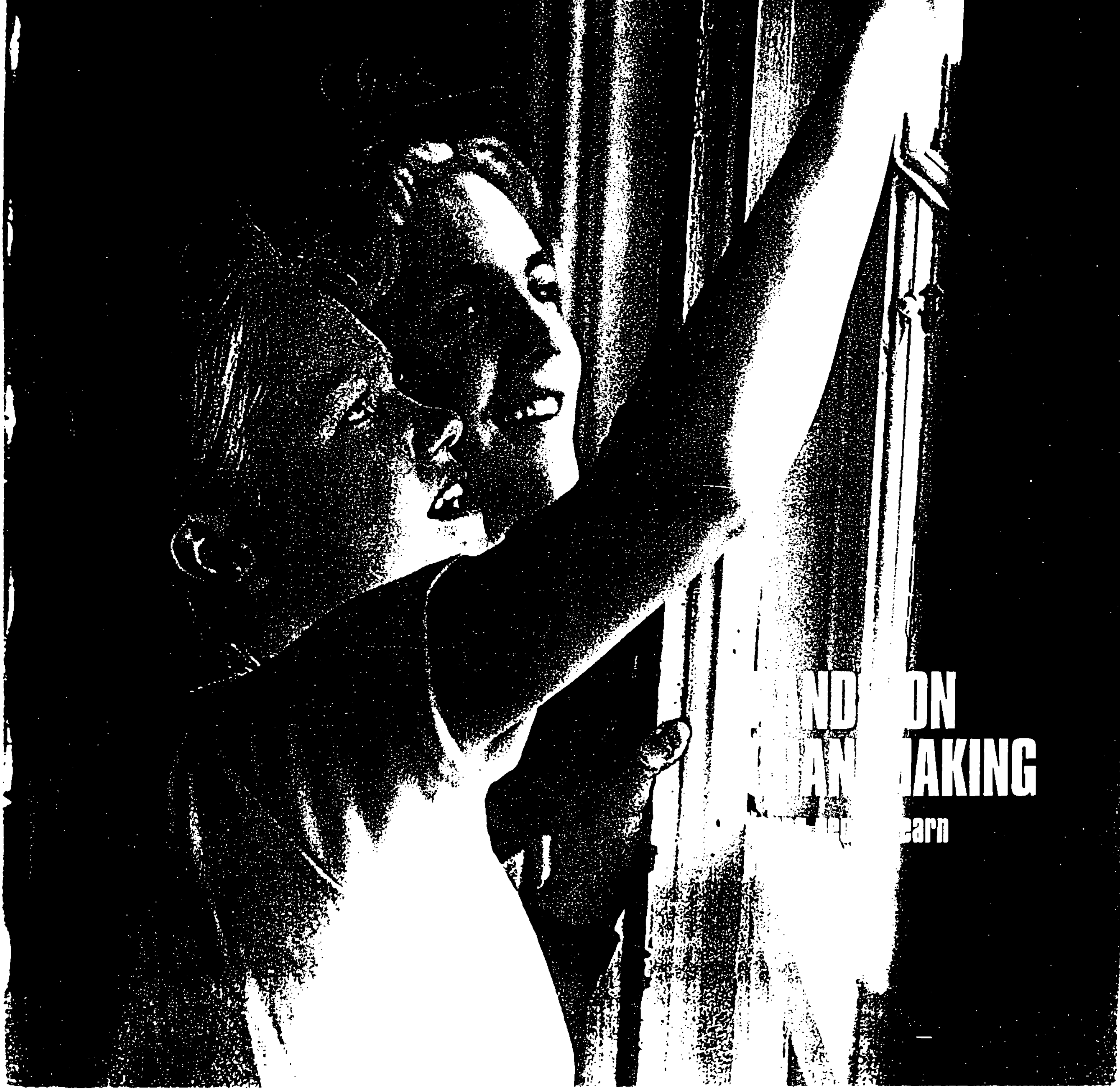
NEWS & COMMENTARY



PHOTOGRAPHS BY JIM WEST

[illegible] involved in community [illegible] making. Above, teenager Julia [illegible] on a [illegible]

FUTURE GRANTMAKERS OF AMERICA

School and community programs are preparing a new generation of potential philanthropists to be aware of social problems and how to solve them.

BY DARLENE SISKA

Grantmaking has long been the purview of "wise-from-years-of-experience" adults. But young people are gaining on them. Since the beginning of this decade, programs that involve young people as grantmakers (as young as 12) have been proliferating.

Why is there a movement afoot now to involve young people in grantmaking? According to Robert Collier, vice president of the Council of Michigan Foundations (CMF) in Grand Rapids, which runs two statewide programs to develop young grantmakers, it's a logical extension: First, there was a movement to get young people involved in community service. And now, grantmaking.

These proliferating programs prepare young people by first giving them instruction on running meetings, performing needs assessments, building endowments and grantmaking. Then, young grantmakers are handed the same challenges as their adult counterparts: doing some fundraising, conducting fact-finding missions, having more good proposals than they are able to fund, making tough decisions and evaluating progress toward a goal.

As these young people learn about social problems and grantmaking, they are building youth service programs in their local communities, too. And many young grantmakers report that grantmaking helps them to develop leadership, communication and negotiation skills, and it builds their self-confidence.

These young grantmaker programs generally fall under four umbrellas: where youth grantmaking is tied to a community foundation; where it is tied to a classroom curriculum; where it is tied to a non-profit agency, such as a Boys & Girls Club or United Way; and where grantmaking is tied to a local government and municipal funds. Following are examples of each type, plus a few variations.

Members of the YAC of the Ann Arbor Community Foundation talk in the soon-to-be-completed community Teen Center, for which they provided funding.

At Community Foundations

Most of the young grantmaker programs out there today are tied to community foundations. The CMF's Michigan Community Foundations' Youth Project (MCFYP) is a model of sorts for this approach. During its ten-year history, almost 4,000 young grantmakers have voted to give more than $3.6 million dollars to youth projects in their communities through this program. MCFYP has three goals:

- to build the capacity of community foundations in Michigan,
- to establish youth as philanthropists, and
- to build permanent and growing funds within each community to meet local youth needs.

The project is funded largely by the Michigan-based W.K. Kellogg Foundation through challenge grants; this funding comes with the requirement that $2 of local funds be raised and placed in a permanent unrestricted fund or field of interest fund of a community foundation, to leverage $1 of Kellogg foundation funds. These Kellogg funds must also be permanently endowed in a youth field of interest fund, and community foundations must establish a Youth Advisory Committee (YAC) composed of at least 50 percent youth members, ages 12–21. These YACs are then required to conduct an assessment of youth needs in their community, assist with raising challenge funds, conduct grantmaking from the interest on the endowed fund, and stimulate youth volunteerism in their communities. They make grant recommendations to community foundations' trustees.

Since 1988, more than 90 community foundations and affiliated geographic funds in the state have set up YACs as permanent committees. Some of these YACs give away as much as $50,000 a year.

Details concerning how members are selected for YACs, how often they meet and how they are organized, vary among communities. YAC members (known in shorthand as YACers) represent the geographic, socioeconomic, ethnic and educational differences in their communities. They include both recognized student leaders, and people who may not be leaders but are thought to have potential. The number of members in each ranges from 6 to 78, with a median of 20 members. Most are chaired by the youth themselves with adults acting as advisors. Most meet monthly, and some biweekly, and their grantmaking cycle usually follows the school calendar. But committee activities—needs assessments, fundraising, grantmaking and stimulating youth volunteerism—remain a common denominator across YACs

Joel Orosz, program director at Kellogg, says, "The YACs allow young people to take the lead in doing important work in their own community. They address real community problems with significant community resources."

Often young people are quite direct at funding the most difficult problems: violence, unplanned pregnancy, and drug and alcohol abuse. When one grantseeker was confronting racial problems, the local YAC brought in mediators to help the group work through the issues. Another YAC was willing to take on a company, the biggest employer in town, when they perceived it to be the biggest polluter. Says Orosz, "They won't say, as adults might, 'Oh, that's too hot to handle.' Kids have a tendency to deal with the kinds of issues that adults would just as soon sweep under the table."

Who Better to Decide?

RAVE of West Michigan was awarded $2,879 by the Grand Rapids Foundation YAC. The funds are for a youth-directed drama troupe that writes and performs interactive scenarios depicting various types of violence, with emphasis on sexual and emotional abuse in dating. Their grant process was much the same as any conducted by adults.

Lori VanHarmelen, RAVE program director, says, "We wrote a four-page application after seeing a news item about the funding opportunity in the *Grand Rapids Press*. Then we had a site visit. Later, I met with six or eight students from the Grand Rapids Youth committee. They asked detailed questions; they were very interested in what specifically we would use money for. They wanted to know if there would be diversity. They knew what they were looking for and were very prepared."

Curt Babcock, a community education coordinator at White Lake Community Education, received a $3,000 grant from the Community Foundation of Muskegon County YAC to assist in funding a parks program, called "Sports and Shorts." It's a recreational program with academic components, particularly for at-risk youths.

Babcock says, "Who better to decide what youth program will work than youths? Their comments about our proposal helped to educate us."

YACing It Up

Information about the Michigan YACs, including a periodic newsletter called *Yackety-Yac*, written primarily by YACers, can be found at the project Web site at **http://www.mcfyp.org.**

Similar community foundation youth committees have been established around the country, including at the Hawai'i Community Foundation in Honolulu, the Rockford Community Foundation in Illinois (this one started up with Ford Foundation funds; youths are mandated to invest in programs that are intended to run long-term), and the Community Foundation Silicon Valley, which specifically targets at-risk youth in East San Jose to be grantmakers.

The community foundations movement has even gone international. Last December, the board of the Vancouver Foundation in Canada approved an initiative to establish youth advisory committees with community foundations in British Columbia. To date, three community foundations there have created youth advisory committees and 14 have expressed interest in creating one.

At Nonprofits The Boys & Girls Clubs of Western Pennsylvania, in Pittsburgh, has had a program involving youth as grantmakers, called Teen Council-2000, for five years now. The organization's already-established community service program provided a springboard for this grantmaking program. Endowed by the Heinz Endowment in Pittsburgh, the number of Teen Councils recently increased from five to eight clubs.

In addition to making grants and performing direct community service, the youths are required to attend local government meetings, such as town council or school board. This way, says Mike Helper, president and CEO of the Boys & Girls Clubs of Western Pennsylvania, "The kids know everything that's going on in their community. They turn over every stone."

Timothy Scully, an 11th grader on the Teen Council-2000 of the Boys & Girls Club at Sto-Ken-Rox, learned the value of hearing more than one point of view on an issue. "Your first thought is not always the right one," he says. "Our committee had a disagreement about funding playground equipment because some people disputed that an empty lot was a playground solely because kids played there. We had to work out our differences."

In the Classroom The Student Service and Philanthropy Project (SSPP), established by the Surdna Foundation in New York City in 1991, was the first to develop a high school course curriculum to teach about philanthropy. It calls for establishing a mini-foundation in each school. Seven years later, students in more than 30 cities and towns across the country have participated in the project. The program is being expanded into a statewide, K–12 curriculum in Michigan now.

The high school course, in general goes like this: In semester one, students study the history of foundations and philanthropy, engage in activities to enhance teamwork, identify community needs, practice leadership and public speaking skills, and learn grant writing and evaluation. In semester two, the students undertake community service projects, engage in reflective activities, learn problemsolving and decisionmaking, and make grants.

The Surdna Foundation began the project under a grant area called "Creating Effective Citizenry," which includes student community service. The rationale for the project, says Surdna Foundation Executive Director Ed Skloot, was this: "Young people in many places have been able to serve on nonprofit boards. But, they never got to be out front. I thought, let's give the kids some real responsibility."

Linda Frank, an educator and former head of a nonprofit organization, put together the curriculum with a few other teachers. Over six years, the number of schools in the project rose from three to 18. Surdna gave students $2,500 each year to disburse.

Frank is now a consultant to the Michigan K–12 Education in Philanthropy Project, which aims to integrate the teaching of philanthropy across the K–12 curriculum with other core academic standards, such as social studies and language arts. Like MCFYP, it is being administered by the Council of Michigan Foundations. Kellogg and Surdna are funding this effort, too, as is the Lilly Endowment.

The project development is still on going. So far, the design and testing of curriculum modules and materials has been a grassroots effort led by 46 practicing classroom teachers from rural, suburban, urban and private schools, who are writing, piloting, and determining how to assess the learning from the curriculum.

Frank says, "The curriculum is actually a leadership program designed around running a foundation. It's designed to teach students about the third sector in maintaining democracy in our society."

She adds, "We're now reaching kids in kindergarten, telling them their lives should involve helping other people. When they look at their community and see what makes it a good place to live, we explain it's because they see people volunteering their time, for example, in Girl Scouts and Little League."

The project's current curriculum, geared to junior and senior high, and other information about the project can be found on the Web at **http://www.msu.edu/~k12phil.**

Empowerment and Leadership

The high school course on philanthropy found its way beyond New York City and the project in Michigan to Los Angeles, among other places. Jane McCoy Miller, a trustee of the Bowen H. and Janice Arthur McCoy Family Foundation, and Claire Peeps, executive director of the Durfee Foundation, in Santa Monica, California, began the SSPP program last year in three high-risk high schools in Los Angeles. It was tacked on to two tenth grade English classes and an accounting/finance class.

Says McCoy, "We gave a two-year grant to each of the schools. They each received $12,000 outright for students to distribute, $1,000 for whatever the schools felt was needed to provide for the curriculum, and $200 for students to duplicate materials."

One thing that worked well as part of the curriculum was that the students' decisions required a lot of consensus-building. The negotiating made for a better, but more difficult, class experience, says McCoy. One teacher reported that through the grantmaking process, students gained a lot of self-confidence and became more articulate. In the first year, the students gave grants mostly within their schools, but next year, McCoy says, the aim will be to move out to the community.

Peeps says, "It seems a lot of funders are dealing with issues of youth development, and including youth at-risk, but very seldom is there planning to help youth address their own concerns."

"Many of the kids in these three high schools," Peeps says, "are from welfare families, in very tough neighborhoods. One of the school's principals felt very strongly that this program was helping to break the sense of entitlement in their community, that students felt they can be empowered by raising money and giving it away to make change. And by working collectively, they can affect policy and their day-to-day lives." One of the things added to the Los Angeles curriculum is bringing students from the three schools together to talk about what they funded, needs in the community and outcomes.

Besides upping content in their curriculum, and starting activities sooner this school year, Peeps says, "We would like a program that graduates youths from a classroom to a wider collaborative, where they can work on philanthropic activities, rather than languishing after a year of training."

The SSPP curriculum is also being used at the Devereux Glenholme School, in Washington, Connecticut. Devereux Glenholme is a residential school that helps young people, ages 5 to 16, with a variety of behavioral and emotional problems and learning disabilities.

According to Lisa Williams, community service coordinator at the school, the SSPP course provides a framework for students to get their minds off of their problems by getting more involved in the community. The first step of the curriculum is for students to trust each other and to talk about important issues. Then students work as a group and listen to the opinions of others. Eventually, they begin researching and carrying out fund-raising projects so they can offer grants.

Students formed their own foundation, called the Teens Who Care Foundation, after receiving a $1,500 challenge grant from Berkshire/Taconic Community Foundation in Great Barrington, Massachusetts. Williams says, "At first, it seemed impossible for the students to raise a matching $1,500. But we made jewelry and cookies, among other things, and actually raised $1,600." With this money, the youths made a variety of $300 grants to ten youth programs.

With Government In 1996, Oakland, California, voters passed a ballot measure that allocates 2 percent of Oakland general budget funds—above and beyond baseline youth funding—for youth programs for the following 12 years. Those funds add up to around $6 million for the Oakland Fund for Children and Youth. The city council appointed a grantmaking body of one adult and one youth per council member who have awarded $250,000 to various youth projects so far. Twenty percent of the approximately $6 million will be awarded by a yet-to-be-created citywide youth-to-youth grantmaking committee and process. It's still in the planning stages, but if put into effect,

VOTING AGE: 18 OR 16?

High school senior Devin Crockett says being a member of the YAC of the Community Foundation of Muskegon (Michigan) developed his leadership ability—"I'm better able to listen to people and then speak my own opinion about things." He counts among his most memorable grants the time when the Muskegon Museum of Art asked for help funding the work of a comic book artist. Not only did they launch the exhibit, but they helped bring the artist into area schools to give art lessons. As a result, says Crockett, "A lot of students and parents who probably wouldn't have come to the museum before showed up for this exhibit."

In Michigan, by law, youth under age 18 are prohibited from sitting as voting members of nonprofit boards. Crockett was one of a group of YACers to give testimony this past June to state representatives in Lansing on legislation that would change the age to 16. A vote on House Bill 5906, the "Youths on Board" bill, is still pending and may come up this fall.

Says Crockett, "Being on a YAC has given me a sense that society is paying a little more attention to youth now. I think our testimony means that adults feel that youths are important and that we have enough skill, ability, and responsibility to handle resources."

—D.S.

Ann Arbor YACers Eric Burnstein and Raegan Barnes (right) conduct a site visit with Yousef Rabni (left). Rabni and other youngsters built this wet meadow to stop erosion of a park.

the committee would likely work with the East Bay Community Foundation. The foundation will provide training and technical assistance and would also receive the municipal funds and re-grant them to neighborhood groups.

Says David Pontecorvo, program director, "This is putting tools in the hands of young people where they can make a real difference on the local level. It gets them thinking about policies and activies that affect our community."

A Hybrid, And Others

Just this past year a group of students at the Wayneflete School, a private school in Portland, Maine, merged bits of the philanthropy curriculum model with pieces of the community foundation model. They set up their own foundation as a component fund of the Maine Community Foundation in Ellsworth. The Wayneflete Student Foundation is the first student-run foundation in the state. It makes 20 percent of its funds available to groups on campus, with the other 80 percent going to youth groups in the region and to groups with a broader purview, such as Mothers Against Drunk Driving and Amnesty International.

Alexandra Antoniou, 16, is co-chair of the student foundation. She says, "In the beginning, we decided to work in a consensus arrangement. Everyone had to give a little in some way. Sometimes, we'd have to start the grantmaking process all over. It was difficult."

Doug Malcolm, a philanthropic advisor by trade and coach to the Wayneflete students, developed a proposal, which he is shopping around the state, called New Roots. Its goal is to build a permanent endowment for youth grantmaking in Maine, modeled after the MCFYP. But instead of a receiving grant money from a single foundation, the proposal requires a mix of private, public and government funds. So far, it has the support of the Maine Governor Angus S. King Jr.

Among the other student grantmaking programs around the country:

■ The El Pomar Foundation in Colorado Springs, Colorado, created the El Pomar Youth in Community Service program in 1991. It is a collaborative effort between the foundation and 77 Colorado high schools, where student foundations are established. After each group of students raises $500, the foundation then grants them $7,500 and trains them on how to make grants. Over the past seven years students have granted over $2 million dollars to nonprofits in their communities.

■ Since 1990, the Cleveland Foundation has funded the John K. Mott Youth Fund Distribution Committee, a group of about 30 high schools students, from a mix of Cleveland communities. They meet over several months to review funding requests for $20,000 of United Way funds, and allocate those funds to nonprofit groups providing youth services in the area.

■ In Fort Lauderdale, Florida, in 1994, teenagers established the Pine Crest Community Foundation, named after their private school. The Plan for Social Excellence in Mount Kisco, New York, a private foundation, was so impressed by the program that it produced a video about it, and plans to distribute the video this fall to 200 schools nationwide in an effort to encourage start-ups of similar foundations.

One of the founding students, Rebecca Brogan, is now a Harvard freshman and has approached the school's administrators *there* with the idea establishing a charitable foundation run by students.

These youth grantmaker programs aren't without their downsides—some committees suffer from too-few involved members, over the course of time experienced students graduate and move on, and not all of their grantmaking is great. (And sometimes adults can't leave their hands off of the process.) But a new generation of potential philanthropists has become aware of community problems and the activities that can solve them.

Even if some of these young people never have enough money to give it away, Linda Frank says, "At least they've learned how to give." ■

Sunday Gazette

August 29, 1999 Schenectady, NY

Kids know best what other kids need

NEAL PEIRCE

Philanthropy is no longer the exclusive province of the blue-blooded and blue-haired. Teen-agers are moving into the nonprofit world's boardrooms as grantmakers, making difficult decisions, often asking tougher questions than their adult counterparts.

And not only are a handful of youths in isolated locations being invited into the grantmaking game. The youth philanthropy phenomenon, reports Rob Collier, vice president of the Council of Michigan Foundations, has spread to 20 states, Canada, Great Britain and Northern Ireland, the Czech Republic and New Zealand. Tens of thousands of teens have participated.

The idea of youth as grantmakers was born in Michigan a decade ago when the W.K. Kellogg Foundation offered a challenge grant to Collier's organization. For every $2 any of Michigan's community foundations could raise, Kellogg would give them $1 to establish a student endowment fund.

Each community foundation, in turn, was required to form a youth advisory committee, made up of young people and adult mentors. The youths, recruited as early as eighth grade, are recommended by local school boards, ministers, 4-H clubs — with a special eye to diversity in income, race and interests.

Other models have developed around the country. Starting in a handful of inner-city schools in 1991, for example, the New York-based Surdna Foundation's Student Service and Philanthropy Project has expanded to a mix of academic instruction and hands-on philanthropic giving in 18 New York City schools and over 30 other cities and towns. (Helpful Web sites include www.msu.edu/unit/k12phil/sspp.html and www.mcfy-p.org.)

And the young peoples' job in all these projects isn't just to give grants: They're expected to assess a range of needs affecting youth in their community, to solicit proposals, to raise funds beyond the few thousand dollars a local community foundation gives them in any year. They watch to evaluate results of their grants. Often they volunteer their own time and talents to assist the projects they've funded.

In Northern Michigan, a youth committee gave a Planned Parenthood chapter $500 to run an "Out of the Locker Room Program" to help teenage boys explore issues related to their sexuality and healthy decision-making. In Grand Rapids, $2,900 went to a group that combats violence through mock date-rape trials with the audience sitting as jury.

One Michigan youth [illegible] succeeded, with the leverage of a $10,000 grant, to get two cities, two school districts and several youth-service agencies to collaborate in setting up a Safe Haven project for at-risk youths. In northeast Michigan, $1,200 went to a resource conservation group to provide area youths with supplies and instruction on riverbank stabilization, focusing on man-made perils — and teamwork.

The point, of course, isn't just the benefit to the community, but to the young grantmakers themselves. Advocates believe they'll feel needed and useful, assume responsibility, learn to be open-minded, and benefit from working as partners with adults and with students of other races and backgrounds — all while building pride in their community.

Statements from participating Michigan high school students this summer reflect idealism, self-help and political realism. A sampling:

Josh Curry — "I enjoy getting better things for the youth of the community so they have something safe and fun to do instead of getting into trouble."

Emily Kingsley — "Grantmaking has helped me open my eyes to the large capitalistic world around me . . . that not everyone is so fortunate as me to have food and shelter to look forward to every night."

Shana Minish — "I have always been a shy person. I never would have thought I could get up in front of people and give talks, but this year I did presentations to six different adult meetings."

Stephanie Krause — "If youth weren't making decisions, proactive grants, then adults would still be using all their money to shove 'Just Say No' pencils and messages down your throat."

No one yet knows, of course, if today's youthful philanthropists will end up on community foundation boards and other leadership posts later. But the chances aren't bad. Many youths are showing they can raise money, sometimes touching difficult donors who might otherwise not contribute. Increasingly, community foundations are asking them to attend board meetings.

Says Martha Bloom of the Ann Arbor Community Foundation, now approaching its 10th year in youth philanthropy:

"This is an enriching experience for young people. Youth committees are grantmaking bodies, but they expose the kids to so much. They see the community's needs and opportunities in a different way. They come back and tell us the experience changed how they want to live their lives. Now, they see a chance to make a difference, whereas in the past, they often felt powerless."

It would be tough, in the year of the Columbine massacre, to think of a more powerful antidote to the evil it represented.

Neal Peirce is a nationally syndicated columnist.

DAVID KIPHUTH *For The Daily Gazette*

Here's the column for this week:

NEAL PEIRCE COLUMN
For Release Sunday, August 29, 1999

YOUTH TURNED GRANTMAKERS

By Neal R. Peirce

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BEST PRACTICES
A COMMUNITY FOUNDATION YOUTH ADVISORY COMMITTEE

The following Best Practices are recommended as criteria for operating a Youth Advisory Committee (YAC). It is helpful to review these annually as part of a self-audit process. The role of the YAC is to recommend grants from a permanent Youth Fund after assessing local youth needs, be involved in fund development, and support systems for involving youth in philanthropy.

1. The YAC is adopted by the Board as one of the permanent standing committees of the community foundation.

2. The YAC meets a minimum of six times a year.

3. YAC membership of at least 7 youth is representative of the youth community.

4. A trained adult advisor works with the YAC.

5. There is an annual orientation process for new YAC members.

6. As the basis for grantmaking, the YAC collects information, at least every three years, about the assets and needs related to youth in its community.

7. YAC members are provided opportunities to be involved in fund development. Helping to ensure the continued growth of the youth fund, emphasis should be placed on donor calls and community presentations, based on local youth issues and concerns, rather than "fund raising" activities.

8. The YAC completes an annual proactive grantmaking process, that involves and builds the capacity of youth as resources and decision makers in their communities, and results in the recommendation of grants to the community foundation Board.

9. YAC members should participate in available leadership training opportunities.

10. A process to evaluate its activities, including the effectiveness of grants.

11. YAC members have an opportunity to meet annually with members of the Board of Trustees of the community foundation. When appropriate, YAC members may attend board meetings, participate in an annual meeting, or join in special events that provide opportunities for sharing with the Board.

12. Grantmaking by the YAC is featured in annual reports, newsletters, public presentations, and other communications tools. This communicates to the wider public the importance of the YAC and youth involvement as community problem-solvers.

13. The community foundation may support a project funded by the YAC with income from a different endowment fund. The community foundation board may jointly fund a project with the YAC.

14. The YAC may review youth-related proposals that are submitted to the community foundation at-large. As experienced grantmakers, YAC members can provide valuable insights into the value of projects serving youth.

The New York Times

July 19, 1998 New York, NY

Teen-Agers, New Force In Charity

By DIANE SIERPINA

CHILDREN with spending money. It's a scary thought for some people, but the future of philanthropy may depend on it.

The children of Baby Boomers nurtured on the concept and value of community service are ready for the next challenge, say experts. And some of the more progressive - and better endowed - charities and community foundations in the state have started putting thousands of dollars into teen-agers' hands, challenging them to determine which local programs and services are most deserving of support.

The charities are betting that when middle and high school students get the chance to see the world from their point of view at a young age, they will be better equipped to take leadership roles in the community and more generous with their time and money when they are adults. The immediate benefit is better services for young people.

"Youth are great collaborators," said Robert Collier, director of the Michigan Community Foundation's Youth Project, a 10-year-old program admired for engaging youth in philanthropy.

"They can stretch the dollar," Mr. Collier said, "and they really tend to know how to break down those boundaries we adults sometimes create. They put their own agendas on the shelf and say, 'Let's deal with this problem.' "

Added Debbie Spaide, founder of Kids Care Clubs, a national organization based in New Canaan: "This is completion of the circle. Now the kids are doing the research themselves and coming up with the ways they want to respond to the needs. They have total ownership in the whole process." While many community foundations are still debating the concept of youth grant makers, the Waterbury Foundation (with assets of $24 million) put a $64,000 initiative in place last January involving nine youth service agencies and 225 students in the northwestern part of the state. The initiative, called Youth in Action, targets the needs of young people in the region, said Ingrid Manning, the executive director. Participating students are in grades 6 through 10.

"We targeted students who were not existing leaders in their schools, but had the potential," said Ms.

Manning. Each group was given $1,000 to $2,000 to dispense in the community according to need.

First, the young people spent a weekend at Camp Sloane in Lakeville to get to know one another and develop leadership and team-building skills. Then they met weekly to debate the merits of the proposals from the community representatives they interviewed. In June, they announced their grants.

Sarah Rodia, 13, a student at Woodbury Middle School, and her group divided $1,365 among the Flanders Nature Center, which wanted to provide a workshop for children; the middle school, for field trips and activities, and a local band to help other children record their own music and poetry.

The work was difficult, Sarah said, but in the process, the children became good friends, learned how to get along with different kinds of people and developed listening and decision-making skills.

"In the end, I felt really grown up because this isn't something you expect children to do. I learned how the real world is," said Sarah.

Her mother, MaryLou Rodia, has already seen a difference in her daughter, a former Girl Scout. "In Girl Scouting, it was more service-oriented," said Ms. Rodia. "In this, they had to work with money and build money skills. They had to know how that money was going to benefit all the people in our community, not just them. It was a big-time commitment, but they loved it." The Waterbury Foundation will continue the program this fall with a new set of students and another $64,000 endowment, said Ms. Manning.

And don't think the teen-agers are pushovers when it comes to judging the worth of funding pitches they get. The high school seniors involved over the past eight years in the United Way of the Capital Area's annual $10,000 grant-making program "were tough," said George Bahamonde, the president and chief executive officer. "What organizations had to go through for a $500 grant was very rigorous," he said. "It was a quality process.

The United Way's program was suspended this year so that it could be retooled to involve younger teen-agers and coordinated through Leadership Greater Hartford and Common Ground, Hartford area organizations designed to build leadership skills in teen-agers from diverse backgrounds.

"It's a natural fit," said Ellen Smith-Bigelow, director of Common Ground, of the collaboration. "It's just amazing p especially when you're getting these kids who never saw themselves necessarily as leaders and you give them a job to do, teach them the skills to do it and let them do it. They're so pleased with themselves.

While the United Way and Waterbury programs do not involve fund-raising by the children, Ms. Spaide of Kids Care Clubs and Robert Kocienda, director of Xcel Inc. in Nonvalk, a nine-year-old agency that promotes leadership, education and community service skills in young people, are designing their grant-making programs to do both.

"We want the kids to raise the money - that's critical," said Mr. Kocienda. "It increases their sense of ownership." Ms. Spaide added that "kids are tremendously compassionate." "They will work so hard if they feel what they're doing will truly make a difference.

This spring, Ms. Spaide's daughter Heather, 17, recruited hei New Canaan High School lacrosse teammates and their friends to participate in the first Kids Care Challenge. The afternoon of games and contests was to raise funds to send a young Stamford family whose father has brain cancer to the circus in New York City and buy them a video camera.

Thirty-four young people collected pledges totaling \$3,500, \$1,000 of which was earmarked for the family of Stanley Ferris, 36. After the challenge, the group decided to give Mr. Ferris's family another \$2,000 and roll over the remaining \$500 as seed money for next year.

Heather said the teen-agers enjoyed being in charge. "We were 100 percent the decision makers," she said.

Mr. Kocienda is modeling his grant-making program after an initiative at the Pine Crest School in Fort Lauderdale, Fla. Students created their own community foundation in 1994 after being challenged by a former principal, Mario Pena, who is now executive director of the Plan for Social Excellence based in Mount Kisco, N.Y., to raise \$4;000 to help the less fortunate. Mr. Pena pledged to match it. The young people raised \$5,000 that first year and have raised \$12,000 more since.

As Mr. Kocienda sees it, "By and large, young people haven't been given enough opportunities to express themselves in real healthy and constructive ways.

"We want to get over the stereotype of ageism -- and the overlays of sexism, racism and classism - and all the assumptions that go with young people and what they can and cannot do. We really want to start breaking some of the molds."

Most community foundation leaders look to Michigan as a successful model for the grant-making program. The Michigan Community Foundation's Youth Project was founded in 1988 with the support of the W. K. Kellogg Foundation, one of the three largest in the world, said Mr. Collier, who grew up in Mystic.

To date, \$45 million in permanent youth endowment funds have been paid out to more than 75 Michigan communities through 56 community foundations that cover the state. These funds have leveraged another \$100 million in contributions for youth recreation, education, economic development, arts and environmental programs, he said.

The 3,500 grants awarded over 10 years fall into four basic categories: creating information resources, like yellow pages or Web sites; support for access to resources, like opening school gymnasiums for programs; mentoring initiatives and tackling tough issues, such as violence prevention, teen-age sexuality and HI.V.: said Mr. Collier.

"It's quite marvelous to see their ingenuity," he said. "What we've learned is that, one, young people are very responsible; two, cash really empowers and makes them a level partner with adults and nonprofits on kid issues, and, three, that this process helps young people understand the value of giving back to their community and of being problem-solvers."

The Michigan model being followed by several Connecticut agencies focuses on students in grades 8 through 12 who will remain involved for several years. They are not the recognized leaders, the Student Council types who are already terribly busy, said Mr. Collier.

"We try to go down to the next group of kids who, in many cases, haven't been asked to take on something like this . . . and they blossom," he said.

Some of those involved are teen-age mothers or are in trouble with the law. "It's a challenge," Mr. Collier admitted.

Each fall, students are recruited and trained to identify resources in the community. In the winter, they set

priorities and send out proposal requests. Interviews are conducted From February to April and then grants are awarded later in the spring. By tying the youthful grant makers to established community foundations, he said, a sense of permanency is created.

"This is changing the way community foundations have operated in the past and nonprofits serving youths operate as well," he said.

Teen-agers who graduate are welcomed back to serve on the committees until they are 21 years old. The committees have between 15 and 25 members and dispense on average between \$500 and \$5,000 annually.

"We have community foundations in Michigan that have million-dollar youth endowment funds," said Mr. Collier. "So we have kids giving away \$50,000-plus a year. In many of these communities, they've now become a significant donor."

Some of the first participants in the Michigan project graduated from college this spring and 150 of them will be tracked for 10 years to see if their involvement in the grant-making program had an impact on their professional and philanthropic lives, said Mr. Collier.

"Donors are aging," said Nancy Hadley, executive director of the Community Foundation of Greater New Haven, with approximately \$200 million in assets. "We're trying to get with the younger generation before we lose them -- and then they just don't think about philanthropy as something of a culture.

Connecticut has 19 community foundations, ranging from the Hartford Foundation with \$470 million in assets to recent startups with very little, said Nancy Roberts, president of the Coordinating Council for Foundations.

According to the Coordinating Council's latest figures, from 1995, Connecticut ranks No. 1 in the nation in per capita income, but only 34th in charitable giving. And with so much new wealth at a younger age and among women, the potential is for significant philanthropic growth.

The Community Foundation for Greater New Haven and the Fairfield County Community Foundation (assets \$26 million) are in the process of creating funds for women and girls to support programs and services that help females overcome economic, political, racial, sexual and social barriers. Teen-age girls will serve on the grant-making panel.

Karen Brown, program director for the Fairfield County Community Foundation, said involving teen-agers in the decision-making helps educate and excite them about careers in the not-for-profit sector.

"It introduces them to the difficulties of raising money and making decisions about investing funds," she said. "And learning how nonprofits work and what their needs are. A lot of kids just don't know w s going on in their backyards or in towns that are nearby."

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MAKING NO SMALL CHANGE

By Barbara Brotman
Tribune Staff Writer
February 23, 2000

Maria Cuenca was clear about what she wanted to see in a grant proposal.

"What I was looking for was, How much will it affect girls? ... Are girls really involved in it?" she said.

"We were also looking for diversity," put in Agnieszka Stachurska.

"And if there is any suspicion that the grant proposals are written by an adult, we won't even go out on a site visit," said Kristina Reis firmly.

"The proposal has got to be written by girls."

And Reis and her colleagues can tell if it isn't. They are just past being girls themselves, teenagers with black lipstick, platform shoes and the remarkable responsibility of giving out $10,000 in grant money to programs serving Chicago-area girls.

Through Sisters Empowering Sisters, part of the Girl's Best Friend Foundation, they have spent the last year doing everything from research on teen pregnancy programs to analyzing proposed budgets.

"We created the research forms, the research surveys, the requests for proposals--we created almost everything here," said Cuenca, 18, of the Humboldt Park neighborhood, who will join the other six SES members in announcing the grants on Saturday.

They are part of a growing trend in the worlds of both philanthropy and youth services--one that's turning teenagers, and even preteens, into philanthropic grantmakers.

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information

In the last three years, four Chicago-area organizations have launched programs in which young people give grants to programs serving young people.

Three are aimed at girls.

The programs are growing in both number and philanthropic visibility. Last year, three girls' grantmaking groups gave out a total of $14,000. This year, the four groups operating--including the Small Grants Initiative in Chicago's North Lawndale neighborhood, which includes and benefits girls and boys--plan to give away more than $23,000.

And the Chicago Foundation for Women is planning to launch another girls' grantmaking program next year.

"This is a way for girls to have control over a world they are building and living in," said Marie Wilson, president of the Ms. Foundation for Women, which helps fund Girl World, in which girls in the Uptown and Edgewater neighborhoods give out grants.

Nationwide, many of the programs are for boys as well as girls. Across the country, youth grantmaking programs have proliferated in the last five years, said Rob Collier, president of the Council of Michigan Foundations, which has been a pioneer of the concept.

Begun 10 years ago with a challenge grant of $46 million from the W. K. Kellogg Foundation, the council's program now has 86 permanently endowed community foundation youth advisory committees across the state.

This year 1,500 Michigan high school students on those committees will award $2.2 million in grants to programs helping their peers.

"At first, there's a note of incredulity: `You're giving money to kids to give away?' " Collier said. "Even among the kids: `You're giving us money?' "

Indeed, it seems remarkable to Amy Cross, 18, a senior at Lincoln Park High School and a member of Sisters Empowering Sisters.

"I don't think there are many programs that trust girls this much," she said.

But Collier said teenagers have more than earned that trust.

"These kids are fabulous stewards," he said. "They do their research. I've sat in . . . when they have interviewed applicants . . . and whoa, are they are tough. Adults have said, 'This is one of the toughest (interviews) I've ever been involved with.' "

"Girls come up with some really innovative stuff," said Kristin Anderson, director of external relations for the Donors Forum in Chicago, and a board member of the Chicago Women in Philanthropy, which runs a grantmaking program called Girls and Gold.

Last year, the 15 girls in that program funded an arts camp for girls 7 to 10 years old whose mothers were trying to get off welfare, and one in which high school girls were mentors to younger girls.

"Kids lead incredibly complicated lives. Sometimes I wonder if they're not better equipped to do (grantmaking) than we are," Anderson said.

Tiffany Chiang, coordinator of Girl World, marvels at girls' generous instincts.

"What I find really great about all this is that every year, they want to give money to everyone," she said. "Adults are not like that."

But they can't give money to everyone. And even the youngest grantmakers take their duties in choosing recipients seriously.

"When we go on the site visit, we want to make sure that the girls know what they're talking about. We want to make sure the girls have something to do with running the program," said Lorena Nelson, 14, who was 11 when she first became a grantmaker with Girl World.

Even after the grants are made, Nelson still agonizes over her part in the process.

"You worry, 'Did I give it to the right person? Did I make the right decision? Are they going to do with it what they said?' " she said.

"I thought it was easy; just pick a good program," said SES' Cuenca. "But it's not easy; it's hard."

"Strategic grantmaking is to me the single most difficult thing about giving money away," said Christine Grumm, executive director of the Chicago Foundation for Women, which provides training and some funding for Girl World.

"If the only reason you're giving money away is to feel good, yeah, you can do that anywhere. But if you're giving money away to make a difference, you have to be strategic."

That was the task facing the young women in Sisters Empowering Sisters, who were accepted into the program based on applications and interviews. Every year, the Girl's Best Friend Foundation recruits a diverse group of young women between 14 and 18 to serve on the grantmaking board.

SES started with 25 requests for grants. The grantmakers visited 17 sites and scrutinized the proposals.

"We make sure the budget is right. We check their math. We say, `Do you really need this?' " said Reis, 16, a sophomore at Oak Park-River Forest High School.

They made their final choices in an eight-hour marathon session in which they debated their final choices with a passion born of commitment.

"We were fighting with each other," said Stachurska, 19, who lives on the Southwest Side and works as an administrative assistant for a research program at Cook County Hospital.

They came to amicable consensus, but the grantmaking wasn't over. The girls had to present their decisions to the Girl's Best Friend Foundation board. And the board members had not brought rubber stamps.

"Sometimes the members are against (a program getting a grant)," Cuenca said. "They say, `Why would you want to fund a program like that?' They come up with really difficult questions for us."

But the girls answered them. The foundation will give grants this year to the nine groups they chose. Among them is Street-Level Youth Media, which will build a portable video "confessional" in which girls can talk about whatever they want and choose whether they want their faces shown. The booth will be brought to street festivals around the city, and the results will be made into a short film.

"I saw that as just a great idea," Cuenca said. "I just got caught up with that."

And Stachurska had been struck by a group of 9- to 11-year-old girls in Rogers Park, Uptown and Edgewater that is getting a grant to host an appreciation dinner for their mothers.

"It was just so amazing to see them so excited about their program," said Stachurska, who did the site visit. "They said, `Oh, we're going to have a door prize and play bingo.' They wanted a chance to bond with their mothers; it's so hard, between work and school.

"That's the part that's exciting" about grantmaking, she added: "You can see it in their eyes."

Organizers of youth grantmaking programs are no less excited.

"It is kind of a radical concept in philanthropy to have the people benefiting from your grants to have a voice at the table," said Morenike Cheatom Basurto, girls' advisory director at the Girl's Best Friend Foundation.

And it is crucial to educate girls about philanthropy, said Margaret Talburtt, executive director of the Michigan Women's Foundation, which runs a girls' grantmaking program in Grand Rapids and the Detroit area.

Baby Boomers are poised to inherit and then pass to their children between $30 trillion and $130 trillion in the next 30 to 50 years, she said.

"Everyone is aware that women live longer than men," she said. "Many more women will be in a position to make significant gifts than ever in our history."

The Michigan Women's Foundation considers it so important to teach girls how to give that it helped create a Girl Scout badge in philanthropy, which is being launched by the state's Girl Scout councils this Wednesday.

"This is one of the few venues where (girls) get to make some very important decisions and see the results," Chiang said.

Girls' programs also help redress an imbalance in the amount of funding going to women and girls, say their supporters. In 1997, according to the Donors Forum, 2.5 percent of grant dollars in Illinois went to programs specifically for women. Two-tenths of 1 percent went to programs for females ages 14 to 19.

Programs targeted specifically to 14- to 19-year-old males got only one-tenth of 1 percent of grant dollars.

But girls are slighted, Anderson said, when it comes to the 14 percent of grant dollars aimed generally at youth. "Much more of that money goes to boys than to girls," she said.

Nationally, 5.6 percent of grant dollars went to women and girls in 1997, according to the Foundation Center in New York.

Mark Payne, youth grantmaking coordinator for the Small Grants Initiative in Chicago, considers the grantmaking experience important for boys and girls.

"Young people develop their sense of personal power, their sense that they can effectively change communities," said Payne, whose grantmaking program for 12 boys and 8 girls began in January, with technical assistance from Basurto of Girl's Best Friend.

But the SES members see grantmaking as most crucial for girls--the ones getting the grants as well as the ones making them.

"It affects their lives," Cuenca says. "They learn that if they can accomplish this thing, they can accomplish anything."

The SES members have learned the same. Cuenca, a mother of two, ages 3 and 8 months, has gotten her general equivalency diploma, is in a certified nursing assistant training program and plans to go to college and become a nurse.

"Sometimes people ask me, `What do you do?' and I say, `I'm a grantmaker,' " she said. "It makes me feel proud of myself when people look at me and say, `Wow--you do that?' "

"I saw all these girls had these dreams," Stachurska said. "And I thought, `Why can't I have dreams?' "

To the young grantmakers, the experience has been a powerful negation of what they see as an unfair public image.

"Everybody sees teenage girls in a very negative light," Reis said.

"We've seen that girls have power," Cross said. "It's not only negative things happening to girls, but girls getting involved in these projects to make a change."

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RIGHT WHALES SWIM IN DIRE STRAITS

■ Like an airborne traffic cop, Jim Hain flies above the Great South Channel shipping lane near Cape Cod, watching for potential collisions.

He patrols from a US Coast Guard helicopter to make sure ships avoid colliding with North Atlantic right whales, the most endangered of the great whales. Only about 300 remain, and their numbers have been declining for the last three years. Collisions with ships and entanglement in fishing gear are believed to be the leading causes of death. Actually, says Mr. Hain, a biologist with the National Marine Fisheries Service in Woods Hole, Mass., "Rights are infrequently hit by ships. However, because of the low population and the low calving rate, it's an issue."

The project is one of many cooperative ventures along the Atlantic coast to try to save the threatened species.

"Basically, we'll go anywhere in the North Atlantic to rescue a right whale. We believe each one is important for the species survival," says Peter Borrelli, executive director of the nonprofit Center for Coastal Studies in Provincetown, Mass.

Six right whales have been found dead since the first of the year, at least two a result of ship collisions. This is an alarming number considering the small size of the whale population, says Charles Mayo, a senior scientist at the CCS, whose father and grandfather once harpooned whales.

A thousand years ago, Basques began hunting the right whales – so-called because their slow speed and high oil content made them the "right" whale to capture. By the first half of the 18th century, the right whale was already commercially extinct.

Scientists also suspect inbreeding along with pollutants and subtle climatic changes may be curtailing right whale reproduction rates, says Scott Kraus, head of right whale research at the New England Aquarium in Boston.

There is very little scientists can do about inbreeding or climatic changes, Hain says, but they can help vessels to steer clear of right whales.

Since the pilot project began in May, Hain says he has spotted right whales on many of his biweekly flights and radioed warnings to ships spotted in the area. He said navigational charts will soon be marked with the breeding and feeding grounds of right whales.

"The monitoring flights alone won't solve the problem," he says. "The other approach is the education of mariners."

– **Reuters**

COMMUNITY

Teens Disburse Dollars to Make Change

By Lucia Mouat
Special to The Christian Science Monitor

GRAND RAPIDS, MICH.

'WE'RE not trying to turn these young people into Andrew Carnegies or Stanley Kresges – that's not the idea," insists Dorothy Johnson, president of the Council of Michigan Foundations (CMF). "The idea is for them to find other ways to give back to their communities. We can all give something."

She is talking about the 1,200-plus teenagers here in Michigan who have been quietly assuming a powerful new role as community philanthropists.

Disbursing dollars to worthy causes has long been considered a job strictly for adults. But as communities become more diverse and corporations and other donors more mobile, grantmakers are looking for new ways to give more people a voice in improving their communities. And many see the enthusiasm of young people as a strong resource.

Under a special challenge grant from the Michigan-based W.K. Kellogg Foundation, more than 70 community foundations in this state have set up youth advisory committees (YACs) of 12- to 21-year olds. The young people, usually acting in small groups with an adult mentor, have voted to give away more than $2 million to local youth projects.

Programs run the gamut

The money has gone for everything from teen-pregnancy forums and violence-prevention efforts to family recreation programs.

Jenée Rowe, a YAC member of the Grand Traverse Regional Community Foundation, says she and her colleagues have started a Saturday-night coffeehouse featuring poetry readings, music, and performances by local artists, including students. Using an existing youth center, she bought wood for the stage, persuaded local carpenters to cut it, and says that "kids galore" have volunteered to do the painting.

In the eight years since the project was first launched on a test basis, the number of community foundations in Michigan has more than doubled. By setting up a YAC and accepting the Kellogg challenge to raise $2 for every $1 received, each foundation is eligible for up to $1 million in a permanent youth endowment fund. So far Kellogg has given out $25 million for that purpose while the foundations have increased their own endowments for unrestricted giving by $50 million.

So sold is Michigan on the youths-as-grantmakers idea that the CMF and Kellogg cosponsored the first national conference on youth and philanthropy this summer. More than 800 people, three-fourths of them teens, met here last month to learn about other efforts and to persuade foundations elsewhere to consider the Michigan model.

ARAN KESSLER

GIVING THE PITCH: *Jeffrey Holmes, a member of the Youth Advisory Committee of Greater Flint, Mich., speaks at a conference on philanthropy. More grantmakers are trying to involve youths in disbursing funds.*

Michigan YAC members concede that giving away other people's money is enjoyable. "Believe me, if it wasn't fun, I wouldn't be doing it," says Jeffrey Holmes of Flint. Yet the teen donors also say the job is far more challenging than it sounds. They must first go back to their high schools to survey fellow students on priorities. They have to be trained, review myriad fund proposals, ask the tough questions of applicants, and decide why one proposal merits acceptance over another. They must write letters to those they turn down, giving reasons.

"The big thing we look for is how many volunteers they have and how much they want to do," explains Matthew Phillips, a YAC member of Michigan's Jackson Community Foundation. "Often we look for groups that haven't been given money before."

He and his colleagues must make the case for their grant decisions before an adult board. The MCF's Mrs. Dorothy Johnson says none of the grants have been challenged by an adult.

So what do the high schoolers get out of all this?

"For me, it's been a very rewarding, life-changing experience," says Jeanie Ringelberg, a four-year YAC member of the Grand Haven Area Community Foundation, which has given more than $90,000 to varied youth projects. "In meetings you have to point out what you disagree with but you learn to respect each other's opinions.... It gives you pride to improve things and make changes in other people's lives."

'I probably wouldn't have thought of giving before, but I've seen $5 and $10 make a difference.'

– Jeanie Ringelberg

Jeanie now gives a small portion of her summer salary as a state park ranger to her church and other charities. "I probably wouldn't have thought of giving before, but I've seen $5 and $10 make a difference," she says.

"This experience has given me insight into the way things are run, it helps young people, and it's motivated me to go on and do more," says Marieo Henry, a YAC member of the Community Foundation of Southeast Michigan. Marieo, who aspires to high government office ("I love politics"), has been a volunteer since the sixth grade in everything from tutoring to helping out in the Detroit mayor's office. Senior citizens are his favorite. "They help me with my problems, and I help them see that not all youths are bad."

Most Michigan foundations want a broad racial, ethnic, and economic mix on their youth advisory committees. Some include youths who have served time in jail. One of these helped persuade the others to fund a mediation training program for young people to help resolve disputes by talk rather than violence.

"These young people all learn from each other," says CMF vice president Rob Collier. "Promoting diversity is a wonderful way to build a community."

Of course, some special considerations are taken into account. When the Rockford Community Trust in Illinois decided to set up a new program run by young people to fund youth-designed and operated projects, for example, at least one meeting had to be held at 6 a.m. to accommodate student schedules, and executive director Gloria Lundin says she realized early on the importance of having pizza and potato chips at every meeting. One positive ripple effect of Rockford's effort has been a new effort by adult-dominated youth-service projects to directly involve young people in seeking funds.

A new wrinkle

The effort to involve more young people directly in grantmaking is a "new wrinkle" in the longstanding practice of improving communities by youth volunteer work, says Gregory Barnard, a spokesman for the Council on Foundations in Washington, D.C. "It's a good idea, and I think a lot of people are trying to jump on it," he says.

Many young people now making grant decisions may never have much money of their own to share. Yet Mr. Barnard notes that the largest intergenerational transfer of wealth in American history is expected to occur within the next few decades as baby boomers begin to retire. Six years ago, Cornell University economist Robert Avery predicted that, by the year 2010, as much as $8 trillion may be passed down from Americans over age 50 to children and grandchildren.

And young people are logical candidates to become philanthropists. "You always think about the Rockefellers and the Fords and other high muckity-mucks," says New York City's Linda Frank. "Yet we all have the potential to be philanthropists. This is not about money. It's about caring for humanity."

PHOTO ALBUM

We have photos from every major YAC event. The National philanthropy conference, Camp Miniwanca, and past Adventure Tours. Send us a pictures you have from these events and we can add them to the album.

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Don't leave without posting to our message board. Say Hi! to friends, ask questions of other YAC members and brag about your great grants.

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You can contact us from the web or **write** us at:

Youth Project Coordinator
Council of Michigan Foundations
P.O. Box 599
Grand Haven, MI 49417

Phone: 616-842-7080
Fax: 616-842-1760

email us at:
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We want you to become an active member of our electronic community!!!

MCFYP

Michigan Community Foundations' Youth Project

Building "e" Community

www.mcfyp.org

AUDIENCE

The Michigan Community Foundations' Youth Project (MCFYP) webpage is available to anyone with internet access. It was designed for:

- ✓ YAC Members
- ✓ YAC Advisors
- ✓ Replicators
- ✓ Media
- ✓ Anyone interested in making the world a better place...

PURPOSE

- ✓ A place for youth as grantmakers to share and get ideas
- ✓ Link to other youth grantmakers' websites
- ✓ Build an electronic community of youth grantmakers

CONTENT

- ✓ The history and mission of MCFYP
- ✓ What YACs are and what they do
- ✓ Tips on starting a YAC
- ✓ Power Point Presentations and much more...

What is on the site?

HOT STUFF!

Updated weekly - we tell you what has been going on in the world of MCFYP. There are also postings for opportunities like the YAC exchange program, internships, other organizations' scholarship opportunities and more...

CHAT ROOM

There is a chat room for all of our users. Want to share ideas or just compare notes on Adventure Tours? This is the place to be. Set up a time and chat with other YACs about the YAC exchange program or joint community service effort. It is there...so enjoy.

Calendar

Advisors Corner

Helpful Documents for Youth Grantmakers

and much much more...

We are interactive!

Help us make this site Great! Get involved with it. There are opportunities to link your YAC's website with ours. Share with us and the world your success stories, your best grants and any other experiences you have had as a YAC Member.

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[The New Yackety YAC]

NEW Yackety YAC

A publication of the Michigan Community Foundations' Youth Project

Supporting youth as grantmakers through 86 Community Foundation Youth Advisory Committees (YACs) Summer 2000

P.O. Box 599,
Grand Haven,
MI 49417
(616) 842-7080

Edited by:
Sera Braginton
Jennifer Zeisler

INSIDE

A closer look — Adventure Tours 2000

This summer over 180 youth grantmakers from Michigan, Canada, California and Northern Ireland came together to share, learn to be better grantmakers and have fun. Each summer with support from the W.K. Kellogg Foundation, MCFYP offers a leadership experience for youth grantmakers called "Adventure Tours." Participants have the opportunity to explore Michigan resources to help them work as grantmakers. Here are highlights:

The **Grand Rapids** Tour was known as the "creativity tour." The Grand Rapids Tour met with Peer Mediators, learned about healthy living and lifestyles, massaging techniques, Tai Chi, and art and dance therapy. They also visited Steelcase University, a university that encourages "Thinking Outside the Box" using approaches such as couches instead of desks because it creates a better learning environment. The group then traveled to the Community Media Center where they got to act as Radio DJs and TV announcers creating public service announcements.

The **Northwest Area** Tour visited several nationally recognized initiatives. The first organization they learned about was the GivEm 40 coalition, a group that believes that all youth need 40 developmental assets to help them grow into healthy, caring and responsible individuals. After a visit to the Boys and Girls Club, they learned about two organizations that taught them the importance of making environmental conservation and economic development a partnership. The last stop was at the Grand Traverse Pavilions, a nursing home that is also a children's day care where they learned about intergenerational programming.

The **Northeast Area** Tour had the longest trip of all. They visited a Skate Park initiated by local Alpena youth to help solve the needs in their community, and together with the adults raised enough money to build it.

"The skate park was a great idea and it was also a good thing to see that youth can make a difference."
~Matthew Schmekel, Grand Rapids Foundation

After visiting two local companies, they learned what an important partnership profit and nonprofit organizations can have.

The **Ann Arbor** leg of Adventure Tours 2000 was a success in the eyes of its participants.

continued on page 3

"Not only did I have tons of fun, but I really learned a lot. I also made a lot of life long friends. I loved everything about Adventure Tours!"
~Michael Figueroa, Community Foundation for Southeastern Michigan

Alumni News

"The enthusiasm and energy of 1,000 young people from all over the country was contagious." — Jenny Antoline

Read on page 2 about the National Youth Summit which Jenny attended, as well as other Alumni news.

Published by the Council of MI Foundations

Yackety YAC News

For Youth Grantmakers and their Advisor's

Volume 1, Issue 1

February 2000

INSIDE THIS ISSUE:

8 Reasons Why Kids Should Give

1. It's cool to help other kids.
2. Some kids aren't as lucky as others.
3. It feels good to make someone else feel good.
4. It's nice to know that someone cares.
5. Everyone needs to feel loved.
6. The money goes to other kids.
7. Giving even a little bit can help.
8. It's the right thing to do.

Blue Cross Blue Shield of Michigan Foundation Awards Smoking Cessation Grants to Ten YACs

Blue Cross Blue Shield of Michigan Foundation, Detroit, announced in November 1999, ten YACs to receive $10,000 grants toward programming efforts to reduce smoking and cessation among youth in Michigan.

The ten Foundations Include:

Ann Arbor Area Community Foundation

Berrien Community Foundation

Grand Traverse Regional Community Foundation

Greenville Area Foundation

Kalamazoo Foundation

Keweenaw Community Foundation

Marquette Community Foundation

Community Foundation of Muskegon County

Shiawassee Community Foundation

Southfield Community Foundation

Congratulations to the ten grant award recipients. We look forward to hearing the progress of your programming efforts.

A special thanks to Ira Strumwasser of BCBS of Michigan Foundation for making this opportunity available to YACs in MI.

Rob Collier Heads Up CMF in February 2

The Council of Michigan Foundations is pleased to announce Rob Collier, a familiar face to many YACers, as the new President beginning February 2000. Collier has shared MCFYP success stories across the nation and creates the Adventure in *Adventure Tours* each year. *See inside for more details on Adventure Tours 2000 latest update.*

Youth Present Violence Prevention Summit at CMF's 27th Annual Conference

Youth from the Negaunee, Mt. Pleasant, Grand Rapids, and Grand Traverse Regional YACs presented during the *Youth and Adults as Allies* session at the CMF 27th Annual Conference, held in Grand Rapids, November 1999. More than 700 youth across the state participated in Youth Summit activities sponsored by the YACs. Grand Traverse YACers shared highlights from their theme, GiveEm 40, 24-7. *See more on GiveEm 40, page 5.* Youth presenters shared experiences from Youth Violence Prevention Summits held in '99. This winter Berrien County will be holding their Violence Prevention Summitt.

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DIG PEOPLE GROWING STRONG COMMUNITIES

Volume II, Number 2
Winter/Spring 1999

Foundations for Communities

Community foundations are the fastest-growing sector of U.S. philanthropy. What are they? How do they work? And what can they really do for communities?

ANN ARBOR, MICHIGAN

Tenth grader Matt MacVey frowned a little as he studied the photocopied grant proposal. "I have a concern about this project," he said, looking up across the church meeting-room table strewn with candy wrappers and plastic bowls of M&Ms. He was commenting on a plan to publish a local teen Yellow Pages. "It might not cost that much to put together the information," said McVey, "but the printing! It says here they want to make it available free to all Ann Arbor high school students. Three hundred dollars isn't going to touch that."

"You understand that these grants are not meant to fully fund these projects," interjected the group's adult advisor, Martha Bloom. "They're just startup grants. They are meant to get them from the idea stage closer to the implementation stage."

MacVey was unconvinced. "Still, I think we need to make sure that it looks like a manageable outcome. That they have a plan for actually using our seed money to make the desired thing happen. Before I grant them $300," he said, "I'd like to see

(Continued on page two)

Editor's Note

A year ago, I would have been surprised to learn I would be putting out an issue of Dig about foundations. I knew little about philanthropy, and tended to view foundations less as tools for building community than as remote, impregnable fortresses.

But thanks to another project, I began to learn about community foundations last year. I visited a number of them in different states and was surprised at what I saw. Some had plush offices; at others, the executive director answered the phone. But no matter what the furniture was like, the people who worked at many community foundations seemed deeply engaged with the neighborhoods they served and the people whose lives were affected by the foundations' programs.

Community foundations are a unique entity. They can serve as a petri dish for cultivating assets even in places where money is scarce. And their local focus and democratic structure enable them to use those assets in democratic ways, engaging citizens in a conversation about what local problems are most pressing, about what is working, and what is not.

Community foundations may prove to be a new and vital element of our civic structure, combining the best of the public and the private sectors. Or they may simply be a useful resource for community-builders. Either way, their promise is great. But few have reached the point of fulfilling that promise. It will take an informed, engaged, and generous citizenry to help them live up to it.

--Suzanne Goldsmith-Hirsch

IN THIS ISSUE

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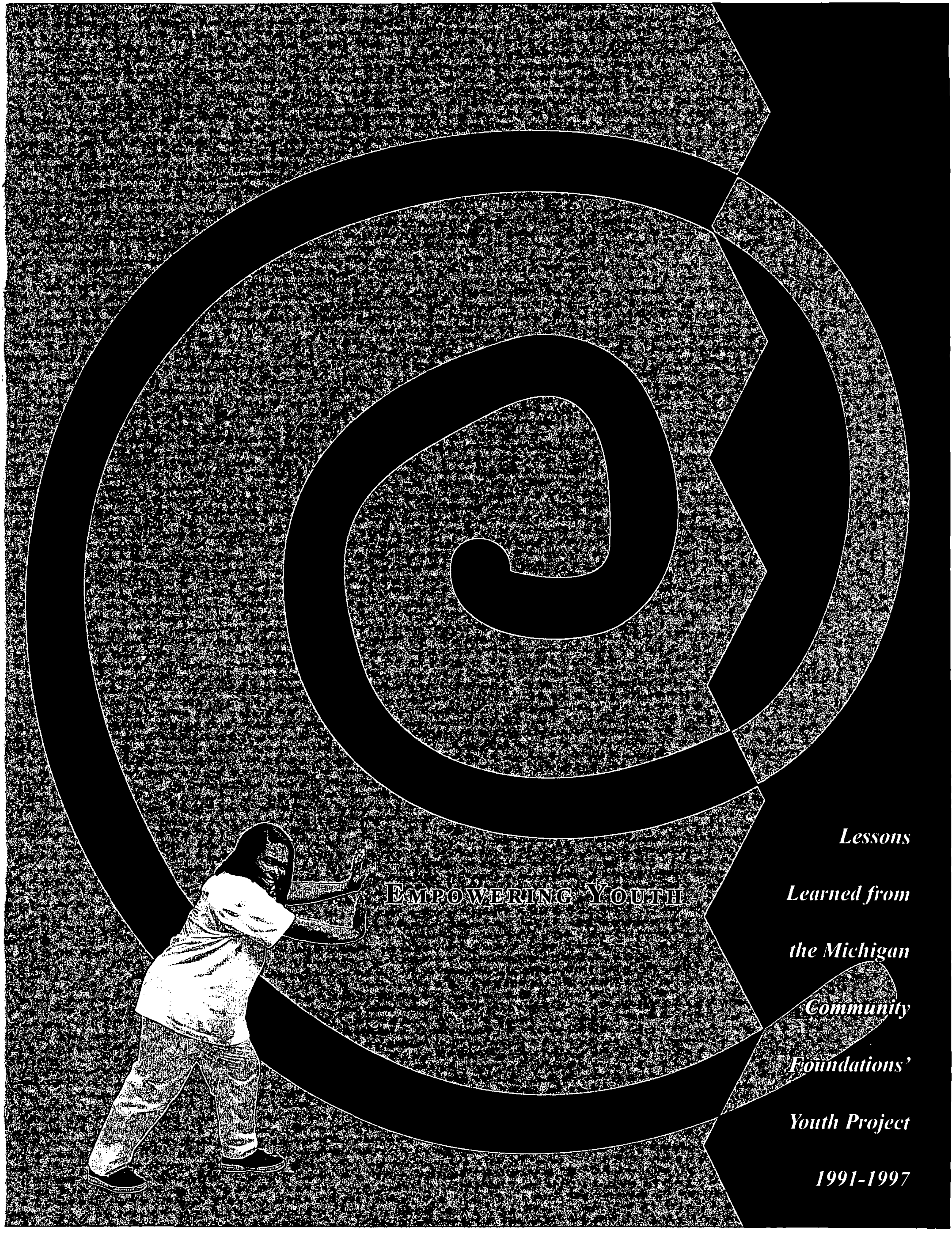

EMPOWERING YOUTH
Lessons Learned from the Michigan Community Foundations' Youth Project
1991-1997

What if there is a market decline?

Even if the stock market suffered a major decline, it has shown the ability to recover over a reasonable period of time. Furthermore, if 90% of your $5 million net worth were wiped out by a market decline, the impact on your reduced net worth ($3,000) due to your 1% gift would clearly not be the straw that breaks the camel's back.

What about giving to my children?

Our children's well-being is not only about food, housing and capital investments. Their moral and spiritual values need nurturing, too. We want to lead the way by making the broader community a safer, healthier, more enriched place for them and future generations.

Investment advisor John Train says, with regard to bestowing too much on our children,

> ***"It's like giving them a no-appetite pill."***
> - Forbes Magazine, May 19, 1997

What if I live to be 100?

Your practical concerns about aging are the easiest to address. If you have done your estate planning well and have secured the necessary insurances against loss and illness, your later years can be a time when you enjoy giving the most.

When do I start?

Don't wait. **Give while you are alive** so you can watch your money make a difference in the world, by funding the arts, education and job training, fighting illiteracy, providing vaccines for needy children, or helping countless other worthy causes at home and abroad. **When you have passed on, someone else will distribute your wealth for you**, perhaps sending it places you never intended. Take charge now and enjoy watching your money be productive in the world.

How do I enroll?

Fill out the enrollment form below, or call, fax, or mail:

THE ONE PERCENT CLUB
2516 Chicago Avenue
Minneapolis, MN 55404-4598

Phone: 612-874-8511
Fax: 612-874-6444

A volunteer staff member will answer your questions about giving.

We will contact you periodically by mail about gatherings, meetings, and social functions for members of THE ONE PERCENT CLUB.

There are no dues, no required meetings, and there is no need for financial disclosure.

Enrollment

I/We agree to contribute 1% or more of my/our net worth annually, or 5% of income, whichever is greater, to the tax-deductible cause(s) of my/our choice. I/We understand this entitles me/us to membership in an association of 1% givers who believe strongly in the wisdom of philanthropy.

☐ You may use my/our name(s) as a member even in publications
☐ You may use my/our name(s) on The 1% Club Brochure
☐ You may use my/our name(s) on a confidential list used only to recruit new members
☐ You may use my/our name(s) verbally, but never in print
☐ I/We wish to remain anonymous for now

Signature(s) ______________________
____

Name(s) ______________________
____
(Please print)

Address ______________________
____
____

Phone ______________
E-mail ______________
Date ______________

Join us in unleashing the power of wealth and experiencing the joy of helping others by enrolling in THE ONE PERCENT CLUB and giving 1% or more of net worth, or 5% of income annually, whichever is greater.

Some of the Present 1999 Members are:

Carole and Doug Baker
Joel and Susan Barker
Ford and Amy Bell
Chris Bellefeuille and Ted Olson
Russell M. and Beth Bennett
Steven and Debra Berghs
Rudy and Ellen Boschwitz
Robert and Colleen Brandel
Conley and Marney Brooks
Elizabeth Buckley and Dennis McGrath
Allan and Lou Burdick
Carmen and Jim Campbell
Kevin J. Cashman
Burt and Rusty Cohen
Judith and Richard Corson
Jay and Paige Cowles
John and Sage Cowles
David and Vicki Cox
Edward and Sherry Ann Dayton
Judy and Kenneth Dayton
Charles and Carol Denny
Rebecca Erdahl
David and Elizabeth Fesler
Ron Fingerhut
Gary and JoAnn Fink
Barbara L. Forster and Lawrence H. Hendrickson
Charlotte M. Forsythe
Eugene and Mary Frey
Arlene and Charles Garrity
Penny and Bill George
Dorothea and Peter Gilligan
Joline Gitis and Steve Miles
Mr. and Mrs. Howard M. Guthmann
Roger L. Hale and Eleanor L. Hall
Anne and Peter Heegaard
John M. Hollern
Lorita K. and Jay M. Jacobson
Thomas G. and Janette L. Kamp
Samuel and Sylvia Kaplan
Laurie M. and Joel R. Kramer
A. Scheffer Lang and Patricia Sweney Hart
Thomas and Mari Lowe
Tara and Charlie Maxwell
Mike and Kay McCarthy
Burton J. McGlynn
Mary Cullen McKeown and Thomas W. McKeown
Mary McLeod
Vance and Darin Opperman
Nancy F. Owen and John Lavander
Linda and Lawrence Perlman
Charles Pillsbury
David L. Piper
Louise Benz Plank
Harriet and Walter Pratt
Jean B. and John J. Pupkes
Therese and Herman Ratelle
Mary and J. Peter Ritten
John and Beverly Rollwagen
Claude Rosenberg, Jr.
Robert and Sharon Ryan
Pamela and Mike Sime
Joan and William Slattery
Nancy and Robert Snow
Carol and James Taylor
Nancy and Bruce Thomson
Philip and Joanne Von Blon
Winston and Maxine Wallin
Mary Ann Barrows Wark and David Wark
Thomas E. Warth
Ruth and David Waterbury
E. Thomas and Rita D. Welch
Peter C. Welles
Jane D. West
Mary Farnham and Benson K. Whitney
Wheelock Whitney
Leonard H. Wilkening
Medora Woods
Ann and Louis Zelle
Joseph K. Selvaggio -Staff

THE ONE PERCENT CLUB

PEOPLE OF MEANS GIVING
ONE PERCENT OF NET WORTH ANNUALLY
BACK TO THE COMMUNITY

1%

of Net Worth

I feel that it is an obligation and a privilege to do something like this... and the fact of the matter is, you can't take it with you.

— Eugene Frey
Former Chairman & Owner,
Waldorf Corporation

What is The One Percent Club ?

We have a unique opportunity. For the first time in this country's history, we have the wealth and the means, in the form of dedicated nonprofit organizations, to heal our society's social and cultural ills.

The One Percent Club wants to unleash the giving potential of net worth to help nonprofits achieve their goals. To do this, we have adopted a new standard of giving. Each member gives 1% or more from net worth annually, or 5% of income, whichever is greater, to the worthy cause(s) of their choice. Together, we can:

1%+ because

- double the amount of charitable dollars for **nonprofits and worthy causes**, and
- **tackle** the serious social and cultural needs we face today.

This extra money will provide more:

- **Training for Self-Sufficiency**
- **Care for the Disadvantaged**
- **Environmental Clean-up**
- **Support for Education**
- **Advances in Health and Science**
- **Support for Arts, Culture and Religion**

> ***"There are absolutely superb organizations out there right now, working hard and doing great things** to address these problems. But many of these nonprofits are working on a shoestring, seriously limited by lack of resources. What if we could persuade more givers to become involved in their work; to give to the causes donors find most compelling? I am convinced we would be astounded at the results."*
>
> \- Claude Rosenberg, Jr.
> ***Wealthy and Wise:***
> *How You and America Can Get the Most Out of Your Giving*

Why do we need a new standard for charitable giving?

Imagine that your right pocket contains your income and your left pocket a substantial number of income earning assets. Someone asks you for a charitable contribution. If you reach into your income pocket and ignore the net worth pocket, you are following the old notion that income is the only source for responsible giving. You have given something, but **have you reached your giving potential?** If you have a high net worth, chances are you can do more.

We call our new standard of giving **the two pockets approach,** giving from both income and net worth. **If you are a person of high net worth, this approach more accurately reflects your ability to give.**

Who is eligible to join The One Percent Club?

The One Percent Club welcomes **anyone** who has the means to give at least one percent of net worth, or five percent of income each year, whichever is greater. To achieve the greatest impact in the shortest amount of time, our focus is on the top of the financial pyramid - the people with the most means to give.

Do I have the means to give at this level?

If you have increased your net worth through

- strong gains in executive compensation
- the stock market and/or stock options
- valuations of privately-held companies
- or inheritance

you have the means to give from net worth.

Giving 1% of net worth usually has little impact on your overall financial security. In fact, you will be surprised at how affordable it is. But, before you join, you will need to determine if this standard will compromise your financial goals, current lifestyle, or the needs of your family.

The true cost of giving is surprisingly little...

The tax deduction for contributions reduces the net cost to less than 60% of the gift for upper income taxpayers. If appreciated assets are given, the capital gains savings further reduces the cost of the gift.

If your net worth is	$5,000,000
and your 1% donation is	$50,000
your tax saving (40%) is	- $20,000
the net cost is only 60% of your gift	**$30,000**
and if stock purchased for $10,000 is given, the capital gains tax saved is	- $10,000
further reducing the cost to only 40%	**$20,000**

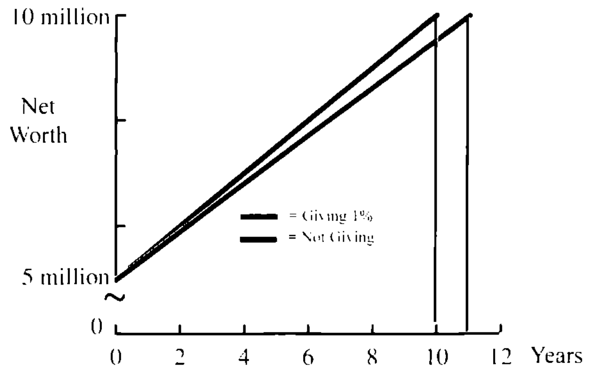
Your tax consultant can help you calculate 1% of your net worth and the cost of your gift.

...and the impact on financial stability is manageable.

1%+ is affordable

As part of your long-term investment strategy, giving 1% of net worth annually is affordable and will make little difference in your financial situation.

Giving vs not giving



Assuming a 7% growth rate after tax, $5 million in net worth will nearly double in ten years, growing to $9.8 million. After deducting the net cost of your annual 1% gift, you would still have $9.3 million after ten years. The very next year your net worth would reach the very same $9.8 million level.

Why is joining The One Percent Club important?

1%+ can make a difference

As a group we can substantially increase charitable giving and be a healing force in our communities. But the only way to become a group is to change people's giving habits and attitudes one person at a time.

To achieve our goals we need you to become a **role model** for your peers. Join The One Percent Club today and show others that giving from net worth is affordable, practical, and gratifying.

Your membership is the best endorsement we have to increase the pool of givers.

What does The One Percent Club do?

- Our primary mission is to increase the pool of givers and the amount of charitable dollars for worthy causes. Our goal is to recruit
  - 250 members by the end of 1999
  - 500 members by the end of 2000
  - 1000 members by the end of 2001, and
  - 2000 members by the end of 2002.
- Volunteers from our Speakers' Bureau give presentations to nonprofit boards.
- We publish a monthly newsletter, as well as articles and inspirational stories.
- We work with professional money managers to encourage them to promote philanthropy.
- Our Charitable Giving Workbook answers questions on giving.

Sharing the Wealth

Minnesota Public Radio Philanthropy Summit Held in St. Paul, September 7-8, 2000
Final Summit Report

On September 7-8, 2000 Minnesota Public Radio brought together some 100 participants from around the country to look at the challenges facing philanthropy in America today and to list ways of facing those challenges.

I am enclosing the final report from that Sharing the Wealth summit which was produced by MPR's Civic Journalism Initiative and MPR's *Sound Money*, which is public radio's first personal finance program.

The final report is just one part of the amplification vehicles MPR used to elevate the discussion surrounding charitable giving.

A complete look at all that was done can be found at www.soundmoney.org. There, in addition to this downloadable final report, you will find *The Chris Farrell Sound Money Guide to Sharing the Wealth,* which is a guide to incorporating charitable giving into your personal finance plan. Plus there is a giving calculator, quizzes and background information. It's a mini college course at your fingertips.

Minnesota Public Radio is pleased to make all this information available to everyone interested in philanthropy and improving the quality and perhaps the quantity of giving in America. If you need more information, please feel free to contact me at lwitt@mpr.org or 651 290-1262. Thanks for your interest.

Sincerely,

Leonard Witt

Leonard Witt
Executive Director
Civic Journalism Initiative

5TH STORY of Level 1 printed in FULL format.

SEATTLE POST-INTELLIGENCER

September 28, 1999, Tuesday , FINAL

SECTION: EDITORIAL, Pg. A11

LENGTH: 1166 words

HEADLINE: PHILANTHROPY IN GILDED AGE II

BYLINE: RON CHERNOW

BODY:

In his celebrated 1889 essay "Wealth," Andrew Carnegie admonished fellow grandees of the Gilded Age that "the man who dies thus rich dies disgraced."

Carnegie devoutly believed that businessmen should repay their debt to society, applying their skills to philanthropic enterprise. He wanted active involvement, not just a fistful of checks.

If necessary, Carnegie favored stiff inheritance taxes that would force the rich to disgorge their money to society rather than leave it to pampered heirs. True to his beliefs, by his death in 1919 Carnegie had divested himself of more than 95 percent of his fortune. Bill Gates has now transferred $17 billion to the Bill and Melinda Gates Foundation, including a gift of $1 billion for college scholarships to minority students, suggesting that our software king may have heeded Carnegie's message.

Skeptics may discern an attempt by Gates to burnish his image or deflect attention from the Microsoft antitrust trial. But whatever his motives, he has begun a metamorphosis from businessman to philanthropist, something far too few of his business peers have made a serious effort to do.

He ought to be widely emulated, lest history castigate ours as an age of oversized egos, self-indulgence and hubris about our technological supremacy.

We are quick to revile the so-called robber barons of the Gilded Age, perhaps to assert our own moral superiority. We denounce their rapacious monopolies and brutal labor practices, their flagrant contempt for public opinion. And our image of their social life is a gaudy cartoon of private railroad cars, sybaritic balls in Newport mansions and luxurious steam yachts.

While the stereotype contains much truth, it overlooks a redeeming aspect of that opulent time: Our harshest industrial overlords proved our most enlightened philanthropists.

The lives of John D. Rockefeller and Andrew Carnegie, tough men from hardscrabble backgrounds who lacked college educations, furnish rich lessons for would-be benefactors. They transcended the sentiment and haphazard methods of Victorian charity, substituting the rigor of modern philanthropy. Instead of sponsoring another hospital or museum wing, Carnegie and Rockefeller promoted ideas.

Rockefeller, for example, bankrolled the campuses of Spelman College in Atlanta, dedicated to educating black women, and the University of Chicago. He provided backing for many medical triumphs, including a treatment for meningitis, a campaign that cured 500,000 cases of hookworm in the South and a vaccine against yellow fever.

Gilded Age moguls operated in a poisonous atmosphere of suspicion, since their fortunes and industrial empires seemed menacing to a public reared in a more innocent, pastoral America. By forcing them to exercise extreme care in their charitable priorities, the truculent mood of the day may actually have had a salutary effect on Rockefeller and Carnegie. Both saw philanthropy as something embedded deep in belief systems that viewed moneymaking, in isolation, as harmful to society.

As conservative businessmen, Rockefeller and Carnegie frowned on projects that might breed passivity. Carnegie's promise to build a splendid library building for any town came with a catch - municipal authorities had to provide a central site, stock the building with books and guarantee maintenance money. In exchange for coveted Carnegie pensions for professors, universities needed to satisfy strict standards of educational excellence.

Both Rockefeller and Carnegie enshrined a momentous principle: The philanthropist should serve as catalyst, not owner, of his creations. Bolstered by vast endowments and broad charters, the Carnegie Corp., established in 1911, and the Rockefeller Foundation, set up two years later, gradually acquired a large measure of autonomy from their founders.

While huge, multipurpose foundations are today rife with problems, ranging from bureaucratic rigidity and lack of focus to political faddishness, they remain part of an implicit social contract that stipulates that wealth, beyond a certain point, should revert to society.

It is strange, then, that the American public has been so tolerant of the huge agglomerations of money in the 1980s and 1990s.

We have a generation of young businessmen accorded the adulation due to folk heroes because they have created "shareholder value" - a euphemism for higher stock prices. Nearly 20 years of high employment, low inflation, steady growth and a booming stock market - the great American antidote to class conflict - have dulled demands for inventive, large-scale philanthropy.

Surely one can applaud the business accomplishments of our titans in high technology, biotechnology and finance without imagining that they have thereby exhausted their obligations to society. But the political pressure that prompted Carnegie and Rockefeller to creative breakthroughs has been conspicuously missing.

On paper, anyway, it would appear that Americans in recent years haven't stinted on charity - last year they boosted their annual giving to a record $175 billion.

Still, cynics cannot be blamed for wondering about the motives behind it all, as the ambitious jockey for seats on prestigious nonprofit boards and tables at charity balls. Our era has seen plenty of old-fashioned gifts to cultural, medical and educational institutions, with the donors' names prominently gracing doorways.

Yes, we should doubtless be grateful that such gifts keep alive many an artistic group or drug-abuse program that might otherwise wither. The real problem is the absence of adventurous initiatives that seek social change in a manner beyond the capacity of government.

For that reason, one fervently hopes that the Gateses' largesse - along with commitments made in recent years by George Soros, Ted Turner and other super-rich business figures - will stimulate many laggards to follow suit. When a Warren Buffett, the nation's third-richest man, elects to defer major donations until after his death, he deprives us not only of his money but also of his acumen. An age of business innovation should be counterbalanced by analogous ingenuity in good works.

One is heartened by the small-scale "venture philanthropy" undertaken by some Silicon Valley denizens who have shown business savvy, a hands-on style and a quest for measurable results in their giving. And several businessmen - including Wall Street financier Theodore J. Forstmann and Eli Broad, chairman of Sun America - have showered huge sums on education, in the form of scholarships, vouchers, awards and training grants, to provoke overdue reform.

The brains and abundant resources now exist for the greatest flowering of philanthropy in American history. Let us hope that the acquisitive streak in our culture will be matched by a new altruism.

Otherwise, history may stigmatize us as a second Gilded Age, but one devoid of the audacious giving that proved the saving grace of the first.

NOTES:
Ron Chernow is the New York-based author of "Titan: The Life of John D. Rockefeller Sr." (Random House, 1998), and is at work on a biography of Alexander Hamilton.

GRAPHIC: Photo
PAUL JOSEPH BROWN/P-I: Bill and Melinda Gates, second and third from left, announce a gift of $1 billion for scholarships for minorities.

LANGUAGE: ENGLISH

LOAD-DATE: September 29, 1999

Shirley –

FYI re: philanthropy

conf – see pg 2

of DPC weekly,

item #6.

Nicole

Nicole

'99 JUL 30 PM 8:53

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
8-2-99

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Reed
Liu
Podesta

July 30, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

What does this mean?

1. Crime – Juvenile Crime/Gun Legislation: This week, the Senate and House appointed conferees to the juvenile crime bill. We issued a statement from you urging the Congress to have a strong bill ready when school resumes in September. On Friday, by a vote of 305-84, the House passed a Democratic motion to instruct conferees to include provisions on background checks at gun shows and not weaken current law on background checks. We have heard that the conferees may meet once before the August recess, but timing for the completion of the conference remains uncertain.

?

2. Crime – Housing Authority Gun Lawsuit: We have been working with Secretary Cuomo on a potential lawsuit by a broad coalition of housing authorities against the gun industry. The suit would be based on the premise that because of its distribution practices, the gun industry should bear some of the costs housing projects incur from gun violence (e.g., security guards and alarms). This approach is similar to lawsuits filed by Chicago and Los Angeles. We will be working with HUD and federal law enforcement agencies to determine what remedies should be pursued in such a suit. The Wall Street Journal reported Wednesday that HUD was considering this action, but the Administration has not publicly confirmed it. Already, House Republicans have scheduled a hearing for next Wednesday to interrogate HUD about its plans. If the housing authorities decide to go forward with a suit, you could announce it the first week of the August recess.

3. Drugs – Anti-Drug Media Campaign: On Monday, you will unveil new advertisements as part of ONDCP's anti-drug media campaign. You will also release an ONDCP analysis showing that the campaign is reaching over 90% of its target audience an average of 4-7 times a week. One of the new ads stars national skateboard champion Andy McDonald, who will introduce you at Monday's event.

4. Health Care – Patients Bill of Rights Update: On Thursday, the Kaiser Family Foundation released a report demonstrating widespread discontent among health care providers about the quality of care provided by managed care plans. Seventy-two percent said that

THE PRESIDENT HAS SEEN
8-2-99

managed care had decreased the quality of health care for people who are sick, 77 percent said it had decreased the ability of patients to get the tests and treatments they needed, and 86 percent said it had decreased the ability of patients to see medical specialists. Meanwhile, a number of House Republicans have been working with Congressman Norwood on a possible compromise with Congressman Dingell. Divisions within Republican ranks are forcing Speaker Hastert to renege on his commitment to bring a managed care reform bill to the floor next week and delay action until later this fall.

Need to keep pushing

5. Health Care – New CHIP Enrollment Data: On Friday, Kaiser released a new study which reported that states have now enrolled an estimated 1.3 million children in CHIP – 300,000 more than HHS estimated in January. We also are seeing signs that CHIP outreach is paying an added dividend by increasing the number of children states enroll in traditional Medicaid.

6. Welfare – Faith-Based Organizations: You asked for an assessment of Governor Bush's recent proposals to promote charitable giving and faith-based organizations. His centerpiece proposal – to let non-itemizers claim a federal charitable deduction – is an idea we considered in 1996 but rejected because it costs $8 billion a year. He also proposed allowing charitable contributions from individual retirement accounts (IRAs) without penalty. Treasury is concerned that this idea could invite tax shelters and abuse. Bush's third tax proposal – to let states use TANF funds to finance tax credits for charitable contributions – could be an interesting way to help make sure states use their TANF surpluses, but it would divert money from welfare-to-work efforts unless the credits were highly targeted. Like the Vice President, Bush proposed expanding charitable choice to other social programs (TANF, the Community Services Block Grant, and the Welfare-to-Work grant program already allow federal funding for faith-based groups).

7. AIDS – Vaccine Research Update: The Wall Street Journal reported on Friday that Merck is planning to begin human trials of an AIDS vaccine. Merck says it will test gene-based vaccines to elicit an immune response capable of either preventing HIV infection or keeping it from overwhelming the immune system. We should be pleased that a major pharmaceutical company is launching this effort, but NIH scientists warn that even under the best of circumstances such a product will not be available for widespread use for at least five years.

+ Ashcroft's
What else is there – should
we try to do now?

Morino Institute

About Morino Institute

PEOPLE

Mario Morino
Chairman

As founder and Chairman, Mario serves as the visionary and driving force behind the Institute's work to assist organizations and individuals in the use of information and electronic communications to work for positive social change.

His career spans some 30 years as a business leader, social entrepreneur, and leading advisor on information technology. Mario co-founded Morino Associates in 1973, which after many years of expansion, mergers, a host of acquisitions and one name change became Legent Corporation. Legent was acquired in 1995 in one of the larger transactions in the computer software and services industry.

He serves as a Special Advisor to General Atlantic Partners, one of the premier private investment firms in information technology and is a Trustee at Case Western Reserve University. Mario serves on the Boards of Directors for Mid-Atlantic Venture Association, National Commission on Entrepreneurism, Potomac KnowledgeWay, Proxicom, and Who Cares. He sits on Advisory Councils for Pew Partnership for Civic Change, Academy of Leadership, Dingman Center for Entrepreneurship Inner Circle, Smithsonian Washington Council, Northern Virginia Tech Council, CTCNet, CompuMentor and the Network Solutions Technical Advisory Board.

People

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Contact Morino Institute

COMMUNITY IMPACT! USA

Fax

To: Shirley Sagawa Company:

Fax: 456-6244 Phone:

Re: Conference No. Pages (including cover): 6

From: David Milner Date: 10/5/99

☐Urgent ☐For Review ☒Requested Information ☐Please Reply

Comments:

Shirley:

Here is some general information on Community IMPACT! in preparation for the conference on philanthropy being held later this month.

I wanted to thank you personally for including me. Several people, but most especially Eric Liu and our board chair, Tom Wheeler, felt that the work of Community IMPACT! USA is relevant to the conversation concerning new ways to think about philanthropy. We are working with Eric on developing policy strategies around our core concept of neighborhood venture funds for youth. As you'll see from the enclosed information, the result is powerful when neighborhoods mobilize to invest in their own young people and their own ideas for the future.

Thanks again for involving me. I look forward to talking further about Community IMPACT! USA.

David

Community IMPACT! USA , 1000 16th Street, NW, Suite 800, Washington, DC 20036

Phone: 202-293-9840 — Fax: 202-293-9844

David Milner, President
Community IMPACT! USA

David Milner is the Founder and President of Community IMPACT! USA, a national non-profit organization that launches neighborhood venture funds for youth. After David spent a summer living and working in the inner city of Lowell, MA, he was troubled by what he saw in his Lowell neighborhood: people full of great ideas for improving their communities and lives but without adequate resources, connections or training to carry them out.

While still attending Middlebury College, David developed a strategy for low-income neighborhoods to invest in their youth. He submitted his idea to a nationwide contest and received the $10,000 first prize. After graduating in 1990, he returned to his hometown of Washington, DC to start a grass-roots organization, then known as Funds for the Community's Future.

Since that original $10,000 award, David grew the pilot site, DC IMPACT!, into a vibrant city-wide organization with a full-time staff person in every DC high school and an annual budget of $1.6 million. In the last two years, DC neighborhoods have mobilized more than 5,000 residents to participate in community-building projects; awarded more than 80 scholarships to neighborhood youth; leveraged over $200,000 to give in local grants; connected youth to more than 50 jobs; and managed partnerships with corporations such as The Home Depot, Fannie Mae, and Clark Construction.

DC IMPACT! has received national support from the Ford Foundation and the Kellogg Foundation, and has been recognized in the Chronicle of Philanthropy and the Washington Post. In 1999, David spun off a separate national office, Community IMPACT! USA, that brings neighborhood venture funds for youth to other low-income neighborhoods around the country.

David has received numerous awards, including the *Washingtonian* magazine's "Washingtonian of the Year" and the Middlebury College Alumni Achievement Award – the youngest recipient to receive both honors. He has spoken nationally about youth and community at the University of California at Berkeley, the Committee on Economic Development, the Kauffman Foundation Center for Entrepreneurial Leadership and on many other occasions. He has also consulted internationally to help countries develop strategies for investing in youth. Last year he participated in an exchange sponsored by the Ford Foundation in Nairobi, Kenya.

COMMUNITY IMPACT! USA

Executive Summary

Community IMPACT! USA is a national non-profit organization that launches neighborhood venture funds for youth. Based on nine years' experience in low-income neighborhoods in Washington, DC, Community IMPACT! is expanding neighborhood venture funds for youth to communities across America in order to ensure that all young people grow up in a healthy neighborhood. The IMPACT! approach has been supported by the Ford Foundation and the Kellogg Foundation, and recognized in the Chronicle of Philanthropy and the Washington Post.

The Need: Research has repeatedly demonstrated the value of investing in the well-being of youth. In families and communities where youth feel supported and cared about, the level of academic achievement rises, youth are less prone to risky behaviors, and they are more engaged in the civic life of the community. The Journal of the American Medical Association reported in September 1997 that children who feel connected to a parent (or another caring adult) are protected against many different kinds of health risks, including emotional distress, suicidal thoughts and attempts, cigarette, alcohol and marijuana use, violent behavior and early sexual activity. It has been shown that investing in youth will reduce expenditures down the road for out-of-school youth, for youth without jobs, for crime prevention, and so on.

A Proven Model: Since 1990, Community IMPACT! has worked with low-income neighborhoods in Washington, DC to invest in youth. In neighborhoods of up to 30,000 people, a diverse committee of residents, including at least 25% under the age of 24, oversees a neighborhood venture fund for youth. Each committee creates a **vision** for how it wants to invest in youth and takes **action** according to that vision. It awards scholarships for higher education and grants for projects that improve the community and that involve youth in positions of leadership.

Community IMPACT! launches neighborhood venture funds for youth so that residents can realize both short-term and long-term benefits. In the short-term, the focus is on four specific outcomes: scholarships, projects and programs, jobs and leadership opportunities for youth. In the last two years, DC neighborhoods have mobilized more than **5,000 residents** to participate in community-building projects; awarded more than **80 scholarships** to neighborhood youth; leveraged over **$200,000** to give in local grants; connected youth to more than **50 jobs**; and **managed partnerships** with corporations such as The Home Depot and Clark Construction.

While these short-term results are impressive, the long-term results are vital. The long-term goal of the IMPACT! approach is to drive up a "Neighborhood IPO": **investment** (I) in youth and community; **participation** (P) in civic life; and **optimism** (O) about the future among all residents, especially youth. Measuring a "Neighborhood IPO" is critical for the future of neighborhoods and for our country. Over time, a rising Neighborhood IPO will indicate a community moving in the right direction with regard to its youth and its future.

National Expansion: Community IMPACT! USA

Community IMPACT! USA is expanding to two new communities in 1999. We are seeking partners committed to a grassroots, entrepreneurial philosophy. We provide **training and materials** based on nine years' experience in DC, and **$160,000 in matching funds** over three years. We are looking for **dynamic leaders** who will operate Community IMPACT! at a city-wide level and expand IMPACT! Funds to low-income neighborhoods throughout the community and across the country. In addition, we are looking for **institutional support across sectors** and one or more committed individuals to sit on the **founding Board of Directors** for their city.

The Movement

We believe every neighborhood should have a venture fund for youth because youth grow up in neighborhoods, not programs. As neighborhoods increase their capacity to invest in their youth, this will in turn drive up their "Neighborhood IPO." And as neighborhoods get stronger, so will America – because investment in our children, participation in civic life and optimism about the future are key ingredients to a healthy democratic society.

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IMPACT! Results in DC

1998 - 99 OUTCOMES

- More than **80 scholarships** for higher education
- Over **5,000 residents** involved in youth-led projects and programs
- Over **$200,000** in community grants
- An **accredited** high school leadership class
- Regular and meaningful **youth board participation** through IMPACT! Committees
- Over **50 jobs** for youth

RESEARCH RESULTS*

- **82% of youth** and **75% of adults** believe **scholarships** are the best way to keep young people "on track"
- Youth who feel **strongly connected** to neighborhood: **47%** believe that adults care about them; Youth that are **not strongly connected**: only **10%** feel adults care about them
- Youth and adults want **positive interaction**: Fully **64% of teens** say that adults are not very in touch with youth. Only **25% of adults** surveyed believe they are in sync with youth.

* Based on November 1998 surveys in DC neighborhoods commissioned by DC IMPACT! and conducted by Peter D. Hart Research Associates

WASHINGTONIAN

JANUARY 1993, VOLUME 28, NUMBER 4

1992 WASHINGTONIAN OF THE YEAR

DAVID MILNER

His Scholarships Build Communities

David Milner is a born businessman. At age 11 he started a lawn-mowing business in Alexandria. In college he ran a refrigerator-sales business. At age 22, Milner translated his entrepreneurial energy into a program to mobilize a school community to fund scholarships for its kids.

In one year, Milner's Funds for the Community's Future (FCF) helped neighborhoods around McKinley High School in Northeast DC grant ten college scholarships. This year the program hopes to double that. All because a tall, gangly suburban kid promised that if the neighborhood organized to raise scholarship funds, he would match those funds.

David Milner went to Sidwell Friends School, and then went off to Middlebury College in Vermont. He spent a summer in Lowell, Massachusetts, painting houses and thinking about how he could change the lives of his neighbors.

Eighteen months later, he had an idea for a scholarship program with the funds raised by a neighborhood block itself.

The idea won a national competition, and Milner used the $10,000 prize to set up FCF in a room in his parents' Bethesda home. He recruited a board of directors, interviewed prospective schools to pick a test site for FCF, met the students and principal of McKinley, offered them matching funds, got them started, and hasn't stopped since.

David Milner's proudest moment was at the June 1992 ceremony awarding the first scholarships. As he looked out at the audience he found himself speechless. Kids in Northeast DC are grateful that he doesn't often lose his voice or his vision.

The Washington Post

METRO

SUNDAY, JANUARY 10, 1999

Memorializing King's Dream Through Activism and Song

Groups to Offer Tributes to Slain Civil Rights Leader

By SPENCER S. HSU
Washington Post Staff Writer

The Rev. Anthony J. Motley threw open the doors of his Redemption Ministry Church before 9 a.m yesterday, ignoring the fog and icy slush on South Capitol Street to prepare for a holiday.

With celebrations of the Rev. Martin Luther King Jr.'s birthday coming Friday, his youth-oriented congregation and community leaders held a prayer breakfast to kick off a yearlong campaign to honor King by cleaning up Ward 8's commercial strip and other disintegrating and crime-ridden neighborhoods.

"A lot of people really don't understand the concept of community building and community work, but it is literally the result of Dr. King and the work he did that achieved things we have today," said Motley, 49, a veteran activist whose church operates out of a leased storefront at the Atlantic Shopping Center in the 3900 block of South Capitol Street.

Thousands of Washington area residents will attend similar community breakfasts, religious services, concerts and other events this week to mark the 70th anniversary of King's birth. Monday, Jan. 18, is a federal holiday in his honor.

"The government is not going to do it alone. It's up to us."

— Sidney Davis, on the revitalization efforts in Ward 8

Tonight, at 7:30 p.m., Vice President Gore and Tipper Gore will serve as honorary chairmen at the 11th annual Choral Arts Society of Washington tribute concert to King at the Kennedy Center Concert Hall. On Friday, King's "I Have a Dream Speech" will be recited at 11 a.m. at the Lincoln Memorial, and the National Archives will open a seven-day exhibit of the Emancipation Proclamation.

The inaugural event in the campaign, a cleanup around the shopping center, was postponed by bad weather yesterday, but that did not dampen the enthusiasm of the sponsors, who touted the virtues of volunteerism to rescue crumbling communities.

"The government is not going to do it alone. It's up to us," said Sidney Davis, volunteer coordinator for the Alliance of Concerned Men, a District-based group of middle-aged former inmates who spearheaded the 1997 truce among battling gangs at Benning Terrace in Southeast.

The District last year gave $7,500 to the South Capitol Street Merchants' Association for new lights and store signs. The association's president, R.T. "Dick" Clark, said D.C. Police Chief Charles H. Ramsey is considering opening a community center to beef up a police presence that has helped curb a rash of street holdups and thefts that intimidated aging customers. And the private Community IMPACT! neighborhood reinvestment group has pledged $25,000 for scholarship funds.

Yesterday's planned cleanup will be rescheduled, and Clark's group will sponsor another improvement project in April. Riggs Bank will organize another cleanup effort in July, and Ballou High School will sponsor one in October.

626410
Lindsey

October 5, 1999

MEMORANDUM REGARDING ROLE OF THE U.S. TREASURY IN
GIFTS TO THE FUTURE: THE WHITE CONFERENCE ON PHILANTHROPY

On October 22nd, 1999, The White House will host the first-ever White House Conference on Philanthropy. For the White House confeence planning functions have been assumed by the White House Millennium Council, the Office of the First Lady, and the Domestic Policy Council. As the agency most directly involved in policy matters affecting philanthropic giving, and following our earlier conversations with Deputy Assistant Secretary Michael Barr, we would like to request that the U.S. Department of Treasury act as our ~~official~~ agency co-sponsor for this event. Our expectations are as follows;

- Treasury will continue to participate actively in the planning of the Conference and review the Conference program and policy recommendations. The White House Millennium Council, the Office of the First Lady, and the Domestic Policy Council will also continue to work with Michael Barr and Treasury's tax policy officials on a Philanthropy Tax Policy Roundtable to be held later in the year.

- The U.S. Treasury Department will use its gift authority to accept gifts and monies for costs associated with the Conference. Such gifts may include reception costs, incidentals (printing, photography, conference supplies), and research expenses.

- The Department will not be asked to accept gifts from any prohibited outside sources or accept gifts that run contrary to Department's rules (i.e. money for Conference travel). We will provide all donor names directly to Treasury so that each potential donor may be reviewed through Treasury's internal vetting process (Note: The White House is also vetting all names for consideration).

In addition to the expectations above, we would like Treasury to understand our relationship with two other entities as they pertain to the use of fiscal agents. Currently the Conference is working with two non-profit entities- The Iscol Family Foundation in Pound Ridge, New York and South Carolina Education Television (SCETV) in Columbia, South Carolina. At this time, the Iscol Family Foundation has offered to pay certain costs associated with Conference travel and reception costs. For its part, SCETV is accepting a grant from the Charles Stewart Mott Foundation to produce our Conference video and to cover the costs of satellite broadcasting.

If you have further questions as to Treasury's role in the Conference please contact Malcolm Richardson at the White House Millennium Council (395-7105) or MaryEllen McGuire in the Office of the First Lady (456-2016).

-

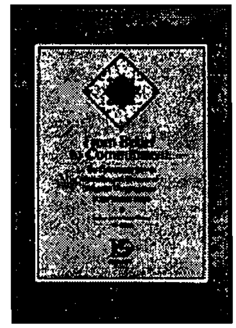
FYI - Philanthropy Resources

Are you interested in finding out more @ any of these? Check off what you're interested in & I will order/research.

INDEPENDENT SECTOR

PUBLICATIONS

From Belief to Commitment
The Community Service Activities of Religious Congregations in the United States



Religious congregations are sometimes called the backbone of community service activities in America. This book charts and quantifies the impact of their financial and service contributions to their communities, the nation, and the world. From Belief to Commitment profiles the revenues, sources, expenditures, program activities, membership, and employment of religious organizations in America, drawing from responses of a sampling of more than 700 congregations.

1993/143 pages
Price: Members: $8.00 Non-Member: $12.00
CAT P081

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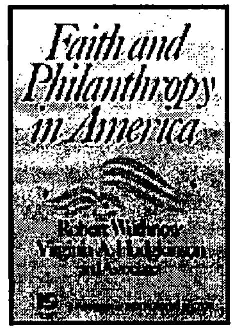
PUBLICATIONS

Faith and Philanthropy in America



by Robert Wuthnow, Virginia A. Hodgkinson and Associates

A look at the important relationship between religious commitment and charitable activity. The authors examine patterns of volunteerism and giving among members of major religious communities, including Roman Catholic, Jewish, Protestant, Evangelical, Mormon, and Black congregations. They trace the historical and theological roots of the giving patterns in these different traditions.

1990/327 pages
Price: Members: $24.95 Non-Member: $34.95
CAT P016

Not subject to member discount.

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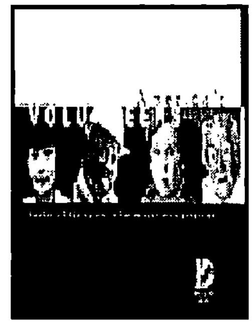
PUBLICATIONS

America's Volunteers



A concise profile of adult and teen volunteers, including why people give their time and the benefits volunteers receive from giving back to their communities. America's Volunteers draws from Giving and Volunteering study data to give suggestions for how organizations can measurably increase volunteering. A succinct, user-friendly profile of important information gathered from Independent Sector's research.

1997/6 pages
Price: Members: $3.50 Non-Member: $5.00
CAT P121

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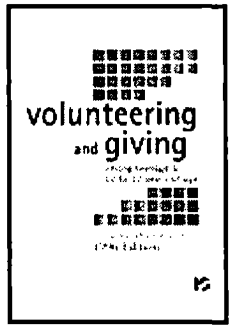
PUBLICATIONS

Volunteering and Giving Among American Teenagers



A detailed look at which young people are most involved in giving, why they volunteer, what they believe they gain from volunteering and giving, and what strategies work in motivating teens to volunteer. As a companion piece to the adult survey, Volunteering and Giving is an invaluable tool for the nonprofit and the scholar alike and an encouraging look at the youth of the 1990s.

1997/126 pages
Price: Members: $14.00 Non-Member: $20.00
CAT P115

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PUBLICATIONS

new!

America's Senior Volunteers

A profile of senior citizens who give their time as volunteers. This user-friendly publication summarizes the data collected about senior volunteers, including their attitudes, motivations, and activities. The booklet concludes with additional resources and suggestions for recruiting more senior volunteers. A must-have for every nonprofit or foundation working with the fastest-growing segment of America.

Price: Members: $3.50 Non-Member: $5.00
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PUBLICATIONS

new!

America's Teenage Volunteers

An easy-to-use summary of the data collected about teen volunteers, including their attitudes, motivations, and activities. America's Teenage Volunteers culminates in suggestions for how to involve more teenagers in community service. A must-have for every nonprofit or foundation working with youth or interested in future leadership.

1998/10 pages
Price: Members: $3.50 Non-Member: $5.00
CAT P145

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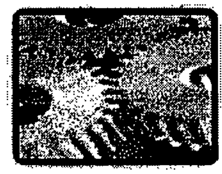
RESEARCH

INDEPENDENT SECTOR

INDEPENDENT SECTOR
Spring Research Forum 1999
March 25-26, 1999
Ramada Plaza Hotel
Alexandria, Virginia



Crossing the Borders: Collaboration & Competition Among Nonprofits, Business and Government

The 1999 Spring Research Forum will present some of the leading research and critical discussion available on one of the most complex issues facing philanthropy today-the blurring of the boundaries of the nonprofit, for-profit, public, and private sectors. The INDEPENDENT SECTOR biennial Spring Research Forum is unique because it brings together leading researchers, practitioners and other IS members who are searching for ways to use research findings in their everyday work. This combination of researchers and practitioners leads to an exciting and refreshing blend of perspectives. It will also be an opportunity for us to share with you our path-breaking research from the "Measures Project," which we believe is an important contribution to this debate.

See you March 25-26!

Susan Saxon-Harrold
Vice President for Research
INDEPENDENT SECTOR

Susan Saxon-Harrold

Online Registration!
About the Forum
Who Should Attend?
Highlights
Presenters
Schedule at a Glance
Conference Location

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RESEARCH

Facts and Figures

Two Great New Publications Available For Free!

These updates require the Adobe Acrobat Reader. Get this free tool by clicking the PDF button.

- America's Teenage Volunteers
  - To Purchase Printed Publication
- America's Senior Volunteers
  - To Purchase Printed Publication

1. An Overview of INDEPENDENT SECTOR's 1997 Nonprofit Almanac.
2. The State of the Independent Sector: Overview and Highlights
3. Giving and Volunteering in 1996: A Summary
4. Teen Volunteering and Giving: A Summary
5. Most Commonly Asked Questions
6. Public Attitudes Toward Charitable Organizations.

- Statistical Graphs and Tables
  - Household Contributions by Type of Charity
  - Volunteers: Number, Hours, and Dollar Value
  - Distribution of Volunteers and Assignments by Activity Area
  - Teens Who Were Asked to Volunteer in the Past Year and Their Actual Volunteer Behavior
  - Relationship Between Events Occurring in Teens' Childhood and Their Volunteer Behavior
  - Benefits Teens Gained From Their Volunteering
  - Percentage of Teen and Adult Volunteers by Characteristic
  - Levels of Confidence in Private Charitable Institutions
  - Average Household Giving in the United States
  - Household Contributions by Dollar Amount
  - Senior Citizen Volunteers

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RESEARCH

INDEPENDENT SECTOR

The Measures Project

The Measures Project is a new INDEPENDENT SECTOR initiative to measure the contributions, functions, and roles of not-for-profit organizations and religious congregations in the United States. The project will build on the efforts of IS researchers and several other scholars over the past decade to measure the size, scope, and dimensions of the nonprofit sector. These efforts have resulted in the development of national and international classification systems for the sector, measures of the size of employment, estimates of volunteer time, and a portrait of the sources and uses of financial resources and activities in the sector.

The Measures Project initiative will include a survey of one-thousand 501(c)(3) organizations and 350 religious congregations. The survey will elicit baseline information on the organization's mission and functions, financial information, and specific measures of contributions. A proposed future component of the Measures Project will survey individuals to measure how participation in nonprofit organizations and religious congregation affects their lives, be it through direct or indirect receipt of services, or participation in nonprofit or congregational activities.

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INDEPENDENT SECTOR

PUBLIC POLICY

Nationwide data on charitable contributions and income of nonitemizers.

State-by-state analysis of the impact of the Charitable Giving Relief Act is available from the Government Relations Department. Either email IS at joy@indepsec.org or call us at 202-467-6100 for a copy.

Chart 1: Regardless of income, the majority of U.S. taxpayers who can take the charitable deduction give to charities.

Chart 2: By extending the tax deduction for charitable contributions to nonitemizers, the Charitable Giving Relief Act would offer a new tax incentive that primarily benefits lower and middle income U.S. families.

Chart 3: The majority of U.S. taxpayers do not have a tax incentive to make charitable contributions because they do not itemize their tax returns.

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GLL need to make connectn — going to what alternative philanthropy — emergency funds in specific communities

♀ ♀ funds — several ♀ funds work w/ young girls & ♀ — not just wealthy — starting pools. Little ♀ Fund people starting endowments for young daughters
Boston ♀ Fund
Girls best friend
Third wave Foundation — started by young ♀ under 30
→ housed at Funding exchange

Native Focus on 1st gen of wealth — indiv donors
Our Reservation hotels — wants to move into a support system

— Model working in South
Southern Partners Fund — [illegible] assets to grassroots
Charity [illegible] [illegible] formed them

Disab. California Polar Spencer Fund — young people w/ disabilities — raise money themselves & decide how used
Disability Rights Associates — get money from court dec.

♀² People most affected are our Commu.

Mona We can identify using hers

GLL Smart ♀ Smart money workshops — educate lesbian community about phil.
♀ commu — a lot of donor circles —

Hisp Idea of tax break doesn't resonate in Hispanic comm.
It's personal -

Moira: Multicultural society - Asian Am comm. - give back to own comm.
Silicon valley - UC - look at social investment

Nahm: Emphasize the ♡ not just the head

Black: Like youth focus - S-L/CS -
Youth Advisory Councils of foundations
Gould fdn. does it
Kellogg, Council on Mich foundation 200 lesson plans for schools

Nahm: Family Foundation conf 2000 - planning camp
Philanthropy - parallel youth track - Karen Green at the Council on foundation

Moira: Kellogg + Ford + Packard Foundation Study
Interview people of wealth in spec. comm.
Cultures of Caring

♀ The Funding Exchange - late 70's early 80s -
Started by young people of wealth who were involved in activism of the 70s

— Robin Hood was Right book tells story of Funding exch.

♀ Impact Boston project - "more than money journal"
Focusing on communities of color now
did one on ♀

Satellite link - very [illegible]
video, report, discussion guide
Road show
Need to see selves reflected in corp.
Web cybercast

Suggest opening video

Transnational phil ♀, Hip

Conf. call w/ Joel Orosz + Chris Kwak

concern that tradition will be undermined
- family, church, schools don't learn (?)

Chris's initiative - learning to Read - ph in schools
Work at Salzburg Seminar - want to replicate nonprofit sector (formerly communist nations)

Bd report "Transmitting An Ethic of Service"
Trying to tap new wealth

Building a Pipeline of Service - service - 2
Common sense - penny drive
- [illegible] - [illegible] family foundation, comm. fund.
[illegible] - 5 [illegible] - long term, single [illegible]
Comm. of color
youth
Venture philanthropy

MEMORANDUM SEPTEMBER 20, 1999

TO: Rebecca Salay
Communications

FROM: Malcolm Richardson
White House Millennium Council

SUBJECT: VIDEO PROFILES

The following list identifies 10 outstanding individuals who might be featured as interview subjects in an introductory video designed for the White House Conference on Philanthropy next month. We will probably spotlight no more than 5 of these individuals, but I have listed more on the assumption that we will need a slightly broader pool in case potential interviewees turn down our request to film them or their schedules prevent our filming in time for our conference. We would appreciate your review so that we may allow our filmmakers to begin scheduling appointments as soon as possible. If you have questions, call me at 57105.

1. Matel "Mat" Dawson.
Detroit, Michigan
313/642-0019

Ford Motor Company forklift driver who has given over $1 million in the course of his life to provide scholarships and educational opportunities that he himself never enjoyed. Dawson continues to work in his 70s, lives in a modest house and invests his salary and savings solely to give to such causes as the United Negro College Fund, Wayne State University, and Louisiana State University.

2. Regina Jennings
Westover, West Virginia
304/296-6909
Also contact Karen Zeller of WVU media relations at 304/293-5520.

Custodian who earned only $10,000 when employed by the state university. Jennings too saved and invested her modest savings and donated the latter -- $93,000 – to the university law school where she worked. Ann Castle found this information for us.

3. Jean Fairfax
302 West Diana Avenue
Phoenix, AZ 85201
602/381-1400

A champion of community foundations and reaching into minority communities, Jean Fairfax is one of the leading African-American philanthropists. Approximately 70 years old, Fairfax is still an active figure in national efforts to promote philanthropy. Recommended by the Joint Affinity Groups as a possible speaker as well. Eloquent and articulate.

4. Myrian Arguello Bodner
   515 Hubbards Lane
   Louisville, KY. 40207
   502/895-6800

Mrs. Bodner typifies much of the country's "hidden" giving. When hurricanes and tropical storms devastated Nicaragua last year, she quickly organized a fund-raising and supplies drive among her neighbors and in the Central American immigrant community. She raised thousands of dollars from donors who probably will never claim these gifts on tax forms. Suggested by WHMC intern Olga Arguello, her niece.

5. Matthew Nonnemacher
   Hazelton, PA.

When eleven years old, Nonnemacher was inspired by the local United Way drive to challenge his family and friends and townsfolk to raise a million pennies. ($10,000). Sending letters, posting notices and collection jars in local stores and restaurants, he succeeded in raising nearly twice his goal. Recommended by United Way of America.

6. Katie Kurtz
   Chicago, IL.

This ten-year old girl began collecting household goods and toys and other items for distribution to the poor. The Kosovo crisis prompted her to raise both funds and goods for refugee relief, and soon she transformed her family's home into a collection point for thousands of dollars worth of aid. Hailed by Oprah Winfrey, she was recognized last year as one of "Oprah's Angels" where our interns found her story.

7. Gil Castellanos [Laura Castellanos= mother]
   Simply from the Heart
   PO Box 1081
   Elmhurst, IL 60126
   630/834-7732

Another enterprising youth, Castellanos was also moved by stories of refugee suffering and organized his fund-raising drive around Balkan relief. Castellanos, with help from his family – including his older sister and younger brother – and three other neighborhood kids, challenged the residents of Elmhurst to raise $1 per inhabitant or $40,000 for relief efforts. Recommended by the American Red Cross national headquarters.

LIZ ROBBINS ASSOCIATES
441 NEW JERSEY AVENUE, SE
WASHINGTON, DC 20003
(202)544-6093 PHONE (202)544-1465 FAX
robassoc@erols.com

DATE: September 23, 1999

TO: Melanne **FAX NUMBER: (202) 456-5340**

FROM: Liz Robbins **PAGE(S): 4**

Well, we tried—even got Paul's kids on our side. (They lobbied him too regarding the medal)—BUT—I DID get him to participate in the Philanthropy Conference. It was almost a harder sell—but we "traded up". "I assume my compensation is getting to go to the conference." GAWD knows the business of philanthropy is my life. On that subject, here's the *Journal of Philanthropy* article on tax changes to promote philanthropy. The ones *'d are the ones I got into Roth bill (pro-bono!). The circled is the one we need to get (more liberal even than here) to get the internet millionaire's money into the Nation's Philanthropy.

Attachment

Shirley -

Harman 622721

Name	Contact	Phone #	Address	Website	Info
Lutheran Brotherhood	Louise K. Thoreson	612-340-5890	625 Fourth Avenue Minneapolis, MN 55415		
Ford Foundation "Faith Based Development"	Fred Davie	(212)573-4618 (212)351-3677 (f)	320 East 43rd Street New York, NY 10017	www.fordfound.org/home.html	annual grants to programs encouraging or
Catholic Charities USA	Father Fred Kammer, President of Catholic Charities	(703) 549-1390 (703) 549-1656 (f)	1731 King Street, Suite 200, Alexandria, VA 22314	http://www.catholiccharitiesusa.org	
Presbyterian Christian Association	Randel Stair President	404-320-3303 404-679-5490 (f)	1852 Century Place, Suite 180 Atlanta, GA 30345		
Tzedekah Fund	Danny Siegel siegelz@aol.com	301-468-0060			Naomi Eisenberg Assistant 973-763-9396
Aid Association for Lutherans	Dana Tennie Corporate & External Relations	920-734-5721 800-225-5225	4321 North Ballard Road Appleton, WI 54919-0001		
American Bapist Churches USA	Barbra Jarrett Richard Schramn	610-768-2077	POB 851 Valley Forge, PA 19482-0851		www.abc-usa.org
Epistocal Church	Joyce Hogg	212-922-5129	815 2nd Avenue New York, NY 10017		
Unitarian Universalist Association	Marci Bailey Adams	617-742-2100 ext.511			

May 14, 1999

Mary Ellen—
Below is the list of names that Gail Pressberg forwarded to me in response to your request for names for your philanthropy discussions. You may have some of these already

Andrea Camp

Andrea–
The best person from Interfaith Funders is Randy Keesler. He is on the Board of Director; he is also a staff person for the Campaign for Human Development in Washington, DC. His work phone number is 202 541 3369. The Campaign for Human Development is part of the US Catholic Conference. They do excellent work in the area of community economic development and poverty.

Another person in the religious community is Jeffrey Dekro, the President of the Shefa Fund. He is based in Philadelphia (they are our partners in the $3 million dollar community loan fund we're working on in Philadelphia). His leadership on behalf of Shefa has helped the organized American Jewish community focus on justice issues and how they expend charitable dollars creatively in the United States. Last week a single $7 million gift was given to Shefa by a wealthy Jewish individual because of the justice questions, steeped in modern Jewish tradition, that Shefa has raised. Jeffrey's address is: The Shefa Fund, 805 East Willow Grove Avenue, Suite 2D, Wyndmoor, PA 19038. Phone is 215 247 9704 and 215 247 1115 , fax.

Another person is Daniel Solomon, a Jewish funder who is an heir to the Giant Food Supermarket. He is a Clinton/Gore supporter (worked as a political appointee in the Department of Labor). He is a very creative and very wealthy donor who does a lot of work in the American Jewish community. His phone number is 202 483 8017. His foundation's name is the Nehemiah Cohen Foundation.

If I think of others I'll let you know.

Regards, Gail

I The World

A. Professional

1 What are the most exciting things that are happening in your business?
2. How has the business world changed over the course of the last ten years? What does a business have to do differently to be successful?
3 What are the kind of management techniques that say to you—this is a well run business? What are two things you expect before you will invest in a business?
4. In terms of your own professional life, what gives you the most satisfaction?
5. If someone were to ask you how you have made a difference in your professional life, what would you say?

B. Personal Life

1. Outside of family—what are the elements of your personal life that give you the greatest satisfaction?
2. Here is a pie chart---tell me how your life looks in terms of the time you spend---work, family, sports/entertainment/personal time, community and charitable life.
   a. Where do you wish you had more time to spend?
   b. If you could make one change in your life, what would you say it is?
3. What has given you the most satisfaction within the past year?
4. It is now the year 2007—how will your pie chart be different?

C. Charitable and community activity

1. Which activities are you involved in?
2. How many total boards or activities are you involved with?
3. Compared to 10 years ago, would you say that you are more involved
4. Which one is most important to you?
5. Why did you join these activities—what was the motivation?
6. Has it lived up to expectation or fallen short?
   a. What is it that you have liked?
   b. In what way has it disappointed you?
   c. **What are the changes you would have made?**
7. Give me one resolution you have made to yourself before you will join
8. another activity?

D. Parents Generation

1. How is giving today different than 50 years ago?
2. What does today's young giver expect differently than the parent who gave back the?
3. How is the decision making different?
4. Is today's generation more or less involved with their charity? How is that different?

E. Perceptions of Non-profit sector

1. Help me write a definition of the non-profit sector. What defines the non-profit? Give me some examples.
2. What words do you associate with non-profits? Give me three words?
3. a. What are the best things you associates with non-profits?
4. Tell me the names of some the organization that you think have the biggest impact on society.
   a. what makes these organizations successful?

5. Let us suppose that you were to go into an office with a group of workers—no signs no markings, etc—how could you tell if this was a non-profit, or a business, or a government office? **What would be the telltale signs for a non-profit?**
   a. How would the workers look differently?
   b. What would be missing from a non-profit that you would find in an entrepreneurial profit business?
6. What if you were to teach a course to non-profits on how to operate?
7. What would you teach them? What are the major points you would stress?
8. What are the most important things that the non-profit world needs to learn from the profit world?
   Is there a model for a non-profit that does it well?
9. Is there a new generation of non-profits who better understand what the private sector is all about and handle their activities better?

II. Current philanthropy and investment practices and beliefs

A. QUOTES

1. Ok, now I'm going to read you some quotes. Tell me your initial reactions to what I am about to read.

   a) "I am interested in leveraging my wealth to change the world"
   b) "Don't ask me for money, ask me for my brain"
   c) It is my money, my time—I want to see an impact"
   d) When you write the check you get the power to change things"
   e) "People used to come to me and ask for money. I was astonished to see how much was spent on administration. I thought, I'd rather set up my own foundation."
   f) "I don't see the quality I am looking for in the NGO sector."
   g) "I don't have the time to find high quality organizations that really need my help."

2. Do any of those quotes reflect the way you sometimes feel? Which ones?
3. What parts of these quotes do you identify with?
4

B. **Philanthropic Scenarios**

It's December 1 and you discover $2 million in liquid assets that you would like to "invest" before the end of the year. You would like to allocate half of the funds to charity, and the remaining to earn a fair market return

PHILANTHROPIC ALLOCATION

1. Give me three things that go into how you are going to make a decision? What are the kinds of things that will be important?
2. Which of the following is of the most interest to you in deciding what to do with the $2 million? What factors would influence your decision?

   a. A well run charity / educational institution like the Red Cross, A University etc.
   b. A for-profit venture that designs web pages for Fortune 500 companies, employing and training young adults from the inner-city. Given its high labor costs and overriding social mission, this venture does not anticipate substantial return in the near-term.
   c. A literacy program for pre-school aged children that has demonstrated impact and plans to grow to 50 communities in the next several years.

3. How would you use your money?

    a. What is the criterion? What would be the things you would look at?
    b. What kinds of questions would you want to have answered?
    c. What would be your major concerns?
    d. If you were investing in the Literacy program—what would your expectations be? **How would they be different for the for profit venture program? What would you expect?**

4. Which of these ideas sounds the most appealing? What is it that sounds good to you?
5. What would be your hope or expectation from the organization that you choose? Would you want to play a part in the organization?

    a. How involved would you like to be? Would you sit on a board, provided management assistance, involve family in community service activities, network with investors, receive information about performance of the organization?
    b. What extent of involvement or engagement is too much or is a turn-off?

C. INVESTMENT ALLOCATION

1. For the investment allocation, which of the following is of the most interest to you? What factors would influence you decision?
    a. Special start-up rival to Starbucks that will start in New England and then go national
    b. A for-profit venture that designees web pages for Fortune 500 companies, employing and training young adults from the inner-city Given its high labor costs and overriding social mission, this venture does not anticipate substantial return in the near-term.
    c. A for-profit venture that provides after-school tutoring (e.g. Sylvan Learning Systems) that has demonstrated impact and plans to grow to 50 cities in the next several years.

2. How would you use your money?
    a. What is the criterion? What would be the things you would look at?
    b. What kinds of questions would you want to have answered?
    c. What would be your major concerns?
    d. If you were investing in the Literacy program—what would your expectations be? **How would they be different for the for profit venture program? What would you expect?**

4. Which of these ideas sounds the most appealing? What is it that sounds good to you?
5. What would be your hope or expectation from the organization that you choose? Would you want to play a part in the organization?
    a. How involved would you like to be? Would you sit on a board, provided management assistance, involve family in community service activities, network with investors, receive information about performance of the organization?
    b. What extent of involvement or engagement is too much or is a turn-off?

6 What kind of return would you expect from your investment?
7. **Do you think differently about philanthropic and investment decisions? Why?**

III. Testing the New Profit Inc. Model

A. I know a group that wants to link a certain kind of investor to entrepreneurial organizations both for-profit and non-profit and function like a venture capital firm.

1. What would be your reactions? What would you think about such a group? How appealing with this be?
2. What are the best things about such an idea?
3. What recommendations do you have for a group like this to get started?
   a. What are some common pitfalls they should watch out for?

4. This group will be looking to invest in some different kinds of non-profits, and special for profit companies—give them some advice as investors?
5. What should they look for? What should they avoid?
6. What would be your greatest concern or uncertainty about such an organization?

B. Investing in such an organization

1. If a friend came to you and was looking for your advice—he says "this sounds like a good thing—do you think I should invest?
2. What questions should he check out before investing? What would your biggest concern be?
3. Do you think this would work?
4. What should the portfolio look like?
5. If you were to invest money in a group like this, what level of involvement would you like?
   a. What level of accountability would you like?
6.. What do you like about investing through a third party? How is it better than investing directly? What do you dislike?
7. What value added would you expect from this investment firm?
8. What is the market place for an idea like this?
   a. Who would a firm like this be competing with?
   b. Who would be their allies?

9. What are the biggest challenges a new company like this faces?
   a. How would you recommend overcoming these challenges?

C. HANDOUT #1 (DESCRIPTION OF NEW PROFIT INC.)

1. What is your overall reaction? What are the best things about it?
2. What kinds of things really hit home?
3. what made you feel as though it was not so good? What are the things that gave you concern?
4. Is this different from other things you have seen?
5. What would make an entrepreneur say—these people are on to something?

1. Do you think an idea like this could work?
2. What would it need to succeed?
3. Is it possible to include some innovative for profits that are having a hard time getting capital because of their social mission?
4. From your experience what do you think social enterprises and social entrepreneurs need the most help with?

cc: Bruce Post
Eric Liu
Michael Barr
Jerry Austin
Melanne
Shirley
Mary Ellen

THE CHRONICLE OF PHILANTHROPY
MANAGING

From the issue dated Thursday, August 12, 1999

Charity: a Campaign Front-Runner

By JENNIFER MOORE and GRANT WILLIAMS

Charity issues have become a hot topic among Presidential hopefuls staking out their positions for the 2000 campaign.

ALSO SEE:

Lamar Alexander, Republican

Bill Bradley, Democrat

George W. Bush, Republican

Elizabeth Dole, Republican

Al Gore, Democrat

Dan Quayle, Republican

Contenders from both major political parties have been promoting a variety of strategies that all share a common goal: to find ways for the government to do more to help non-profit groups -- especially those with religious ties -- carry out their charitable missions.

The convergence of opinion marks a departure from previous Presidential campaigns in which candidates tended to split down party lines, with Democrats arguing that government had the primary responsibility for providing social services and Republicans insisting that government should simply get out of the way of private groups.

"The public knows that the sort of Great Society solutions have failed," says Arianna Huffington, a political commentator who has been involved in numerous efforts to promote charitable giving. "But the public knows that just saying that the private sector will take care of everything is an illusion: It has not been borne out."

Such a view is being echoed by the Presidential contenders in their campaign speeches. Some observers also expect the theme to become a major topic of debate in next year's Congressional, state, and local elections.

Among the proposals being touted in the race for the White House:

Aid for faith-based groups. Gov. George W. Bush, Republican of Texas, and Vice-President Al Gore, a Democrat, have each endorsed steps to make it easier for groups with religious affiliations to qualify for federal money to finance their social-service work. Both have noted that, in the past, charities that have received government aid have been forced to compromise the religious flavor of their programs. They say they want to insure that this is not the case for future grant recipients. Other candidates who have said that so-called faith-based organizations can provide effective solutions to social problems include Republicans Lamar Alexander, former Governor of Tennessee and former U.S. Secretary of Education; Elizabeth Dole, former president of the American Red Cross and former U.S. Secretary of Transportation and of Labor; and former U.S. Senator and Vice-President Dan Quayle.

State charity tax credits. Governor Bush has recommended allowing states to use federal money to create tax credits that would make it more attractive for their residents to give to religious and other non-profit organizations that fight poverty. Each state would be able to design the credit as it chose, but Mr. Bush has said he would like individuals and companies to be able to give some of the money that they would pay in state taxes to antipoverty groups instead.

New federal charity tax deductions. Governor Bush and Mr. Alexander both say they would support a change in the federal tax code that would allow people who do not itemize to claim a charitable deduction for their donations. Mr. Alexander is also seeking an expanded tax deduction aimed at encouraging Americans to increase their charitable giving from an average of 2 per cent of their incomes to 5 per cent -- what he calls a "half tithe." Under his proposal, taxpayers would receive a double charitable deduction for all gifts that exceed 5 per cent of their incomes.

An Oval Office appeal for charities. Many of the candidates promise to use the Presidency to encourage Americans to dig deeper into their pockets. For example, Mrs. Dole, who herself has had to raise charitable donations as head of the American Red Cross, says she would "use the White House as a bully pulpit to encourage people of all ages to give their time and resources to help others." Democrat Bill Bradley, former U.S. Senator from New Jersey, has also emphasized his desire to urge people to volunteer and donate to charities.

The large number of charity proposals is a sign that "these ideas have moved into the mainstream of political thinking in this country," says Thomas E. Mann, a scholar at the Brookings Institution, in Washington.

The transformation of the nation's welfare system is a big reason for the new focus on non-profit groups. While political leaders had high expectations for what charities could do to help the poor cope with the changes, many candidates now say they realize that non-profit groups need more help if they are to play a significant role in moving people from welfare to work.

Other forces behind the current emphasis on charity include growing public awareness of the widening disparities between rich and poor -- which has raised the profile of antipoverty services. Recent outbreaks of violence, such as the shootings at a high school in Littleton, Colo., have also led to warnings about the breakdown of civility in society.

Marvin Olasky, a senior fellow of the Acton Institute for the Study of Religion and Liberty who informally advises Governor Bush's campaign, believes that the key voters in next year's election will be those he terms "seeker moms and dads" -- a play on the term "soccer moms," which described swing voters in 1996. Mr. Olasky says "seeker voters" are hungry for leadership on such tough issues as poverty, the nature of society, and spirituality.

Others agree that charity-related policies make good politics.

In a recent column in *The Hill*, a newspaper that covers Congress, Dick Morris, former political consultant to President Clinton, urged candidates to boldly solicit the votes of supporters of non-profit groups by endorsing a charitable-tax credit to replace the current, less-generous tax deduction. "Politically, the Democrats own the public sector and the Republicans control the private sector," he wrote. "But the voluntary sector is up for grabs."

Some observers say charity issues may also play well with other blocs of voters, such as people in their 20s, who in polls reveal greater interest in community activism and non-profit work than do people in other age groups. Policies that promote faith-based groups may also help candidates court black voters, some political observers say, since studies have shown that the churches most interested in getting government aid for social services tend to be located in the inner city and serve predominantly black congregations.

Of all of the candidates, Governor Bush has set out the most-specific charity proposals to date. In his first major policy address as a Presidential contender, during his visit to an Indianapolis church last month, Mr. Bush outlined a dozen ideas for tax credits and other incentives worth $8-billion to support charities.

Mr. Bush said he wants to "encourage an outpouring of giving in America" by passing an array of laws to give individuals and corporations more tax incentives to make charitable gifts, and to get more government money to private institutions, especially faith-based groups. He would also name an advocate for "faith-based action" who would report directly to him "to insure that charities are not secularized or slighted."

The Texas Governor made clear that he thinks government should actively help non-profit organizations -- not just "get out of the way" of peoples' lives. "It is not enough for conservatives like me to praise [charities'] efforts," he said. "It is not enough to call for volunteerism.

Without more support and resources -- both private and public -- we are asking the armies of compassion to make bricks without straw."

Mr. Bush added: "Government cannot be replaced by charities -- but it can welcome them as partners and not resent them as rivals."

Meanwhile, Vice-President Gore, in a move that surprised liberals in his party, made a speech in May that promised a "new partnership" between government and religious organizations (*The Chronicle,* June 3). He said he wants to expand the pool of federal-grant and corporate-giving programs that are open to churches, synagogues, mosques, and other religious groups that provide social services.

"These groups nationwide have shown a muscular commitment to facing down poverty, drug addiction, domestic violence, and homelessness," said Mr. Gore. "I would like to propose concrete actions to clear bureaucratic hurdles out of the way of these good men and women who are helping to solve our problems."

Most non-profit leaders say the recent attention from politicians is welcome, if somewhat overdue.

"The fact that Presidential candidates see the non-profit sector as one that is doing stuff important enough to be debated and argued over is a key indicator of the worth and value this sector now adds to the national debate," says Bill Shore, founder of Share Our Strength, a Washington organization that fights hunger and poverty, and a former aide to two Democratic Senators.

Many charity officials, however, remain skeptical about whether the rhetoric will really translate into concrete federal policies.

"I don't think we're past the photo-opportunity stage yet," says Fred Grandy, president of Goodwill Industries International and a former Republican Congressman from Iowa.

Candidates for the 2000 Presidential race have certainly seen the value of using charities and churches as backdrops for their campaign appearances.

Governor Bush unveiled his major proposals on charity issues at a gathering of the Front Porch Alliance, a group of Indianapolis government, religious, and neighborhood leaders. Vice-President Gore gave his address about faith-based groups at the Salvation Army of Atlanta.

Robbie Callaway, senior vice-president of government relations for the national office of Boys & Girls Clubs of America, says that Mr. Bush, Mr. Gore, and Mr. Bradley have collectively made far more campaign stops at local Boys & Girls Clubs than did contenders in previous elections.

"Smart, viable candidates have recognized that charities have been active players in welfare reform, in helping communities," says Mr. Callaway. "They see there's something going on here."

Mr. Callaway says that while his group's local clubs don't actively seek the campaign stops, the appearances carry major benefits: Politicians get a firsthand look at the work of grassroots groups, and kids get the chance to be involved in the national political process.

Charity leaders are divided when it comes to evaluating the messages delivered during those stops.

One of the most contentious issues has been whether government should make it easier for faith-based groups to receive federal money. Some non-profit groups say they are alarmed by such talk, cautioning that the plans may violate the constitutional separation of church and state. But others hail the ideas, saying they exemplify the creative approaches needed to tackle deeply rooted problems.

Some non-profit officials are also concerned that some charity-related proposals may ultimately allow the federal government to shirk its responsibilities.

"It's nice to be talked about, but I think we also have to hear all of this with a certain amount of fear and trembling," says Gordon A. Raley, president of the National Assembly of National Voluntary Health & Social Welfare Organizations, which represents 58 major charities.

Mr. Raley says that if the candidates' charity proposals are driven by a desire to "help non-profits partner with government to achieve goals that both share, then we need to applaud those efforts."

But, he adds, "if what they're talking about is carrying devolution to another, lower level -- passing responsibility for the public welfare not to state or local governments but entirely to charities, without being really careful about making sure that that's the right or possible thing to do -- then we run considerable risks."

Another concern is that the spotlight on charity could have harmful side effects. For example, some organizations worry that tax proposals that favor antipoverty groups over other types of charities could wind up hurting groups that focus on the arts, the environment, education, or other causes.

One candidate, however, has rethought an earlier proposal that would have given preferential treatment to antipoverty organizations. During his 1996 Presidential bid, Mr. Alexander proposed a charity tax credit that would have applied only to gifts to non-profit groups that provide direct services to the poor. But this time he is promoting a plan to give donors a double deduction on their federal income taxes for any amount they give to charity that exceeds 5 per cent of their incomes.

"While one of the problems with charitable giving is that most charity doesn't go to the poor," Mr. Alexander said in an interview, "it would be too complicated, and there would be too many end runs, if the government tried to narrow the definition of what a charity is."

Mr. Alexander says his view has been shaped in large part by his experience as head of the National Commission on Philanthropy and Civic Renewal, which was financed by the Lynde and Harry Bradley Foundation, in Milwaukee. That commission issued a report in 1997 with specific recommendations for how charities and foundations, as well as government and businesses, could better work together to improve society.

Perhaps just as important as what the candidates say about charities now are the issues the contenders avoid.

For example, Mr. Mann of the Brookings Institution says a big issue that deserves more attention is how to handle the continued explosion in foundation assets that stem from a soaring stock market and newly minted family funds formed by high-technology millionaires. Some observers have recommended increasing the minimum amount that foundations must pay out each year to charities, an idea that many foundations say is not needed.

"It will be very interesting to see whether any of the candidates bite" on the controversial topic, he says. "Right now they probably won't because candidates want everyone in the non-profit sector to feel warm and fuzzy toward them."

Many candidates also have yet to define their views on thorny issues that are important to people in philanthropy but do not deal directly with non-profit groups.

"The candidates have to have a consistent philosophy that puts those left behind first," says Ms. Huffington. "You cannot justify cutting the estate tax before you cut the payroll tax. In the same way, you cannot justify cutting welfare and not cutting corporate welfare."

Many political experts say they believe that the interest in charity issues is so strong that it won't be just a part of Presidential politics, but will also play an important role in races for Congress and the statehouses, and even for city and county offices.

Indianapolis Mayor Stephen Goldsmith, an adviser to Governor Bush, says he has received numerous inquiries from candidates at all levels who are interested in learning more about his city's Front Porch

Alliance. The coalition, which Mr. Bush praised in his speech last month, has brought government and churches to work on community policing, park renovation, and many other projects to improve the city.

"Combined with the attention generated by the Presidential campaigns, these issues will be predominant themes for the next year or two's worth of elections," says Mr. Goldsmith. "The closer you are to people, the more important these issues become."

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

APCO ASSOCIATES INC.

Public Affairs and Strategic Communications
1615 L Street, NW, Suite 900
Washington, D.C. 20036

Date: 8/9/99

TELECOPY TRANSMISSION SHEET
We Are Sending 14 Pages
(Including This Cover Sheet)

3:30 meeting

TO: Mary Ellen McGuire

FROM: Nancy Murphy

COMMENTS:

Attached are background materials on Jay Hair, his company, Greatergood.com, and a copy of the letter I had delivered to Malcolm today. The letter outlines Greatergood.com's sponsorship interest as well as other thoughts for the upcoming conference on philanthropy. Please call me at 202-778-2006 if you have any questions. Thanks so much for all of your help in scheduling this meeting!!

Number for our fax machine -- (202) 466-6002

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APCO ASSOCIATES INC.

Public Affairs and Strategic Communications

August 9, 1999

Mr. Malcolm Richardson
White House Millennium Council
708 Jackson Place, NW
Washington, DC 20503

Dear Mr. Richardson:

As I mentioned to you over the phone, APCO is very excited about the upcoming White House philanthropy conference and is thankful for the opportunity to suggest ways in which some of our clients might participate. In this letter I have outlined specific ways APCO and our clients may assist with the event. I also have enclosed the background materials you requested on Greatergood.com, our firm and key staff.

Sponsorship Interest

As we discussed previously, one client in particular, Greatergood.com, is especially interested in supporting and participating in the event. They have agreed to provide $25,000 for the event, with the hopes of underwriting a roundtable discussion on Internet giving. More details about this suggested roundtable are outlined below. Greatergood.com also has agreed to sponsor the cybercasting of the event with the understanding that viewing would be exclusive to their Web site and the White House site.

As you know, we also work with the Gates Foundation and we are recommending to them that they make a grant to either United Way of America or American Red Cross to support the convening of local forums and local satellite downlink during the White House event. If possible, we would like an opportunity for William Gates, Sr., or one of the Foundation staff to speak at the conference.

Social Venture Partners (SVP) Participation

Laury Bryant, my colleague in Seattle and member of SVP, contacted both Paul Brainerd and Paul Shoemaker regarding their interest in the conference. Paul Brainerd has a full travel schedule for the month of October, but will be on the East Coast on October 21 and is willing to come to Washington, D.C., for the event should you invite him to participate. He would need to return to Seattle on a 4:55 p.m. flight out of Dulles on the 22nd. Laury also suggested Scott Oki as a potential speaker on the venture philanthropy topic. Mr. Oki is the co-founder of SVP and serves on the board of United Way of America. His career spanned a decade at Microsoft where he was Senior Vice President of Sales. He recently started the Oki Foundation which funds youth programming in the Seattle area. Laury can help with outreach to either of these gentlemen if you decide you would like their participation.

Issue Area Roundtables

In addition to venture philanthropy, we identified a few other trends in philanthropy and suggest roundtable discussions on each might be a good format that could produce useful recommendations or issue papers for the field. The trends are:

- e-philanthropy or giving via the Internet;
- youth as grantmakers;
- cause branding partnerships between corporations and nonprofit organizations; and
- the role and responsibility of foundations in policymaking.

If appropriate, we could suggest participants for each roundtable.

As I mentioned above, Greatergood.com is particularly interested in convening a roundtable on the e-philanthropy topic. They have some recommendations for nonprofit and corporate representatives they think would add value to the conversation. Those recommendations include:

- Marian Wright Edelman, who has previously expressed an interest in Internet giving;
- Tim Shriver, Chief Executive Officer, Special Olympics;
- William Massey, President, National Charities Information Bureau; and
- Paulette Maehara, president and CEO of the National Society of Fund Raising Executives.

Given space and participation constraints at the White House, I have outlined below three possible scenarios for the roundtable discussions, particularly the discussion on e-philanthropy.

1. Roundtable discussions take place **during the event and at the White House**: Following remarks by President and Mrs. Clinton, **break participants into discussion groups**. If adequate time is available for the discussion, groups would be tasked with identifying key issues and themes on the particular topic and developing recommendations for addressing each. On the e-philanthropy topic there is a great need for standards on Internet giving. Time permitting, the group could draft such standards, or at least identify key areas for future discussion.

2. **Single speaker** or brief discussion at White House event: The speaker would identify issues or discussion points to be addressed in a **follow-up forum in Seattle or DC**. The follow-up forum would allow participants to delve much deeper into the issues **resulting in a product**, such as standards for Internet giving.

3. The **issue of e-philanthropy is mentioned** during the White House event, perhaps in the President's speech, but **no discussion** takes place at the event: Instead of convening a roundtable at the White House event, the **simultaneous local gathering in Seattle focuses on the topic** and uses that topic as the break-away time discussion. This scenario could still produce recommendations for standards, *etc.*, but could likely involve a broader audience in the discussion.

Obviously, our client's preference is to be able to participate in the White House event and to have the issue of e-philanthropy raised as a major topic for discussion. They are, however, aware of space constraints and are willing to pursue other options as needed.

Thank you again for the opportunity to submit these recommendations. I will call you in the next couple of days to answer any questions and to discuss the details of Greatergood.com's sponsorship offer. In the meantime, you can reach me at 202-778-2006 or via e-mail at nmurphy@apcoassoc.com.

Sincerely,

Nancy Murphy

Nancy Murphy

CC: Shirley Sagawa

Enclosures

GreaterGood.com

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www.greatergood.com

Dr. Jay D. Hair
Executive Vice President for Business Development
Biographical Summary

One of the most prominent environmental activists in the world, Dr. Jay D. Hair has more than 25 years of experience as a spokesperson and fundraiser for conservation organizations. Dr. Hair currently serves as executive vice president for business development for GreaterGood.com, a cause-related e-commerce company that is helping nonprofit organizations tap into the revenue generating power of the fast-growing online shopping market. GreaterGood.com builds, markets, and manages online shopping villages on behalf of their nonprofit partners, directing 5% or more of all purchases to nonprofit causes.

Before joining GreaterGood.com, Dr. Hair held one of the most prominent environmental leadership positions in the world: from 1981 to 1995 he served as President and Chief Executive Officer of the National Wildlife Federation (NWF). With more than 5 million members and supporters, NWF is the largest private environmental organization in the world. Under Dr. Hair's leadership, the National Wildlife Federation's direct marketing program raised more than $1.3 billion in support of its conservation programs and grew its direct mail business from less than $20 million to over $100 million in sales. During his tenure with NWF, former United States Senate Majority Leader George Mitchell identified Dr. Hair as "the most respected member of the nation's environmental community."

Dr. Hair has served on several Boards of Directors and governmental commissions, including the President's Council on Sustainable Development, the National Public Lands Council and the Investment Policy Committee to the US Trade Representative. Dr. Hair has been recognized with several awards for his leadership, including the 1990 United Nations Award for Responsible Global Environmental Leadership and the establishment of the "Jay D. Hair Conservation Education Center" at NWF's headquarters.

Over the years, Dr. Hair has testified before the United States Congressional committees to urge passage of responsible environmental and natural resources legislation. His opinion is frequently sought by journalists from major television networks and newspapers writing on the environmental news of the day. He has addressed a wide range of audiences including business groups, professional associations, environmental organizations, and university gatherings. His writing has appeared in numerous publications such as *The New York Times, The Washington Post, The Los Angeles Times, and The Seattle Times.*

Dr. Hair holds a Ph.D. in zoology from the University of Alberta, Canada and received his M.S. in zoology and a B.S. in biology from Clemson University. He lives in Seattle with his wife, Leah, and their family.

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Dr. Jay D. Hair
Executive Vice President of Business Development
Affiliations and Recognition

Professional Affiliations (Abbreviated listing)

American Association for the Advancement of Science
American Fisheries Society
American Forestry Association (Life Member)
American Society of Association Executives
Ecological Society of America
National Wildlife Federation (Life Member)
Society of American Foresters
The Nature Conservancy
The Wildlife Society (Certified Wildlife Scientist)

Offices and Membership (Selected Recent/Current Involvement)

- Academy of Management
- Environmental Media Association; Board of Advisors
- Environmental Protection Agency (USA); Biotechnology Science Advisory Committee
- Global Tomorrow Coalition; Board of Directors
- North American Free Trade Agreement (NAFTA) Commission
- President's Council on Sustainable Development (PCSD); Charter Member (U.S. Presidential Appointee)
- PCSD's Pacific Northwest Council on Sustainable Development; Co-Chair
- The Riggs National Bank of Washington, D.C.; Member, Board of Directors
- The Windstar Foundation; Chair, Board of Trustees
- Global Partnerships; Board of Directors
- Environmental Diplomacy Institute; Chairman
- World Resources Institute; Senior Fellow

Awards/Recognition (Selected)

1977	South Carolina "Conservationist of the Year"
1980	North Carolina "Conservationist of the Year"
1981-82	International Men of Achievement (Cambridge, England, 8th & 9th Editions)
1982-98	Who's Who in America
1983	North Carolina Governor's Award for Distinguished Public Service
1988	Environmental Educator of the Year, Ball State University
1990	Doctor of Human Letters (Honorary Degree), Ripon College, Ripon, Wisconsin
1990	Doctor of Human Ecology (Honorary Degree), Unity College, Unity, Maine
1996	President – Emeritus, National Wildlife Federation, Washington, D.C.

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Company Background

Overview

GreaterGood.com is the nation's largest cause-focused e-commerce company that builds, co-markets, and manages online shopping villages for not-for-profit organizations. By harnessing the revenue generating power of the Internet, GreaterGood.com supports its partner organizations by opening new revenue streams that effectively capitalize on the rapidly-expanding $51 billion e-commerce market. GreaterGood.com provides not-for-profit organizations with a way to cost-effectively expand their donor base while extending the giving season into a low-cost, year-round, and universally accessible endeavor.

GreaterGood.com predicts that by the year 2002, 80 percent of online purchases will include a charitable giving component, and the company intends to drive the broad adoption of this trend. GreaterGood.com is leading this charge by combining a seasoned executive management team, proven technology, aggressive online and offline co-marketing programs, and leading Internet leading retailers such as Amazon.com®, JCPenney®, OfficeMax.com, 1-800-FLOWERS™, beyond.com™, jcrew.com, and drugstore.com™.

Market

With online sales expected to reach $920 billion by 2002 (source: Forrester Research, 1999), GreaterGood.com is committed to adding a charitable giving quotient to the age-old shopping criteria of quality, convenience, value, and service. To accomplish this goal, GreaterGood.com has created an efficient way for the 130 million American consumers who, if quality and price are equivalent, would be likely to switch to a brand or retailer that is associated with a reputable charitable cause (source: 1999 Cone/Roper Cause Related Trends Report). Currently, 75 percent of Americans donate money to charitable causes and by tying it to the convenience of online shopping, GreaterGood.com is helping convert the exploding number of online shoppers into online givers.

Customized Shopping Villages

The online shopping villages that GreaterGood.com builds and hosts for its participating not-for-profit partners are customized, branded with the not-for-profit's name and linked from the not-for-profit's own home page. Whenever a supporter buys an item through stores in a not-for-profit's online shopping village, 5 percent or more of the purchase price automatically benefits that organization. In addition, the village showcases gifts and merchandise from the retailers that may be of special interest to the organization's supporters.

-more-

The Central Shopping Village

GreaterGood.com also operates a central site, www.GreaterGood.com, where consumers can learn about the company's not-for-profit partners, shop online and direct 5 percent or more of the proceeds to a GreaterGood.com partner organization or to their favorite charity. The site also features news from not-for-profit partners, links to their Web sites, marketing tools for its not-for-profit partners, and a soon-to-be-released forum for exchanging messages on subjects of interest to the not-for-profit community.

Not-for-Profit Partners

GreaterGood.com's major not-for-profit partners represent a combined constituency of more than 15 million consumers who can now support their favorite cause through shopping online – at no additional cost. These organizations include Big Brothers Big Sisters of America, Defenders of Wildlife, Discovery Institute, Elizabeth Glaser Pediatric AIDS Foundation, The Humane Society of the United States, Mothers Against Violence in America (MAVIA), National Federation of the Blind, National Parks & Conservation Association, Natural Resources Defense Council, The Nature Conservancy, Rails to Trails Conservancy, Save the Children, Share Our Strength, Special Olympics, The Wilderness Society, World Wildlife Fund, and Wildlife Habitat Council. In June 1999, the company added the ability to allow IRS-registered 501(c)3 not-for-profits of any size or location to apply online to participate in GreaterGood.com's custom shopping village fundraising program. More than 150 organizations, representing 3 million supporters, have applied.

Not-for-Profit Partner Benefits

GreaterGood.com invests the up-front capital, development expertise, and human resources necessary to create, promote, and maintain the online shopping villages. GreaterGood.com also guarantees that at least 5 percent of all purchases will be paid to the participating organizations. Such an agreement enables not-for-profit organizations to develop sustainable revenues at a fraction of the expense of traditional fundraising initiatives, and provides a sustainable means to draw upon a renewable reservoir of online shopping dollars. Several non-monetary rewards also result from the GreaterGood.com program, such as increased site traffic, access to a new pool of potential donors and aggregated demographic information about site registrants. Furthermore, GreaterGood.com helps its not-for-profit partners increase support from loyal members and contributors by helping these donors give, at no extra cost, by shopping at the organizations' sites for things they are already buying online.

The Company

GreaterGood.com is a Seattle-based company that was founded and originally financed by the Madrona Investment Group, a private investment firm specializing in Internet and telecommunication company investments. The company now is backed by $4.5 million in venture capital investment from the Madrona Investment Group, ARCH Venture Partners and Olympic Venture Partners. It recently announced an agreement to sell a 25% stake to Marketing Services Group, Inc. (NASDAQ: MSGI) for an undisclosed sum. GreaterGood.com also operates a subsidiary, YourSchoolShop.com, where more than 300 customized school sites are generating much-needed supplementary funding for K-12 schools across the U.S. GreaterGood.com can be contacted by calling (888) 509-7676, or by visiting their Web site at www.greatergood.com.

GreaterGood.com

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FOR IMMEDIATE RELEASE
June 9, 1999
Contact: Jennifer DeJoy, APCO Associates
206-652-1992
jdejoy@apcoassoc.com

GreaterGood.com launches easy and free online shopping village enrollment program for not-for-profits

--5% or more of all purchases benefit the charity's own cause--

Seattle – June 9, 1999 – GreaterGood.com, the leading cause-related e-commerce company, today announced a new online enrollment program for 501(c)3 not-for-profit (NFP) organizations. Now, charitable organizations of any size may apply online for a free customized shopping village to be integrated into their own Web site, where 5 percent or more of every purchase is automatically directed to their cause.

"GreaterGood.com provides an easy way for a nonprofit to benefit from the shopping people are already doing online," said Pamela Eakes, president and founder of Mothers Against Violence in America (MAVIA), a grassroots nonprofit, non-partisan organization dedicated to reducing violence by and against children through preventive education and advocacy. "We are excited to launch this new endeavor, and to give our supporters another way to give to the cause of preventing violence in America." MAVIA was the first organization to complete the online enrollment process.

GreaterGood.com launched its cause-related e-commerce program in February with 15 national NFP partners including Save the Children, Special Olympics, the Humane Society of the United States, The Nature Conservancy and World Wildlife Fund. These sites are already benefiting from the GreaterGood.com program, turning everyday online shopping into new, sustainable revenue streams for their charitable institutions. Now, local, national, small and large NFPs can sign themselves up for this new, no-cost source of funds through the enrollment program.

-more-

"The words 'no-risk,' and 'free' are unheard of in traditional fundraising, but the Internet has changed that," said Dr. Jay D. Hair, executive vice president of business development for GreaterGood.com. "We've received hundreds of inquiries from NFPs interested in participating in this program because the model is simple, and the potential impact is enormous."

Socially Conscious Shopping Benefits Charities

A button on the NFP organization's homepage accesses the customized shopping village. When one of the organization's supporters clicks on this button, they have their choice of shopping in any of the 33 brand-name stores, such as Amazon.com™, OfficeMax.com, 1-800-FLOWERS™, eToys®, jcrew.com and Orvis®. By shopping online in this growing shopping village, socially conscious shoppers can buy things they are already buying everyday and have at least 5 percent of every purchase benefit their favorite charitable cause.

Online Enrollment Process Is Straightforward

To verify the legitimate interest and nonprofit status of online enrollees, interested NFPs fill out a brief application online. GreaterGood.com then verifies the applicant's 501(c)3 status and forwards an agreement spelling out the details of the program. Once the agreement is signed, the organization receives access to a selection of shopping village buttons to choose from for their home page, as well as an online marketing tool kit which includes template press materials, mailers, ads, newsletter copy, direct mail letters and more. Approximately 30 days after receipt of the signed agreement, the NFP's own shopping village goes live, and an organization can begin to see revenues 30 days after the close of the next calendar quarter. Enrollment in the program, set up, maintenance and remittance of proceeds from the online shopping village are provided to NFPs by GreaterGood.com free of charge.

About GreaterGood.com

GreaterGood.com is a cause-related e-commerce company that helps NFP organizations tap into the year-round revenue potential of the fast-growing online shopping market. Based in Seattle, the company generates sustainable new sources of revenue for its not-for profit partners through building, marketing and managing e-commerce "shopping villages" that link from the NFPs' homepages and are branded with each not-for-profit's own name and graphic identity. The company is committed to adding a charitable giving quotient to the standard online shopping criteria of quality, convenience and service, co-marketing with its partners via the Internet as a means to increase membership and other bases of support. For more information, visit GreaterGood.com at www.GreaterGood.com, or call 888-509-7676.

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FOR IMMEDIATE RELEASE
February 22, 1999
Contact: Jennifer DeJoy, APCO Associates
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GreaterGood.com to help not-for-profit organizations harness revenue power of Internet through custom online shopping sites

New Seattle Internet company working with premier not-for-profit partners to turn giving into a year-round phenomenon

Seattle – February 22, 1999 – With analysts projecting the e-commerce market to reach retail sales of $920 billion by the year 2002, Seattle-based company GreaterGood.com announced today they are working with some of the nation's leading not-for-profits to turn a portion of that gold rush into new, sustainable revenue streams for all charitable institutions.

GreaterGood.com made the announcement in concert with Special Olympics, one of its fifteen lead not-for-profit partners.

GreaterGood.com distinguishes itself by creating custom online shopping villages for its partners

The partnership with Special Olympics showcases GreaterGood.com's ability to create custom online "shopping villages" for all of its not-for-profit partners, with five percent or more of sales going directly to the not-for-profits at no extra cost to the consumer, or to the not-for-profit organization. For example, when a Special Olympics web visitor visits the web site (www.specialolympics.org) they can enter the customized shopping village and make purchases from such leading online retailers as Amazon.com, eToys, 1-800-FLOWERS, and more, and at least five percent of the proceeds of the purchase will automatically return to Special Olympics. Supporters pay exactly the same price they would if they went to the Internet retailers directly.

"We chose to partner with GreaterGood.com because their program is the only one that invests in helping us build our brand online," said Dr. Tim Shriver, executive director of the Special Olympics, a year-round, international program of sports training and competition for individuals with mental retardation. "Their customized shopping village offers Special Olympics a no-cost way to use the Internet to tap into new revenue streams as well as expand our donor support."

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Not-for-profit partners have national membership base of over 10 million
GreaterGood.com's partner base represents a combined constituency of more than ten million members – people who can now easily direct proceeds from their retail purchases back to their favorite not-for-profits.

The following partners feature GreaterGood.com customized online shopping villages now open for purchases:

Big Brothers Big Sisters of America: www.bbbsa.org

Elizabeth Glaser Pediatric AIDS Foundation: www.pedaids.org

Humane Society of the United States: www.hsus.org

National Federation of the Blind: www.nfb.org

National Parks and Conservation Association: www.npca.org

Natural Resources Defense Council: www.nrdc.org

The Nature Conservancy: www.tnc.org

Rails-to-Trails Conservancy: www.railtrails.org

Save the Children: www.savethechildren.org

Share Our Strength: www.strength.org

Special Olympics: www.specialolympics.org

The Wilderness Society: www.wilderness.org

Wildlife Habitat Council: www.wildlifehc.org

World Wildlife Fund: www.worldwildlife.org

"The Wilderness Society is pleased to be able to offer our current and potential members a fun, productive way for them to support our efforts—at no additional cost to them—to protect and preserve American's wilderness from coast to coast," said Sue Lomenzo, vice president of communications, The Wilderness Society.

No-risk benefits accrue directly to not-for-profit's bottom line
GreaterGood.com assumes all financial and human resource investments for creating and maintaining the not-for-profit's shopping villages, which are accessed directly from the not-for-profit's homepage and branded with the not-for-profit's own name and graphic identity.

-more-

"According to a 1997 Roper survey, three out of four American consumers would rather support retailers who are associated with a charitable cause," said GreaterGood.com Executive Vice President of Business Development Jay Hair, the former President and CEO of the National Wildlife Federation. "We are helping not-for-profits take advantage of this sentiment in a powerful, convenient way."

"National Parks and Conservation Association (NPCA) is dedicated to using the Internet to reach out to a whole new generation of park enthusiasts, while giving our current members new tools to help protect our national treasures. This partnership with GreaterGood.com gives our supporters a unique, hassle-free way to help us improve our National park System," said Tome Kiernan, President of NPCA. "It's a tremendous idea to unite online shopping and philanthropy. We think it will do a lot of good for our parks."

GreatGood.com's Central Shopping Village is an additional way to direct cash to favorite charities

The company also operates a central site, www.GreaterGood.com, where customers can shop on behalf of their preferred not-for-profits. The site allows visitors to select a charity, then make purchases from brand name merchants and at least five percent of the proceeds will go to the registered 501(c)(3) charity of their choice. The designation of a charity beneficiary costs online shoppers nothing and prices are the same as if they shopped directly at those retailers' sites. In addition to shopping, the GreaterGood.com central site also features news from not-for-profit partners and links to their web sites.

"Shopping at GreaterGood.com is great for consumers because it's an easy way for them to contribute to their favorite charity and have the convenience of shopping online," said Janis Spire, executive director for the Elizabeth Glaser Pediatric AIDS Foundation. "It also offers us a new resource to raise support for the work of our foundation while keeping our overhead extremely low."

GreaterGood.com partnering with premier retailers, first-class non-profits

GreaterGood.com has partnered with the following list of retailers, all accessible via the central store, or through the non-profits' custom shopping villages.

Amazon.com

BedandBath.com

Digital Chef.com

Dog Toys

eToys

Fashion Mall

FragranceNet

GreatFood.com

Green Tree Nutrition

JCrew

LandscapeUSA

OfficeMax.com

Omaha Steaks

-more-

Orvis	**Swiss Army Depot**
Shades	**Virtual Vineyards**
SportsSuperstore	**1-800-FLOWERS**
Superbuild	**800.com**

Seasoned management team, long term investors at the helm
GreaterGood.com was founded in 1998 by Madrona Investment Group, a private investment firm specializing in Internet and telecommunications companies. Principals include Tom Alberg, former executive with McCaw Cellular, and Amazon.com board member; William Ruckelshaus, former First and Fifth Administrator of the U.S. Environmental Protection Agency, former CEO and chairman of Browning-Ferris Industries, and Nordstrom board member; and Paul Goodrich, co-founder of TradeStar discount brokerage firm. Additional investors are ARCH Venture Partners and Olympic Venture Partners.

The management team includes Goodrich; Baltej Kochar, president and chief operating officer; Jay Hair, executive vice president of business development; and Katherine James Schuitemaker, executive vice president of marketing and sales. Schuitemaker currently serves as chairman of the Washington Software Alliance, Washington State's software industry trade organization.

GreaterGood.com is a cause-related e-commerce company that helps not-for-profit organizations tap into the year-round revenue potential of the fast-growing online shopping market. Based in Seattle, the company generates sustainable new sources of revenue for its not-for profit partners through building, marketing and managing e-commerce "shopping villages" that link from the not-for-profits' homepage and are branded with the non-profits own name and graphic identity. The company is committed to adding a charitable giving quotient to the standard online shopping criteria of quality, convenience and service, co-marketing with its partners to use the Internet as a means to increase membership and other bases of support. For more information, visit GreaterGood.com at www.GreaterGood.com, or call 206-674-8700.

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