

Susan
Planner

5/11/99

- Patriotism, democracy
- Rockefeller family in 5th generation of giving
- Giving blood
- Sense of urgency - 22 a yr ^{inflation adjusted} ~~ave. increase~~ ^{paltry} a yr
- Giving as a % of GNP - 1.7 or 1.8%
- Giving as a % of personal income - same
- NYT - giving as personal income ~~cost~~ went down for the first time - 1.7 to 1.6
- Corp. income 1.8 ¹⁹⁸⁷ to 1.3 ¹⁹⁹⁶
- Tied to drop in civic & pol. participation
- People don't feel they're going to have any change - ~~except emergency~~ ^{except things that affect them}
- Jan - except emergency
- Michael - got a grant from Pew to get you to engaged
- Tool to make better connections w/ comm.
- Results mixed
- Saa - people who vol more likely to be engaged
- Could be children & egg problem
- Nancy - many vol. is expensive
- mega gives in Jewish community → gives to themselves
- Rely too much on connections for giving - risk
- Sara - Don't fall into the trap of that message is ↑ phil. &c
↓ for
- message is 3 sector society - 3rd leg of stool
- Want policy announcement
- 1706 → less than \$ of non-IT sector

- Growth of boutique orgs. - ^{Set up own world} ~~Under directed~~ giving
- Want to be part of the game name
- 64% more charitable inst than 10 yrs ago
 - good? competition? or inefficient
- Donors want more control + ^{information} ~~choice~~
- Structure of giving has changed
 - What do they get
- Won't find over head want bullets
- Internet - worked well for Kosovo, Human Aid
 - World Wide competition - confusion, fraud
- American Cancer Society - had to search for it on the net
 - Too much info. to wade through
- ^{Spans?} Responsibility for others - interconnectedness of all of us -
 - Generation growing up w/o hope
 - New givers → not from orgs
 - Role of intermediary org. - the fundraisers
 - Need wealth plus ask
 - Wealth is there
- What if WH Carl could spend a day where everywhere you go you're asked to give
 - Do award for young person
 - Make a commitment to ↑ what I've been giving
 - Families w/ income ~ 10,000 give 400/yr

- Latino + AF Am less likely to give to a ~~charity~~ charity they aren't connected to -
will give to hurricane victims in Latino communities
- Look at families who do a good job ~~the~~ passing down the tradition
- Research  - what ought to be the level of giving
Progressive income - sliding scale
- Most giving communities
Most giving families
Most giving companies? or employee groups

FRONTIERS IN PHILANTHROPY

NEW WAYS OF GIVING IN A TIME OF CHANGE

JULY 8, 1999

June 7, 1999

Ms. Shirley Sagawa
The White House
Washington, DC 20502

Dear Ms. Sagawa,

During this past year, awareness of philanthropy and its role in Silicon Valley, the Bay area and the entire country has increased. Local and national media are turning their attention to foundation philanthropy as the newest generation of successful entrepreneurs begin to shift their focus away from reinventing business to reinventing giving.

This leads to some questions: Is venture capitalism a good model for foundations to emulate? How will philanthropy interact with government and business to address community needs in the future? Will new models of collaboration emerge? What trends or forces will most affect foundation philanthropy over the next ten years?

The Council on Foundations, in cooperation with the Community Foundation Silicon Valley, the Peninsula Community Foundation, American Leadership Forum-Silicon Valley, and Northern California Grantmakers, invites you to attend **Frontiers in Philanthropy: New Ways of Giving in a Time of Change** on **Thursday, July 8, 1999** at the San Jose Repertory Theater to discuss these issues in detail.

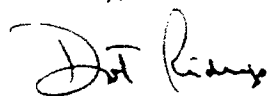
Leon Panetta, former White House chief of staff and founder of the Panetta Institute is scheduled to moderate this roundtable discussion that will bring together Silicon Valley entrepreneurs, local government officials and members of Congress, representatives of the media, and leaders of foundations and nonprofits.

The two and one half-hour discussion will begin at 9:00 a.m. and will be followed by lunch. Sharon Davis, First Lady of California has been invited as the keynote speaker.

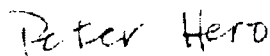
We hope that you will be among the guests in San Jose on July 8 as we address the fundamental and changing role of philanthropy in American life today and tomorrow.

Please register by June 25 via phone [408-975-3170], fax [202-973-5858] or the Web at www.cof.org/frontiers.

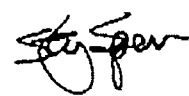
Sincerely,



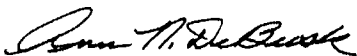
Dorothy S. Ridings
President and CEO
Council on Foundations



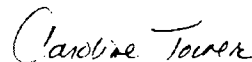
Peter Hero
President
Community Foundation Silicon Valley



Sterling Speirn
President
Peninsula Community Foundation



Ann DeBusk
President
American Leadership Forum-Silicon Valley



Caroline Tower
President
Northern California Grantmakers



American Leadership Forum
12345 El Monte Road
Los Altos Hills, CA 94022
650-949-0688



Community Foundation
of Silicon Valley
111 W. St. Johns Street
Suite 230 San Jose, CA 95113
408-278-0270



Council on Foundations
1828 L Street, NW
Suite 300
Washington, DC 20036
202-466-6512



Peninsula Community Foundation
1700 South El Camino Real
300
San Mateo, CA 94402
650-358-9369



Northern California Grantmakers
116 New Montgomery Street
Suite 742
San Francisco, CA 94015
415-777-5761

OVERVIEW

On July 8, 1999, the Council on Foundations, the Community Foundation Silicon Valley, the Peninsula Community Foundation, Northern California Grantmakers and the American Leadership Forum - Silicon Valley will host *Frontiers in Philanthropy*—the first forum of its kind to bring together leaders from business, foundations, government, media and nonprofits to address the changing dimensions of philanthropy in a time of rapidly created wealth and growing community need.

A dynamic array of panelists will share their views on philanthropy—from their personal points of view as well as the vantage points of their respective fields. They will explore ways that the sectors—business, foundations, government, media and nonprofits—can learn from each other and develop new and effective ways of giving to improve life in our communities.

Frontiers in Philanthropy will open lines of dialogue in a timely discussion on the evolving role of philanthropy in Silicon Valley. Planned as the first in a series of regional forums, this meeting represents a significant step in expanding a national conversation on new ways of giving.

AGENDA

8:30 – 9:00 a.m. Coffee and arrivals

9:00 – 11:30 a.m. Panel discussion

11:45 – 1:00 p.m. Lunch – **Sharon Davis**, First Lady of California, invited as keynote speaker.

CONFIRMED PANELISTS

- **Susan Ford**, Vice President
Sand Hill Foundation
- **John Gardner**
Independent Sector
- **Jay Harris**, Publisher
San Jose Mercury News
- **Peter Hero**, President
Community Foundation Silicon Valley
- **David Ignatius**, Associate Editor
Washington Post
- **Steve Kirsch**, Founder
Infoseek
- **Kathy Levinson**, President & COO
E*Trade
- **Jan Masaoka**, Executive Director
Support Center for Non-Profit Management
- **Sally Osberg**, Executive Director
Children's Discovery Museum
- **Steve Nissen**
Senior Special Assistant to the Governor of California
- **Harry Saal**, CEO and President
Smart Valley, Inc.
- **Bruce Sievers**
Walter and Elise Haas Fund
- **Sterling Speirn**, President
Peninsula Community Foundation
- **Wendy Tokuda**, Anchor
KRON-TV (San Francisco)

REGISTER NOW!

We look forward to welcoming you and having you be a part of a program that will be significant to the future of philanthropy. To confirm your attendance, please take a moment to fill out the form below and fax to 202-973-5858. You may also register via the Web at www.cof.org/frontiers or by phone 408-975-3170.

- ☐ Yes, I will attend Frontiers in Philanthropy and the lunch that follows.
- ☐ Yes, I will attend Frontiers in Philanthropy, but am unable to attend lunch.

Name _____

Address _____

Phone number _____

E-mail address _____

Please RSVP no later than June 24.

cc: Malcolm
Shirley

ANNE BARTLEY
3580 CLAY STREET
SAN FRANCISCO, CALIFORNIA 94118

TELEPHONE (415) 931-0684
FAX (415) 931-2347

June 1, 1999

Ellen Lovell
The White House Millennium Council
708 Jackson Place
Washington, District of Columbia 20503

Dear Ellen,

It was good to see you a few weeks ago. I think you are wise to have the focus groups as well as to postpone the conference until October. July is definitely not a good time.

One of the ideas that seems to be emerging from the groups is interest in new donors. I have been gathering names of people who are working with new donors to send to you.

When I was in New York, I talked with David Rockefeller, Jr., who is very thoughtful about his varied experiences in philanthropy. He mentioned his speech on "Adventure Philanthropy" given at the annual meeting of the Seattle Foundation.

As you can see, he was addressing new donors. He outlines different ways for them to be philanthropists and encourages them to find their own way. Exactly the message I have been hearing from others working with new donors.

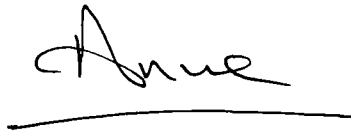
As you plan the conference, I wanted to make sure you read this as I think it is the right message and an excellent messenger. David is also an excellent speaker. Perhaps you have heard him when you were director of the President's Commission on Arts and Humanities. David

has a long history with the arts and arts education. He has also been an ally of the First Lady's office on different projects since 1993.

If there is anything I can do, don't hesitate to contact me.

I hope things are going well.

Best Wishes,

A handwritten signature in cursive script, appearing to read "Anne", is positioned above a solid horizontal line that serves as a signature separator.

DAVID ROCKEFELLER, JR.
SEATTLE FOUNDATION ANNUAL MEETING
MAY 12, 1999
"ADVENTURE PHILANTHROPY"

THANK YOU, ANNE FARRELL, FOR THAT LOVELY INTRODUCTION. I AM SO HONORED THAT YOU WOULD TRANSPORT ME HERE TO SPEAK AT THE 53RD ANNUAL MEETING OF THE SEATTLE FOUNDATION. AND I CONFESS TO HAVING A WARM SPOT IN MY HEART FOR COMMUNITY FOUNDATIONS, SINCE I HAVE SERVED ON THE BOARDS OF TWO OF THEM, ONE IN BOSTON AND ONE IN ANCHORAGE, ALASKA. YOUR FOUNDATION IS, IN MANY WAYS, THE COMMUNITY CONSCIENCE AND THE SOCIAL VENTURE CAPITAL FUND FOR SEATTLE.

I AM ALSO A GREAT FAN OF SEATTLE AND WOULD BE STAYING LONGER THIS TRIP, BUT MY WIFE AND I ARE GIVING A DINNER TOMORROW NIGHT IN BOSTON FOR A NEWLY CREATED ARTS FUND WITHIN THE BOSTON FOUNDATION, YOUR COUNTERPART THERE. MY FLIGHT LEAVES AT 6 A.M. TOMORROW, SO YOU CAN REST ASSURED MY REMARKS WILL BE COMPLETE BEFORE THEN!

I HAVEN'T SPOKEN PUBLICLY HERE IN SEATTLE SINCE NOVEMBER 14, 1989, WHEN "WASHINGTON GIVES" HELD A LUNCHEON AT A NEARBY HOTEL. THE EVENT WAS CHAIRED BY A VERY ENGAGING AND EFFECTIVE COMMUNITY LEADER WHO, WHEN THANKING ME PRIVATELY AFTER THE AUDIENCE HAD DISPERSED, CONFIDED, "I JUST WISH YOU COULD PERSUADE MY SON, BILL, ABOUT THE VALUE OF PHILANTHROPIC ENGAGEMENT!" WELL, I NEVER DID

AND, ALAS, BILL'S MOTHER PASSED FROM US. BUT MANY OTHER WILLING COUNSELORS SEEM TO HAVE DONE THE JOB. IN FACT, I UNDERSTAND BILL GATES III SPOKE AT THIS ANNUAL LUNCHEON NOT LONG AGO. AND HIS GIFT, ANNOUNCED THIS WEEK, TO COLUMBIA UNIVERSITY SUGGESTS YOU HAVE BEEN SUCCESSFUL PERSUADERS.

WELL, ON THE PREMISE THAT THERE ARE SOME OTHER BILLS (OR SYBILS) HERE TODAY WHO DON'T YET HAVE PHILANTHROPY ON THE "ACTIVE" LIST, BUT WHO ARE WILLING TO LISTEN, LET ME TAKE A FEW MINUTES TO SHARE WITH YOU THE SATISFACTION THAT "ACTIVE PHILANTHROPY" HAS BROUGHT TO MY OWN LIFE.

THERE ARE THREE DIFFERENT STYLES OF PHILANTHROPY TO WHICH I WANT TO DRAW YOUR ATTENTION, EACH OF WHICH I HAVE PRACTICED TO SOME DEGREE MYSELF.

FIRST, THERE IS "CHECKBOOK PHILANTHROPY," IN WHICH THE DONOR'S LEVEL OF TRUST IS HIGH (LET'S SAY, FOR EXAMPLE, IN THE SEATTLE FOUNDATION'S JUDGMENT), PERSONAL ENGAGEMENT IS LOW, AND THE DONOR'S LEVEL OF SATISFACTION VARIES GREATLY--FROM ENJOYING THE GENERAL GLOW OF GOODNESS TO FEELING SOMEWHAT DETACHED FROM THE WHOLE PROCESS.

SECONDLY, THERE IS WHAT I CALL "ACTIVE PHILANTHROPY" IN WHICH THE CHECKBOOK IS ENGAGED, BUT SO IS THE DONOR'S TIME AND ENERGY AS A VOLUNTEER, BOARD MEMBER, OR ADVISOR IN SUPPORT OF THE GRANTEE INSTITUTION. "ACTIVE PHILANTHROPY" CONNECTS A DONOR TO THE REAL LIFE

WORKINGS OF THE GRANTEE AND EXPOSES HER TO THE HUMAN, FINANCIAL, AND PROGRAMMATIC VARIABLES INHERENT IN HUMAN ORGANISMS.

FINALLY, THERE IS WHAT I CALL "ADVENTURE PHILANTHROPY" IN WHICH THE DONOR ENGAGES HIS CHECKBOOK, HIS ACTIVE VOLUNTEER ENERGY, AND ALSO A SPIRIT OF CREATIVITY, RISK-TAKING, AND ENTREPRENEURSHIP. IT IS THIS LAST TYPE OF PHILANTHROPY I WANT TO FOCUS UPON TODAY.

IN A MOMENT, I WILL DRAW A FEW SKETCHES FROM PERSONAL EXPERIENCE, BUT LET ME START BY REFERRING TO AN UNRELATED FAMILY PATRIARCH WHO MADE HIS FORTUNE IN THE 19TH CENTURY AND WHO HAD A HUGE IMPACT ON HOW AMERICANS VIEWED AND GAINED ACCESS TO THE AMERICAN NORTHWEST AND THE "TERRITORY" OF ALASKA.

I SPEAK OF EDWARD HARRIMAN, THE RAILROAD MAGNATE, WHO, ON THE ADVICE OF HIS PHYSICIAN, TOOK A "REST CURE" IN THE SUMMER OF 1899--ONE HUNDRED YEARS AGO THIS MONTH. A REST HE MAY HAVE TAKEN FROM HIS OFFICE BUT, INSTEAD OF OPTING FOR A HAMMOCK BY THE LAKE, MR. HARRIMAN ORGANIZED IN ONLY THREE MONTHS A ROUND TRIP EXPEDITION BY STEAMSHIP FROM SEATTLE TO SIBERIA! YOU WILL REMEMBER THAT THE YUKON GOLD RUSH HAD ALREADY BEGUN, THAT THE SPANISH- AMERICAN WAR HAD JUST BEEN FOUGHT AND WON, AND THAT MT. RAINIER NATIONAL PARK WAS CREATED THAT YEAR.

BUT LET US IMAGINE THE CLAMOUR AT THE SEATTLE WHARVES ON THE MORNING OF MAY 31, 1899, WHEN THE NEARLY 200-FOOT-LONG STEAMSHIP, GEORGE W. ELDER, WAS FILLING ITSELF WITH HARRIMANS AND NANNIES,

PIANOS AND COWS, AND ALL THE OTHER NECESSITIES OF A TWO-MONTH JOURNEY BEYOND THE ARCTIC CIRCLE.

IN ADDITION, MR. HARRIMAN HAD INVITED SEVERAL DOZEN OF THE MOST DISTINGUISHED SCIENTISTS, ARTISTS, AND WRITERS OF HIS DAY. THEY INCLUDED EDWARD CURTIS, THEN A SEATTLE-BASED SOCIETY PHOTOGRAPHER, SOON TO BECOME THE NATION'S BEST KNOWN PORTRAIT MAKER OF NATIVE AMERICANS; JOHN MUIR, THE SCOTTISH NATURALIST AND FATHER OF WESTERN ENVIRONMENTALISM; LOUIS AGASSIZ FUERTES, THE SECOND-MOST FAMOUS BIRD ILLUSTRATOR OF HIS TIME; AND TREAVOR KINKAID, A ZOOLOGY PROFESSOR AT THE UNIVERSITY OF WASHINGTON, SEATTLE.

MR. HARRIMAN HAD SEVERAL OBJECTIVES IN MIND FOR HIS "REST CURE," NOT ALL OF THEM PHILANTHROPIC OR EVEN PARTICULARLY HEALTHY! HE HOPED TO KILL A KODIAK BROWN BEAR; HE WAS TESTING THE FEASIBILITY OF A ROUND-THE-WORLD RAILWAY CONNECTION VIA THE BERING STRAITS; AND HE CERTAINLY HAD A PUBLIC RELATIONS AGENDA FOR HIS FLAGSHIP COMPANY, THE UNION PACIFIC RAILROAD. BUT, MOST IMPORTANTLY FOR US, HE CARRIED A MISSION TO EXPLORE THE GULF OF ALASKA AND THE BERING SEA AND TO CREATE GREATER SCIENTIFIC AND POPULAR AWARENESS OF THAT REMOTE, BEAUTIFUL, AND RUGGED LANDSCAPE. PERHAPS HE WAS THE FIRST REAL "PHILANTHROPIC ADVENTURER!"

WELL, I CAN REPORT THAT MR. HARRIMAN GOT HIS KODIAK BROWN BEAR. HE DIDN'T LAY TRACK ACROSS THE ARCTIC, BUT HE DID FINANCE AND

GENERATE A 13-VOLUME SCIENTIFIC REPORT ON THE 1899 EXPEDITION BEFORE HE DIED IN 1909, I SUSPECT AS A RESULT OF TAKING INEFFECTIVE "REST CURES."

MY POINT HERE IS THAT PHILANTHROPY CAN BE AN EXTRAORDINARY ADVENTURE (AND I ASSURE YOU, IT NEED NOT BE LETHAL!), FOR PHILANTHROPY IS NOT JUST ABOUT DOING YOUR CIVIC DUTY OR FOREGOING A SECOND VACATION HOME. WHEN PHILANTHROPY BECOMES YOUR ADVENTURE, YOU TAKE RISKS, YOU ENGAGE WITH TALENTED AND OFTEN CHALLENGING ENTREPRENEURS AND EVEN PRIMA DONNAS! ADVENTURE PHILANTHROPY REQUIRES PLANNING. IT TAKES TEAM-BUILDING, PERSISTENCE, AND IMAGINATION BUT, AT THE END OF THE PROCESS, YOU WILL PROBABLY HAVE DONE SOMETHING VERY SIGNIFICANT TO IMPROVE THE HUMAN CONDITION FOR YOUR COMMUNITY, YOUR NATION, OR, PERHAPS, THE WORLD. ADVENTURE PHILANTHROPY CAN BE A VERY SATISFYING WAY OF LIFE.

NOW, LET ME GIVE YOU TWO EXAMPLES FROM MY OWN RECENT EXPERIENCE--ONE WITH A NATIONAL FOCUS (WITH IMPACT HERE IN WASHINGTON STATE) AND ONE WITH A REGIONAL FOCUS, BUT NOT FAR FROM YOU.

THE FIRST EXAMPLE IS THE NATIONAL PARK FOUNDATION, THE CONGRESSIONALLY-CREATED PRIVATE SUPPORT ARM OF THE NATIONAL PARK SYSTEM. FOR 25 OF ITS FIRST 30 YEARS, THE PARK FOUNDATION WAS A RATHER SLEEPY ORGANIZATION--NOT A VERY PROMISING "START-UP." BUT, LESS THAN FIVE YEARS AGO, WITH AN INFUSION OF NEW EXECUTIVE LEADERSHIP AND

SOME CREATIVE BOARD TALENT (CEOs FROM POTLATCH AND PEROT SYSTEMS, FOR EXAMPLE), NPF BEGAN TO COME ALIVE.

I'VE BEEN PRIVILEGED TO SERVE ON THE PARK FOUNDATION BOARD FOR THE LAST THREE YEARS AND HAVE BEEN TRYING TO HELP IT GROW--THROUGH A CORPORATE SPONSORSHIP CAMPAIGN, A TECHNICAL ASSISTANCE EFFORT AIMED AT BUILDING FRIENDS' GROUPS FOR LOCAL PARK UNITS [RIGHT HERE, OF COURSE, YOU HAVE "WASHINGTON'S NATIONAL PARK FUND" WHICH SUPPORTS MOUNT RAINIER, NORTH CASCADES, AND OLYMPIC NATIONAL PARKS]. NPF HAS ALSO UNDERTAKEN THE DEVELOPMENT OF A NATIONAL MESSAGE CAMPAIGN TO EXPLAIN OUR 378 PARKS TO THE AMERICAN PEOPLE, AND TO ALERT THEM TO THE DISASTROUS SHORTFALLS IN FEDERAL FUNDING AND THE WAYS IN WHICH PRIVATE CITIZENS CAN HELP. I'VE JUST RETURNED FROM A TWO-DAY NPF MEETING IN GREAT SMOKIES NATIONAL PARK, AND OUR NEXT MEETING WILL BE RIGHT HERE IN PUGET SOUND. TOUGH DUTY, YOU'RE SAYING!

MY SECOND EXAMPLE OF ADVENTURE PHILANTHROPY IS AS A TRUSTEE OF THE ALASKA CONSERVATION FOUNDATION, AN ANCHORAGE-BASED COMMUNITY FOUNDATION--LIKE YOURS IN MANY WAYS--WHOSE MISSION IS TO PROTECT "WILD ALASKA." I HAVE SERVED ON THE BOARD SINCE 1992 (FOLLOWING A 10-WEEK SAILING EXPEDITION I ORGANIZED IN THE GULF OF ALASKA) AND HAVE SEEN "ACF," AS WE CALL IT, TRANSFORM ITSELF FROM A FUNDER OF GRASSROOTS ENVIRONMENTAL PROJECTS 20 YEARS AGO TO A CREATOR AND FUNDER OF STRATEGIC ECOSYSTEM-BASED CONSERVATION EFFORTS AND THEN INTO AN AGENCY WHICH STRIVES TO BUILD AND EDUCATE A CONSERVATION-MINDED MAJORITY FOR THE STATE OF ALASKA. I RECENTLY

SERVED ON ACF'S SEARCH COMMITTEE WHICH INTERVIEWED HERE IN SEATTLE THE WINNING CANDIDATE IN ITS NATIONAL SEARCH FOR A NEW EXECUTIVE DIRECTOR. WE'RE NOW IN THE PROCESS OF COMPLETING AN UPSTREAM MERGER OF A LOWER-48 NONPROFIT WITH SIMILAR OBJECTIVES, AS WELL AS EMBARKING ON A NATIONAL CAMPAIGN TO CREATE AN ENDOWMENT FOR "WILD ALASKA."

I TYPICALLY SPEND TWO WEEKENDS A YEAR MEETING WITH THE ACF BOARD IN ALASKA, AND I TRY TO TAKE INFORMATIVE SIDETRIPS BEFORE OR AFTER EACH MEETING. TEN DAYS FROM NOW, FOR EXAMPLE, I'M SCHEDULED TO MEET THE BOARD NEAR GLACIER BAY (ANOTHER NATIONAL PARK, OF COURSE!) AND THEN TO JOIN A COMMERCIAL FISHING VESSEL OFF KODIAK ISLAND TO OBSERVE THE CHALLENGES OF HALIBUT HUNTING. "ADVENTURE PHILANTHROPY," YOU SEE, IS NOT JUST ABOUT WRITING CHECKS OR RESPONDING TO PLEAS FROM THE DEVELOPMENT COMMITTEE!

ADVENTURE CAN BE FOUND AS WELL, OF COURSE, IN MEDICINE, EDUCATION, THE ARTS, OR SOCIAL SERVICES. BUT THE ADVENTURE ASPECT SHOULD START, I STRONGLY RECOMMEND, FROM YOUR OWN PASSION OR FIELD OF EXPERTISE. IF YOU ARE WONDERING HOW TO BECOME A PHILANTHROPIST OR, IF YOU ALREADY ARE A SIGNIFICANT DONOR BUT AREN'T ENJOYING IT, I SUGGEST THERE IS NO BETTER AVENUE THAN FOLLOWING YOUR HEART AS TO SUBJECT MATTER AND BECOMING DIRECTLY INVOLVED WITH A RELATED PROJECT OR INSTITUTION. "IN WHAT WAY?" YOU ASK. WELL, DO YOU PREFER TO WORK WITH PEERS AT THE BOARD LEVEL OR MORE ACTIVELY IN SUPPORT

OF PROFESSIONALS? OR PERHAPS AS A VOLUNTEER GIVING DIRECT SERVICE TO THE CLIENT?

SOME OF US ARE NATURALLY BETTER WITH STRATEGY AND FINANCE. OTHERS HAVE GOOD INTERPERSONAL SKILLS. AND STILL OTHERS ARE JUST GOOD, PRACTICAL PROBLEM-SOLVERS. I SUGGEST YOU DISCOVER WHICH ROLE BRINGS YOU THE MOST SATISFACTION AND THEN FIND A GOOD MATCH.

I AM VERY LUCKY TO HAVE BEEN RAISED IN A FAMILY WELL-VERSED IN PHILANTHROPIC ACTIVITY. MY MOTHER HELPED START A MINORITY RECRUITMENT PROGRAM FOR THE NEW YORK PHILHARMONIC. SHE ALSO HELPED TO FOUND AN EASEMENT-BASED ISLAND PROTECTION PROGRAM FOR THE COAST OF MAINE. SHE WAS VERY HANDS-ON, A GREAT FUND-RAISER, AND HAD A GOOD INSTINCT FOR EXECUTIVE TALENT.

MY FATHER, WHO IS STILL VERY ACTIVE AS A PHILANTHROPIST, PREFERS TO PLAY A MORE STRATEGIC ROLE AND TO HIRE STAFF WHO ASSIST HIM IN HIS NON-PROFIT WORK. CURIOUSLY ENOUGH, TWO OF HIS PROUDEST PHILANTHROPIC ADVENTURES HAVE ACTUALLY BEEN TO LIFT THE BURDEN OF SUPPORT FROM HIS OWN FAMILY'S SHOULDERS AND SHIFT IT TO A MUCH BROADER PHILANTHROPIC BASE. I'M REFERRING TO THE ROCKEFELLER UNIVERSITY FOR BIOMEDICAL RESEARCH AND THE MUSEUM OF MODERN ART. IN EACH CASE, A FAMILY FOREBEAR HAD FOUNDED THE ORGANIZATION AND-- AS EACH ENTITY GREW LARGER AND MORE SUCCESSFUL--IT BECAME IMPERATIVE FOR OUR FAMILY TO ENGAGE OTHER FUNDERS, SOME PUBLIC AND SOME PRIVATE, IN PROVIDING MAJOR FINANCIAL SUPPORT. SO YOU SEE,

SOMETIMES ADVENTURE PHILANTHROPY CAN MEAN HELPING TO REDUCE AN ENTITY'S DEPENDENCE ON A NARROW DONOR BASE, FOR EXAMPLE, ON YOU!

THE PARTICULAR CHALLENGE I SEE FOR YOU AS SEATTLE PHILANTHROPISTS IS, DESPITE THE GIDDY GROWTH OF THE MOMENT, FOR YOU TO BECOME EXPERTS IN TAKING THE LONG VIEW AND ASKING YOURSELVES WHAT SORT OF A WORLD DO YOU WANT TO LEAVE FOR YOUR CHILDREN'S CHILDREN? WHAT PLANNING MEASURES WILL IT TAKE FOR SEATTLE NOT TO GROW LIKE TOKYO OR MEXICO CITY OR LOS ANGELES? WHAT ARE THE CULTURAL, MORAL, ENVIRONMENTAL, AND EDUCATIONAL VALUES THAT YOU HOLD EVEN MORE DEAR THAN MATERIAL THINGS? WHAT WILL IT TAKE FOR YOU COLLECTIVELY TO PROTECT THEM AGAINST THE SEDUCTIVE LURE OF "VIRTUAL LIVES?" INDEED, WHAT CAN BE THE ROLE OF NEW TECHNOLOGIES IN ENHANCING OUR COMMITMENT TO THE CORE VALUES OF THE PAST? IN UNDERSTANDING THE SCIENCE OF THE OCEANS OR THE ROLE MUSIC PLAYS IN BRAIN DEVELOPMENT?

WHAT AN EXTRAORDINARY TIME IT IS--HERE IN SEATTLE, ESPECIALLY--AS YOU BUMP AGAINST A NEW MILLENNIUM, AWASH IN NEW IDEAS AND THE GREAT FINANCIAL WEALTH THEY HAVE BROUGHT WITH THEM!

BUT WHERE WILL YOU BE TAKING YOUR "REST CURES" AND YOUR ADVENTURES? AND A HUNDRED YEARS FROM TODAY, WHAT WILL YOU HAVE LEFT BEHIND AS A LEGACY FOR YOUR CHILDREN'S CHILDREN? THAT'S THE PHILANTHROPIST'S QUESTION, ISN'T IT? A CENTURY FROM NOW, HOW WILL IT BE HERE?

MY OWN NEXT ADVENTURE, I HAVE DECIDED, WILL BE IN THE REALM OF OCEANS AND FISHERIES. I JUST STARTED SIX MONTHS AGO. I DO NOT KNOW WHERE IT WILL TAKE ME. PERHAPS TO THE BERING SEA OR THE GULF OF MAINE (WHERE I FIRST LEARNED TO FISH). PERHAPS INTO REALMS OF INTERNATIONAL LAW. PERHAPS INTO SCIENCE OF THE OCEAN DEEPS. BUT PART OF MY ADVENTURE IS NOT KNOWING YET. AND MY CHALLENGE IS TO ORGANIZE MY PERSONAL EFFORT AND FUNDS IN SUCH A WAY THAT I CAN ACHIEVE BOTH TANGIBLE RESULTS AND PERSONAL SATISFACTION. BUT I GUARANTEE YOU THIS ADVENTURE WON'T BE JUST ABOUT WRITING CHECKS OR ATTENDING MEETINGS, ALTHOUGH I EXPECT TO DO BOTH OF THEM AS WELL!

I HAVE SUGGESTED TODAY THREE STYLES OF PHILANTHROPY--
CHECKBOOK, ACTIVE, AND ADVENTURE. ALL THREE ARE NEEDED. EACH CAN BE SATISFYING. YOU MUST CHOOSE WHAT SUITS YOU BEST.

BUT I HAVE TRIED TO MAKE A SPECIAL BRIEF FOR "ADVENTURE PHILANTHROPY," BECAUSE I KNOW IT SUITS THE SPIRIT OF SEATTLE AND BECAUSE I BELIEVE IT HOLDS THE GREATEST OPPORTUNITY FOR PERSONAL FULFILLMENT. AND WHICHEVER STYLE YOU CHOOSE, I KNOW THE SEATTLE FOUNDATION STANDS READY TO HELP.

SO, I INVITE YOU TO BOOK PASSAGE NOW ON A SHIP CALLED ADVENTURE PHILANTHROPY LEAVING SOON FROM THE SEATTLE WHARVES. DON'T MISS THE BOAT. WHO KNOWS WHERE IT MAY TAKE YOU!

THANK YOU VERY MUCH.

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 Baptist 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			



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Venture

Capital for

Stronger

Communities

Attn: Mary Ellen

From: Andrea Camp

202/456-6244

2 pages total

Room 101

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



**WHITE HOUSE
MILLENNIUM COUNCIL**

Honor the Past—Imagine the Future

June 23, 1999

MEMORANDUM TO: SHIRLEY SAGAWA
 ELLEN LOVELL

FROM: MALCOLM RICHARDSON 

RE: Philanthropy Conference Partners

We have a number of potential conference partners who could provide support or receive 3rd party donations for the “Gifts to the Future” conference. First, the Forum of Regional Associations of Grantmakers (based here in Washington) is a 501(c)3 organization and, while a member of the Council on Foundations, is an independent organization.

Among the groups we have met with, the ones with the most direct interest in promoting philanthropy are the Forum, the Council on Foundations, and the AAFRC (Nancy Raybin’s group), which publishes *Giving USA*.

Independent Sector, of course, has a natural interest in the subject and might be the most overarching national organization. Another possibility is the Urban Institute which has a relatively new initiative on philanthropy led by Elizabeth Boris.

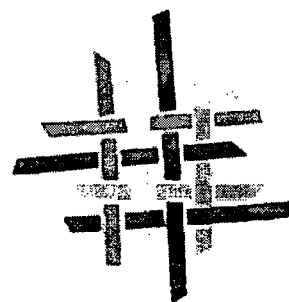
I spoke with Alison Wiley, the Executive Director of the Forum, and she expressed a willingness to serve as a fiscal agent for any conference partnership. The Forum already receives grants from several national foundations for its “promotion of philanthropy” initiative and would be able to receive foundation grants for a national conference. But, I would also be happy to pursue the question with any of the other organizations mentioned above.

I am attaching some background information on the Forum and my notes from earlier conversations with Wiley, Albert Ruesga, and two of the regional project directors, Mary Pembroke Perlin and Nancy Roberts.

White House Millennium Council
708 Jackson Place, N.W.
Washington, D.C. 20503
Tel: 202-456-2000 Fax: 202-456-2008

e-mail: millennium@whitehouse.gov
<http://www.millennium.whitehouse.gov>

FORUM
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Welcome to the Forum of Regional Associations of Grantmakers

Strengthening the Nation's Philanthropy, Region by Region

The Forum of RAGs is a national service association for philanthropy, whose members are 29 regional associations of grantmakers (RAGs) across the country. In their city, state or multistate regions, RAGs help local grantmakers practice more effective philanthropy. At the national level, the Forum of RAGs helps individual RAG staff, volunteer leaders and member grantmakers work together across regions more effectively, and to join forces with national colleague organizations interested in protecting and advancing the field of philanthropy.

The Forum of RAGs **mission** is to promote philanthropy by inspiring and enhancing the leadership and capacity of RAGs and their members in promoting the public good.

The Forum of RAGs **goals** are to:

1. Increase the impact of individual RAGs and their members through services which help develop skills, knowledge and relationships;
2. Serve as a catalyst and resource to RAGs in their efforts to increase and strengthen the public's understanding of and participation in philanthropy;
3. Promote and protect an environment that values and nurtures philanthropy;
4. Broaden, diversify and expand leadership opportunities within organized philanthropy and the nonprofit sector; and
5. Develop and sustain the organizational capacity of the Forum of Regional Associations of Grantmakers to ensure long-term effectiveness.

NATIONAL COLLEAGUES

JOBS

Note to staff of member RAGs only:

[Click here](#) to enter the Forum's Work Group Conferencing system (WGC).

[Click here](#) to refresh your memory first via the WGC online reference guide.

Note to Grantseekers: The Forum of RAGs DOES NOT award grants, nor do individual RAGs. The best place for grantseekers to start a search for information is with The

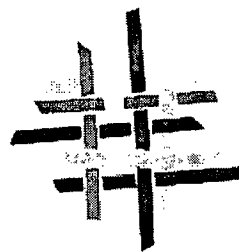
Foundation Center.

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Hosted by the Council on Foundations.
Strategy and design by [The Hoffman Group](#).

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Promotion of Philanthropy

There is growing interest in the United States to encourage more people to devote more of their resources to philanthropy. Increasingly, RAGs are playing a leadership role in helping potential donors in their geographical areas. This interest is fueled in part by a booming economy, and by an intergenerational transfer of wealth expected to be the largest in history. As many philanthropic, business and civic leaders initiate efforts to increase organized philanthropy, the Forum of RAGs works on behalf of regional associations of grantmakers to maximize and provide national support to such local efforts by:

- Providing grants and services to regional promotion of philanthropy efforts.
- Producing or disseminating information
 1. Resource Guide
 2. "So You Want To Give"
- Collaborating with other national and international colleagues and their resources.
 1. Council on Foundations
 2. Chronicle of Philanthropy
 3. IMAG International Meeting of Associations Serving Grantmakers

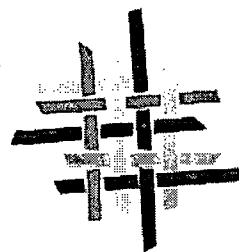
As of 1998, the Forum's work in this area has taken on an important new perspective. The Forum has launched a new national initiative: The Giving Project: New Ventures in Philanthropy, a five-year project to support regional efforts to increase organized philanthropy. The first round of grants, from a pool of 45 applicant coalitions, was made in December 1998.

Individual RAG Activities

Many RAGs are actively providing leadership to grow philanthropy in their local areas. Click here for examples of their varied activities in their regions.

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Promotion of Philanthropy

The Giving Project: New Ventures in Philanthropy

The Forum of Regional Associations of Grantmakers has launched a major national project to support formal, regional efforts to increase organized philanthropy in its various forms. Dorothy Johnson, President of the Council of Michigan Foundations and trustee of the W.K. Kellogg Foundation, chairs the National Advisory Committee overseeing this initiative. Cole Wilbur, Executive Director of the David and Lucile Packard Foundation, chairs the Grantmaking Subcommittee; Steve Roling, Vice President of the Center for Entrepreneurial Leadership at the Ewing Marion Kauffman Foundation, chairs the Communications Subcommittee; and Humphrey Doermann, President Emeritus of the Bush Foundation, chairs the Evaluation Subcommittee.

The project is a five-year, multimillion dollar effort with the following components:

- A grantmaking pool to provide seed funding to organized initiatives at the regional level to promote the development of new grantmaking capital. Over the course of the five years, local efforts will be supported directly, with countless other communities benefiting indirectly from the widely disseminated products and experiences of these "learning lab" grantees.
- Approaches to promoting philanthropy that vary by region and focus on specific demographic groups, financial advisors to the wealthy, underserved geographic areas, etc.
- Technical assistance and other national support services to strengthen local efforts, such as trainings, access to lists of resources, ongoing vehicles for sharing learnings, and common product development of tools to use with donors and potential donors, financial advisors, and others.
- Evaluation and documentation of efforts so that key learnings and effective models can be shared with other communities interested in this issue.
- Communications strategies implemented at the national level that can help create an environment at the regional level conducive to

generating new philanthropy.

Who is eligible? Candidates for funding from The Giving Project: New Ventures in Philanthropy are regional *coalitions* of organizations *prepared to launch or implement* comprehensive, broad-based promotion of philanthropy initiatives in their areas. Primary outcomes must be to increase the number and strengthen the capacity of **foundations and corporate grantmaking programs**. Applicants are expected to demonstrate a meaningful level of financial support from their own regions, and to have a variety of community partners involved, such as regional associations of grantmakers; community, family, private, and corporate grantmakers; planned giving councils; individual donors; chambers of commerce; bar associations; financial advisors; etc.

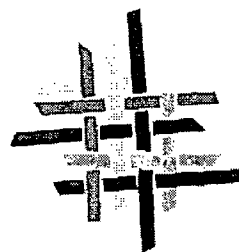
How does one apply for *next year's* grants? The first round of grants has been announced, from a pool of 45 local coalitions. The coalitions selected represent a diverse range of community leadership organizations, and a diverse set of strategies for growing new philanthropy. All of the learnings from grantees will be available to anyone interested, via this web site and other methods. A Request for Proposals for the second round will be released in June of 1999. For the planning purposes of coalitions interested in applying next time, click here to review the previous year's RFP. If you need more information in the meantime, feel free to contact the Forum of RAGs or your regional association of grantmakers.

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Forum of Regional Associations of Grantmakers National Initiative to Promote the Growth of Philanthropy 1998 Grantees and Partner Coalitions

1. African American Legacy Program - Detroit, MI

Lead organization: Community Foundation for Southeastern Michigan

The African American Legacy Program is a coalition of nonprofit organizations, foundations, churches, and professionals that aims to encourage the African American community to expand its tradition of charitable giving. Planned activities include workshops focusing on personal giving; seminars for professional advisors (accountants, financial planners, trust officers, and others); and outreach to faith-based organizations, fraternal groups, wealthy donors, nonprofit agencies, and legal and financial professionals.

2. Catalyst Project - The Triangle region of North Carolina

Lead organization: Triangle Community Foundation

The Catalyst Project's goal is to increase the community's base of permanent philanthropic capital from \$1 billion to \$3 billion over the next two decades. Directed by a coalition of private, corporate, and community foundation representatives and other individuals with philanthropic expertise, the Catalyst project will create specific outreach and peer-to-peer activities for professional advisors, financial institutions, entrepreneurs, and corporations.

3. Coalition for the Promotion and Expansion of Philanthropy in the Greater Baltimore Area - Baltimore, MD

Lead organization: Association of Baltimore Area Grantmakers

The Coalition for the Promotion and Expansion of Philanthropy in the Greater Baltimore Area will develop a strategy for encouraging philanthropy amongst wealthy African Americans, newly wealthy young entrepreneurs who own small to mid-size companies, and baby boomers who stand to inherit wealth in the next 40 years. The Coalition consists of foundation, United Way, and corporate representatives; financial and legal professionals; and representatives of key nonprofit organizations.

4. Connecticut Initiative to Promote and Expand Philanthropy - Connecticut

Lead organization: Connecticut Council for Philanthropy

The Connecticut Initiative to Promote and Expand Philanthropy will increase grantmaking capital in Connecticut by focusing its promotion of philanthropy activities on five target markets: professional advisors, wealthy people, businesses, entrepreneurs, people of color, and the general public. The Connecticut Initiative is directed by a coalition of organizations that includes the Connecticut Council for Philanthropy, the Connecticut Business and Industry Association, the United Way of Connecticut, the Greater Hartford Chamber of Commerce, and community foundations from across the state.

5. Northern California Coalition to Promote Community Philanthropy - Northern California

Lead organization: East Bay Community Foundation

The aim of the Northern California Coalition to Promote Community Philanthropy is to radically increase the number of individual donors throughout the Bay Area, and to create more varied kinds of philanthropic organizations, funds, and corporate giving programs. First-year planning activities will further build the Coalition and culminate in the development of a strategic and tactical plan for promoting philanthropy in the Bay Area. Current Coalition members include private, corporate, and community foundations; the Asian Pacific Fund; the Bay Area Black United Fund; and Northern California Grantmakers.

6. Northwest Giving Project - Pacific Northwest

Lead organization: Pacific Northwest Grantmakers Forum

Representatives from Social Venture Partners, Microsoft AlumNet, the Portland Estate Planning Council, two regional associations of grantmakers, and several foundations will work together to tap the vast pool of resources available for organized philanthropy in the Pacific Northwest. Target audiences will include entrepreneurs, small to mid-size businesses, and individuals with newly earned wealth from high tech industries.

7. GivingNewEngland - New England

Lead organization: Associated Grantmakers of Massachusetts

The Promotion and Expansion of Philanthropy (PEP) Initiative is a three-year effort to promote, encourage, and expand effective philanthropic giving in Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. Directed by a coalition composed of private and community foundations, philanthropic advisors, individual donors, interested colleagues, and a regional association of grantmakers, the Initiative will create and maintain a new website on New England philanthropy; create a series of peer-to-peer and group activities that will help individual and corporate donors discover and explore their philanthropic interests; and support public policy initiatives that promote philanthropy.

8. Promotion of Philanthropy Initiative - Philadelphia, PA

Lead organization: Delaware Valley Grantmakers

The Promotion of Philanthropy Committee will lay the groundwork for a long-term initiative that will engage the region's entrepreneurs and growth businesses in philanthropy. The Committee includes representatives from foundations, banks, the United Way of Southeastern Pennsylvania, the Greater Philadelphia Chamber of Commerce, and other stakeholders.

9. Promotion of Philanthropy Initiative - Ohio

Lead Organization: Donors Forum of Ohio

The Donors Forum launched its Promotion of Philanthropy Initiative in 1997. This three-year effort aims to increase the commitment of funds to grantmaking institutions and programs. In particular, it seeks to enhance the attractiveness of Ohio's community foundations as donor vehicles, increase the number and size of the state's private foundations, and increase philanthropic activity within Ohio's business community. Target audiences engaged by the project to date include advisors, new and emerging foundations, the media, and public policymakers.

10. South Florida Promotion of Philanthropy Initiative - South Florida

Lead organization: The Donors Forum

The South Florida Promotion of Philanthropy Initiative will take advantage of South Florida's unique demographics by promoting philanthropy amongst Hispanic-owned businesses, the Jewish elderly, African Americans, the gay and lesbian communities, and other constituencies. Initiative partners include the

Planned Giving Council of Miami-Dade County, the Jewish Funders Network, the Hispanic Business Group of the Greater Miami Chamber of Commerce, the United Way of Miami-Dade, The Donors Forum, and other stakeholders.

11. The Southern Philanthropy Consortium - Southeastern United States

Lead Organization: Southeastern Council of Foundations

The Southeastern Council on Foundations will partner with the Foundation for the Mid South and the Southern Rural Development Initiative to engage an even larger cadre of partners in a collective campaign to strengthen the South's communities through the creation of new philanthropic resources. This one-year project will develop a five-year plan for a program to increase philanthropic resources in under-served (primarily, but not exclusively, rural) areas of the southeastern United States.

12. Task Force on the Promotion and Expansion of Philanthropy in Minnesota - Minnesota

Lead organization: Minnesota Council on Foundations

A coalition that includes foundation and corporate representatives and other interested professionals will develop a Philanthropy Tool Kit that describes and promotes the wide range of vehicles through which individuals, companies, and communities can fulfill their philanthropic intentions. Target audiences for promotion of philanthropy efforts include holders of large estates who will pass significant wealth to the next generation, entrepreneurs, mid-sized businesses experiencing significant growth, and the upcoming generation of wealthy individuals.

13. Wisconsin Entrepreneurs in Philanthropy - Wisconsin

Lead organization: Milwaukee Foundation

Wisconsin Entrepreneurs in Philanthropy will plan a promotional campaign that positions charitable endowments as sound business and tax strategies for closely held companies throughout Wisconsin. Initial coalition members include the Milwaukee Foundation, the Donors Forum of Wisconsin, the Planned Giving Council of Southeast Wisconsin, the Wisconsin Association of Certified Public Accountants, and the Community Foundation of South Wood County.

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Notes on conversation with Alison Wiley
Forum on Regional Association of Grantmakers

F-RAG is an independent organization, a service org. for the regional associations of foundations, but is not part of the Council on Foundations, though obviously their memberships overlap. Regional associations and councils have been eager to capture the new wealth and the impending inter-generational transfer; members have wanted materials to give to donors and their advisers, and there have been numerous efforts to target new donors. The Forum's National Initiative to Promote the Growth of Philanthropy is the result and is backed by national grantmakers who are enabling the Forum to run a grants program for these efforts.

Essentially, the National Initiative to Promote the Growth of Philanthropy is a donor education program that solicits ideas from the regions. Donors need to be educated about their options, which include direct gifts to institutions such as universities and hospitals; community foundations, or the creation of family or independent funds. Strong efforts, Wiley says, were already underway in the Seattle area, the Silicon Valley area (thanks to Peter Hero and the CF-SV), Michigan, Ohio and Connecticut. The Connecticut RAG -- the Connecticut Council on Philanthropy -- has actually signed a formal legal agreement with the state bar association to create educational materials for attorneys and other financial advisers. The state bar will make philanthropy education a formal part of its continuing education program for attorneys.

She also mentioned a forum grantee in south Florida with a program aimed at different ethnic communities: Hispanic, Jewish retirees, etc.

Nancy Roberts, the head of the Connecticut Council on Philanthropy, would be an excellent spokesperson for the field and for this project, Wiley says.

Notes on conversation with Albert Ruesga [pronounced rez-gah] (6/21/99)
Director, Giving Project (formerly the National Initiative to Promote Philanthropy).
202/467-0298

Albert Ruesga offered me an update on the status of the Forum of Regional Association of Grantmakers' national initiative to promote philanthropy, now given the more user-friendly name, The Giving Project. This national project began approximately two years with a report from TPI, The Philanthropy Initiative, a Boston firm specializing in working with new donors. TPI's report underlined the opportunities for a coordinated national effort, noting that the U.S. stood poised on edge of a massive generational transfer of wealth, was experiencing longterm economic growth while, at the same time, philanthropic giving was merely holding steady at approximately 2% of GNP. A collaborative effort by several national funders provided the money to launch the initiative, which promotes giving without favoring any one mechanism or vehicle and which the Forum administers on a competitive basis for coalitions of local groups working to increase resources.

The Giving Project is currently conceived as a 5 year effort and was formally launched last September. To date it has made one round of grants to 13 regional coalitions with plans for increasing philanthropy in their areas. Ruesga conceives of these grant-aided regional projects as a kind of R&D for the philanthropic service organizations which can experiment with the best ways to work in their communities to increase giving. The grants encourage new strategies for working with professional associations such as the bar associations and estate planners. In Connecticut, for example, the local coalition led by the Connecticut Council on Philanthropy, has established a formal partnership with the state bar association to get the latter to include philanthropic giving in its estate planning training and activities. Ruesga believes that this is, surprisingly, the first such formal agreement in the country.

Of the 13 current grantees, 9 are led by RAGS and 4 by community foundations. The projects also attempt to work with the Leave a Legacy efforts carried out by the local chapters of the National Council of Planned Giving. The Giving Project will do a second round of grants this year, a third in the year 2000 and will continue its activities until 2003.

Ruesga thinks that our conference could be helpful not only in encouraging giving -- answering the question, "why give?" -- but also by making clear the distinction between charitable giving generally and giving through an organized vehicle such as a community foundation or independent foundation. The main point is to educate potential donors about the variety of ways in which they may give and widen their perspectives.

He also mentioned that the Giving Project hopes to piggyback on the communications campaign being conducted by the Council on Foundations. At the same time, the Giving Project will try to have its own press placements of stories and ads.

Although a supporting member of the COF, the Forum is an independent organization.

Nancy Roberts
Connecticut Council on Philanthropy
860/525-5585

The Connecticut Initiative to Promote and Expand Philanthropy won one of the first round grants from the Giving Project of the (national) Forum of the Regional Association of Grant Makers. The Connecticut Council project identifies five target “markets”:

- (1) professional advisers;
- (2) wealthy individuals;
- (3) businesses;
- (4) people of color;
- (5) general public.

Roberts notes that Connecticut is an ideal test case and a prime market for any effort to promote philanthropy. While the state ranks first in per capita income, it places only 36th among states when ranked by average giving, and more shocking still, when the statistics are limited only to giving among the wealthiest citizens, Connecticut donors rank 45th in the nation. The state also contains three of the nation’s poorest citizens and the disparity between the wealthiest and the poorest is among the starkest in the country.

The Connecticut Council plans to use targetted mailings to potential donors and will place articles in legal journals and professional magazines after it conducts focus groups to determine key issues and themes.

Among the initiative’s main partners at the state level are the:

Connecticut Society of CPAs: is giving the project its enthusiastic support. The CPAs see the initiative as very much in their own self-interest.

State bar association: -- for attorneys there are some privacy issue for their clients.
But attorneys love the campaign’s emphasis on asking everyone to write a will.

The Council also has agreements with state chapter of NSFRE and Council of Planned Giving which is pushing the Leave a Legacy campaign.

Notes on conversation with Mary Pembroke (Perlin)
NW Giving Project and Social Venture Partners co-founder
Telephone: 206/634-3270.

6/16/99

Mary Pembroke has been a leading figure in Seattle area philanthropy through her work with Microsoft employees and other new donors. Pembroke directed the Microsoft employee giving program and served as an adviser to Bill Gates before leaving the company two years ago. She mentioned four different initiatives with which she is involved:

(1) Along with venture capitalist Paul Brainerd, she was one of the original co-founders of the "venture philanthropy" partnership, **Social Venture Partners** or SVP. Social Venture Partners has been a "tremendous success" she says with 165 donors joining, each pledging a minimum of \$5,000 to the common effort.

In addition to SVP, Pembroke cites three other area initiatives of note:

(2) The **Northwest Giving Project** organized by the regional association of grantmakers, the Pacific Northwest Grantmakers Forum (and part of the national initiative to promote philanthropy organized by the Forum of Regional Grantmakers.) Mary Pembroke is actively involved and helped form the local effort because she saw the need for a more systematic effort to educate potential donors, especially as fellow Microsoft employees or other Seattle area entrepreneurs called her for advice.

(3) **Microsoft Alum-Net.** An association of 2,000 former Microsoft employees (from all categories) whose mission is to support "entrepreneurial and philanthropic activities" of the former "Microsofties." Although primarily a social organization, a recent meeting devoted to how to set up foundations (or giving programs at community foundations) attracted 180 attendees.

(4) **Puget Sound Philanthropy Awards**, given in conjunction with National Philanthropy Day. The day we spoke, Pembroke was leaving for a 6 hour meeting with the local organizers – who include the Puget Sound Business Journal and local philanthropic leaders – to talk about selection criteria and 1999 recipients.

In addition, she mentioned several other "donors' circles" in the Seattle area and cited this as a model that is catching on. In particular, she cited the work of ATR, A Territory Resource, a progressive and grass-roots oriented group that also pools money for philanthropic giving, and the Washington Women's Foundation, directed by Colleen Willoughby. [See the recent article on her in *People* magazine, she said.] Finally, she told me a bit about Microsoft's own employee-driven philanthropic giving and suggested I talk to her successor, Emily Heine. In addition to Bill Gates' now substantial giving, the company has long matched employee gifts up to \$12,000. (That's not a misprint!) Employees can give to any 501(C)3 in the country and have their gift matched dollar for dollar.

We also spoke about the nature of giving by these new types of donors. Essentially, Pembroke believes that the Northwest lacks a historical tradition of giving and sees itself as a new or young region. She agrees with much of the writing on the new entrepreneurs: they are somewhat alienated from or suspicious of formal philanthropy and mainline foundations, but she qualifies this observation by noting that many of the new donors are just now thinking about how to give – and may well settle into familiar institutional patterns – and she attributes any distrust of foundations and other institutions to a generational attitude rather than business or entrepreneurial backgrounds. The Microsoft alumni are part of the Watergate generation, too, and they grew up distrusting authority and establishments.

I asked about giving preferences and she responded that the priorities are education and children, with all else falling far behind. Despite Paul Brainerd's own focus on environmental causes, the SVP donors and most of the "Microsoft millionaires" do not place the environment (or the arts, for example) very high on their list of priorities. Human services or social welfare issues likewise don't rise very high, although among the SVP group attention to the homeless comes in a distant third behind schools and children.

She characterizes SVP as a sort of United Way for new donors, but it is essentially a pooled fund. The differences (which are substantial of course) are a "higher entry fee" for donors and more demanding criteria for the non-profits that benefit from the pooled funds. She agrees that the venture philanthropist model includes more personal involvement by the donors, an emphasis on rigorous evaluation, and "exacting demands" on management by the nonprofits. In general, however, she thinks this is the wave of the future for nonprofits regardless of the source of donations. We didn't have time to explore this further.

I asked about the Puget Sound Business Journal and the philanthropy awards. Although she is a willing participant – she was leaving for an 8 am meeting that would last for up to six hours – she didn't sound especially enthused about this initiative. Philanthropy Day is especially popular in the Puget Sound area and has strong backing from the local business press – where I picked it up from their web pages – but the event is dominated and organized by the nonprofit recipients. Although sponsored by the PSBJ, the organizing committee is composed largely of development officers from area nonprofits. I would have liked to have probed more about the effectiveness of this approach, but time did not permit more questions.

One final note: despite her strong connections to Microsoft, she did not overemphasize its role in the area. But she did tell me that Bill Gates had been strongly supportive of her program all along and that Microsoft continues to be a leader in employee giving. It is also apparent that many – if not most – of the new donors in the Puget Sound area owe their fortunes to their connection to Microsoft.

San Jose Mercury News

Charity grows, evolves in valley

Entrepreneur style: Area's tightfisted image
as tech millionaires reinvent philanthropy.

BY ROBERT ROGERS, CONNIE SKIPITARES
AND RYAN SLONAKER
Staff Writers

The traditional stereotype has stuck for a decade. Silicon Valley is a place where people make vast fortunes but give little in charity.

But that reputation was made worse when hit by financial calamity at United Way in Santa Clara County, a new trend was born that had nothing to do with BMWs. Philanthropy is becoming cool in the valley.

In the past two years, a growing number of tech millionaires have started quietly new programs, writing more checks and establishing foundations. New leaders are moving forward. Their methods are creative, experts say, and could reshape charity in Northern California, but perhaps nationwide as well.

For Young millionaires in the South Bay, the month began a new club, called the Young Encourage giving. A study published in November by a San Jose Foundation shows Silicon Valley families with annual incomes of more than \$100,000 now are giving on average twice as much to charity — \$7,198 a year compared with \$3,379.

Money is pouring into community foundations in San Jose and San Mateo. Organizations such as eBay Inc. have stepped up giving. The power-2-billion David and Lucile Packard Foundation in Los Altos became the largest foundation in the area three weeks ago. And organizations in Menlo Park and San Mateo are fine-tuning their philanthropy, an attempt to improve accountability of start-ups and to non-profit groups.

"I don't think Silicon Valley deserves the stingy label any more," says O. Hanson, a professor at

Stanford University's Graduate School of Business and philanthropy expert. "But it is definitely an adolescent in the art of philanthropy. ... There's a search for better models of giving. I think we're poised for a great growth period in the next five years."

Potential problem

Some say new approach
may not work for all

Still, some who have toiled for years in charitable endeavors are nervous about the new directions. They worry that the complex problems of the needy will be largely ignored in the rush to find new ways of giving that reflect the results-oriented culture of high tech.

"United Way provides basic human services that others often are not doing," said Hugh Burroughs, director of external affairs at the Packard Foundation. "What the young Silicon Valley multimillionaire is doing in many cases is picking off the sexy pieces. I would hope that we'll take care of the basic human services in any mix of forward-looking funding."

Certainly, donations to many Silicon Valley charities are swelling this year with the boom in the economy. The American Heart Association is up 11 percent from the previous year. The YMCA has exceeded its capital campaign goal of \$8.5 million. On Thursday, the Peninsula Open Space Trust in Menlo Park announced it has raised \$32.9 million to buy open space, six months ahead of its goal.

As the United Way debacle showed, however, many donors are uncomfortable now with organizations that distribute funds to myriad

causes. The proportion of United Way donors who earmark gifts for specific programs is 38 percent — more than twice the national average of 17 percent.

Most of United Way's individual donors contribute through payroll deductions. But among wealthier residents in Silicon Valley, there also is a clear pattern: Donors know who they want to help. They don't like red tape. And they want to see results.

"There's going to be a whole new accountability for the philanthropic dollar," said Laura Arrillaga, 28, director of her family foundation and co-chairwoman of SV2.

The topic of giving gained sudden urgency in the valley last month, when United Way announced it was near financial collapse and would not be able to deliver \$11 million promised to member charities starting July 1. Although a handful of wealthy donors — including Microsoft's Bill Gates — eventually bailed out the charity, it became clear there was strong sentiment that United Way's traditional methods needed to be re-evaluated.

For years, Silicon Valley's reputation as a community of cyber-Scrooges has been in some ways justified. Although San Jose is the nation's 11th-largest city, for example, with the third-highest median household income, its United Way ranks 30th.

In the survey by Community Foundation Silicon Valley, researchers found that about 45 percent of valley households with incomes exceeding \$100,000 give less than \$2,000 a year to charity; 7 percent give nothing. It's the really big donors who boost the region's average to more than double the nation's.

Such shortcomings often have been ascribed to the area's unique cir-



**Many new
donors
reject the
United
Way model
of charity.**

Silicon Valley firms create solid foundations for giving

Billions set aside for education, environment, science, other causes

Silicon Valley's new philanthropy is expected to grow out of these organizations:

■ The Packard Foundation is the titan of giving in Northern California. After computer pioneer David Packard donated the bulk of his fortune upon his death in 1996, and following a steady rise in the value of Hewlett-Packard Co. stock, the Packard Foundation became the largest charitable foundation in the United States on June 1. Its asset base is \$12.2 billion, and by IRS rules it must give away at least 5 percent a year, or \$600 million next year if HP stock remains at current levels.

The Packard foundation focuses its gifts on the environment, science, arts, population and education, among other areas.

■ The William and Flora Hewlett Foundation, based in Menlo Park, also is expected to top national lists in the coming years. Computer pioneer William Hewlett, now 86, has said he plans to donate the bulk of his assets on or before his death to the foundation, which gives to population, education and other causes.

The foundation now has assets of about \$2 billion. If Hewlett leaves all of his shares in the Hewlett-Packard Co. — currently worth about \$5.5 billion — that would bring its endowment to \$7.5 billion, leapfrogging it to the fourth or fifth largest in the nation, bigger than such venerable foundations as Mellon, Rockefeller and MacArthur.

■ Two leading community foundations — which take donations from the public — also are exploding in size: Community Foundation Silicon Valley has assets of \$280 million, compared with just \$9 million in 1989. Similarly, the Peninsula Community Foundation has assets of \$250 million. In 1989, it controlled \$42 million.

■ The Center for Venture Philanthropy was started in April as a program of the Peninsula Community Foundation in San Mateo. The center hopes to raise \$3 million over the next 18 months and intends to apply the accountability and hands-on work of venture capitalists to charity.

■ The Entrepreneurs' Foundation also is redefining ways to give. Gib Myers, a Menlo Park venture capitalist, started it in January 1998, seeking donations of stock shares and options from start-up companies. So far, 33 companies have given stock valued at \$3.3 million.

■ The San Jose-based online auction company eBay Inc. followed a similar path a year ago when it donated 107,000 shares of its stock to create a company foundation. Then it was worth \$1.9 million. Today, after stock splits, the endowment is worth \$32.9 million. The company has recently donated to Friends of Farm Drive in San Jose, which provides volunteers to help low-income teens with homework, teach English as a Second Language, arrange monthly food donations and administer tuberculosis testing and treatment.

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FRIDAY, JUNE 11, 1999

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USA

The Rockefellers of Silicon Valley

- Young Internet millionaires begin to use wealth for social good

Paul Van Slambrouck
Staff writer of The Christian Science Monitor

LOS ALTOS HILLS, CALIF

For all its power and reach, Silicon Valley is a disarmingly informal and youthful place.

When some of its elite huddled on the back patio of a private residence in this leafy suburb this week, the ambience was a blend of afternoon barbecue and a college reunion.

But as an afternoon breeze fluttered napkins on the circulating trays of asparagus and prosciutto, the talk turned, as it often does here, to ideas that are innovative, out of the box, or as the valley's movers and shakers like to say, part of a "new paradigm."

Put simply, the men and women who are wiring the world are struggling to build a new ethos. Just as the Carnegies, Rockefellers, and Fords of the Industrial Age eventually used their wealth for broader social good, the inventors of the Digital Age are now recognizing it's their turn to carry the torch.

It comes at a time of great irony. The United Way of Santa Clara County, the heart of Silicon Valley, went bust last month and told homeless shelters, domestic violence clinics, and other social agencies to go elsewhere. This in a region that prides itself in being one of the greatest engines of wealth and ideas the world has ever known.

Standing on the lawn and speaking to his peers, Internet millionaire Steve Kirsch drew laughs as he recounted his reaction to the crisis. "I wondered who would step up," said Mr. Kirsch, pausing, then casting his eyes down at himself, "and thought, how about you?" Kirsch, founder and chairman of Infoseek, wrote a check for \$1 million, soon followed by a check from eBay, another Internet success story. Within weeks, the United Way's \$11 million shortfall was made up by donations from the technology sector.

But while the immediate need was met, there is no peace in the valley.

This week's meeting was the launch of a new effort to spark the kind of social consciousness that has been so slow developing within this exploding class of new American wealth.



Organized by the Community Foundation of Silicon Valley, the backyard gathering was a candid acknowledgment that the valley should do better, and a hope that this kind of informal networking is the key to more charitableness.

"Silicon Valley has been at the forefront of so many things, and we'd like to extend that to involvement in charitable giving," community foundation president Peter Hero told the gathering.

It was little surprise to many in the valley that the first person to step forward in the United Way crisis was Kirsch. He's come to personify the kind of budding philanthropic interest Mr. Hero and others would like to see more of in Silicon Valley, and also the kind of individualistic, personal-interest driven style of giving that is emerging from today's technology leaders.



GIVING FREELY:
Infoseek founder Steve Kirsch recently donated \$1 million to a bankrupt United Way.
INFOSEEK CORP.

A onetime pinball machine repairman, Kirsch retains the exuberant fascination with the world around him that led him to be an inventor and, ultimately, founder of the Infoseek portal site. Partly gobbled up by Disney, Infoseek has showered Kirsch with unexpected fortune.

But unlike many other Internet multimillionaires, Kirsch has ~~begun~~ giving early and often. He's established a philanthropic fund that is now worth about \$30 million. 50

In addition to helping the United Way get back on its feet, Kirsch has funded a new computer science center at the Massachusetts Institute of Technology in Cambridge, various medical research projects, and even sent \$100,000 to a University of Arizona project tracking asteroids that might collide with earth.

"He's unusual and represents the next generation of philanthropic leaders," says Hero of Kirsch, who also sits on the community foundation board.

Kirsch exhorted his peers to get involved at an early age, so "you can actually make a difference while you can see it."

While some of technology's most famous, like Microsoft's Bill Gates, have become major charitable donors, the level of giving compared to the level of wealth leaves much room for improvement, says Hero.

Silicon Valley's response to the United Way crisis has served as something of a wake up call. After writing his check, Kirsch sent e-mail to 65 of the valley's leaders, asking them to follow his example. He got two responses.

While the United Way funds were ultimately replenished, the episode seems to have shone a light on the need of the less fortunate in the valley, as well as the relative detachment of the technology wealthy from that segment of society.

There are many explanations for why Silicon Valley and the technology sector in general are not more philanthropic. The pace at which the industry is evolving, as well as its relative youth, are commonly cited reasons. Who, the reasoning goes, has time to think about worthy causes when you're working 60 hours a week and raising a family?

Another feature of Silicon Valley that conspires against the kind of connection industrialists often forged with their communities, is the transience of technology workers. A large percentage of the valley's newly wealthy are from other parts of the country and world.

And even within the valley, worker tenure with any particular employer is, on average, far shorter than the national average.

Whatever its causes, there are a growing number of exceptions and many of them were at the backyard gathering this week. Their hope is to become one of the technology world's most important start-ups of 1999.

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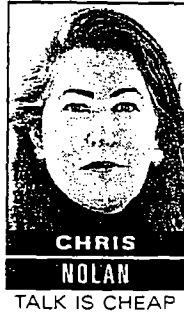
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BUSINESS

more valley philanthropy



BECAUSE YOU CAN: Charity began at the home of venture capitalist **Kevin Fong** on Tuesday.

And it was a pretty fun little Silicon Valley event complete with invites to another schmooze, a little too much talking and a gentle nudge to do a bit more for the area's philanthropies.

The invites came from *Wired* magazine, which is hosting a book party for author Po Bronson later in the month. The talk — really a spirited little stand-up routine about the joys and reasons to give — was provided by Infoseek co-founder Steve Kirsch. And the nudge came from staff at the Community Foundation Silicon Valley, which urged the 100 or so people invited to the party to join the foundation's newly created social charity, the **Silicon Valley Social Venture Fund**.

SV2 — you get it, S-V-S-V, right? — aims to be a collection of younger, affluent high-tech types who encourage others like them to give and give generously. So far, it counts Kirsch, eBay founder Jeff Skoll and Herring Communications President Chris Alden as members, with Fong and Laura Arrillaga, daughter of one of the valley's wealthiest real estate families, serving as co-chairs.

"People don't have any role models," said Fong, a partner at the Mayfield Fund, a group of venture capitalists getting a *real reputation* for good works. Fong, who calls himself a second-generation valley resident — his father worked at Hewlett-Packard when it had only 100 employees — said he wants to help people in the valley learn about philanthropy from the people with whom they spend the most time: the ones they meet at work.

"Everybody here's from someplace else," said Fong, noting that most people have moved to this area for work. So, SV2 aims to provide connection with the community, showing people how to give, how to evaluate the charities in the area and pay a role in giving away real money.

"What do we do best in the valley but network?" said Fong who lent his back yard and his nicely designed home — but not, darn it, the pool or the tennis court — to the event.

SV2's meetings provide time for socializing and a presentation from a community non-profit. Then there's some work, making decisions on grants and programs. The next event is scheduled for mid-September.

So among all this plenty, how much money would the Community Foundation like to raise?

"I think it's less important how much it is," said foundation executive director Peter Hero. The CFSV will administer the fund and provide most of the staff support. "We know there are a couple (of donations) coming in at the highest level."

And yes, they'll take stock.

San Jose Mercury News

SUNDAY
JUNE 20, 1999

It takes more than money, so let's put the Web to work for charity

It takes more than money to help the needy, so let's put the Web to work for worthy causes

WHAT would happen if we added some technology to charity? Plenty — and Silicon Valley should set the pace.

Here's a challenge for the valley's technorich and powerful:

Put some of your brains and time, and just a little of your immense wealth, into the essential task of bringing the non-profit sector into the Information Age. Help the valley's — and ultimately the nation's — charities get wired. Create the ultimate Web site for doing good. Then connect it all to the rest of us: people who want to assist worthy causes.

The results could make us all proud.

Technology and charity will be a great match for the same reasons that technology has improved other endeavors. We're already seeing some promising work along these lines — including a wonderful organization called ImpactOnline, which I'll describe more fully later.

But this situation calls for a coordinated, targeted effort. It's the kind of campaign technology leaders have shown again and again they know how to wage in their businesses.

Here is what's needed:

FIRST: Help charities get wired. Here in Silicon Valley, we have more than enough resources to get every worthy non-profit organization wired internally and to the Internet. Let's do it here, now, as a demonstration of what's possible.

SECOND: Silicon Valley should be the home of the ultimate good-works Web site — or, rather, collection of Web sites — to open up the non-profit world from both directions: from the donor's view and the non-profit sector's view. Let's call it Silicon Valley Cares; I've reserved an appropriate Internet domain (www.svcares.org) and will gladly donate it to the cause.

The ultimate Web site

This site should have at least the following characteristics:

■ It should provide no-cost Web hosting and technical assistance in creating a Web presence for any qualifying non-profit desiring help.



■ It should be a place where non-profits can pool their buying

power to get the best prices (if they can't get outright donations) from their own suppliers.

■ To get that help, the non-profit would be required, among other things, to post on the Web site its Internal Revenue Service Form 990 for the prior three years or the life of the organization, whichever is shorter. This form details the non-profit's income and spending, and is an absolutely essential first stop for anyone contemplating a donation.

■ Each non-profit on the site should also be required to answer a series of questions about its mission and how it's accomplishing that mission. Community Foundation Silicon Valley is working on something like this for its own Web site, according to Peter Hero, the foundation's president.

■ Beyond answering questions put forth by experts, the non-profits should answer questions from the general public. The site should include online forums where volunteers, organizations and others — especially including the people who seek help from non-profit agencies — can discuss problems and solutions.

Community connection

THIRD: Connect wired charities to the rest of the community.

■ The Silicon Valley Web site should become an ultimate "non-profit e-commerce" operation. Each charity should be able to accept donations by credit card.

■ The site should also create online connections to major valley companies so that employees can make contributions through payroll deductions if they wish.

FOURTH: Screen the charities before providing assistance. Sadly but predictably, sleazy people have taken advantage of the laws governing non-profit organizations, and have created shell charities designed to benefit the people running them, not worthy causes.

The strong bias in any screening process should be toward inclusion, not exclusion. But some standards are essential, or abuse is guaranteed. Any suggestions?

If Silicon Valley collectively pulled this system together, it would go a long way toward solving a dilemma people have posed to me in the wake of the financial implosion at the United Way of Santa Clara County. Specifically, they want to pick the charities they'll support personally — but they have no practical way to learn more about individual charities and other non-profit agencies, particularly smaller ones that may serve valuable roles but which have little visibility.

One of United Way's chief values, from my perspective, has been its due diligence in asking and, to some degree, answering those questions about the agencies it ultimately chooses to support each year. Another has been the organization's fundamental method: pooling thousands of small donations, deducted from paychecks, from people who want to help but don't feel they have the time to do the research.

Silicon Valley should be the home of the ultimate good-works Web site.

I still think there's a place for the United Way. But the kind of system I've proposed above would be a major positive step for those who want to help but want more control over their donations.

Some have started

Several Web-based charity helpers are already in the works. Two — AllCharities.com (www.allcharities.com) and Charitableway.com (www.charitableway.com) — are brand new, for-profit operations, and have little on their sites but descriptions of what they'd like to do. I strongly believe the system I've described should be run by a non-profit organization, so I'm extremely skeptical about commercial sites of this kind.

A third, GuideStar (www.guidestar.org), is a non-profit organization that has a comprehensive, searchable list of charities. It doesn't provide the level of detail or screening that I consider essential. But it might well be the kind of thing

a Silicon Valley campaign could work with to create what's needed.

My favorite melding of charity and technology is ImpactOnline (www.impactonline.org), which has been building its site for several years. This Palo Alto-based group is doing wonderful work connecting volunteers with jobs that need to be done.

ImpactOnline's VolunteerMatch is an online service that matches volunteers with non-profit organizations in their geographical areas in more than a dozen major metropolitan areas around the United States. Plug in your ZIP code and the number of miles you're willing to travel to a volunteer job, and you'll see what's available. If you're with a non-profit group, post your opportunities on the site.

The site's VirtualVolunteering, meanwhile, finds projects that can be accomplished over the Internet itself — helping a non-profit create promotional materials, for example.

If Silicon Valley pulls together the resources to bring charities into the Digital Age, it should not try to duplicate the fine work at ImpactOnline. Partnerships are a hallmark of the technology industry. I'd hope that Silicon Valley Cares would link up with ImpactOnline in whatever way made the most sense.

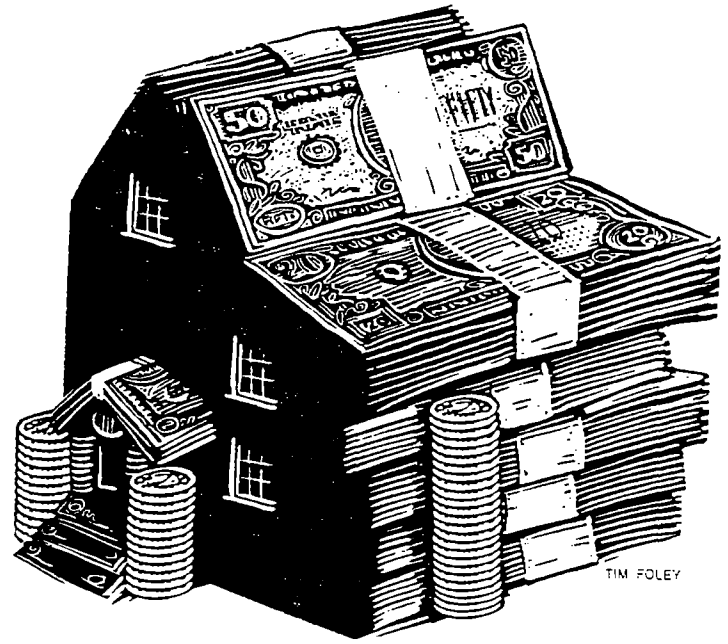
Does Silicon Valley care? Let's find out.

Opinion

VALLEY HOUSING • EDUCATION • CITY HALL • JAMES HORMEL

A first key to housing

Public-private collaboration becomes a true partnership



THROUGH the Silicon Valley Manufacturing Group, high-tech industry has been saying for years that the high cost of housing here is a serious problem. Yet when the Housing Trust Fund was started as a public-private collaborative, the early contributions came only from the public sector.

Editorial

*The opinion
of the
Mercury
News*

Today the trust fund becomes a true partnership. Four leading technology companies and one major developer together have put up the first million private dollars toward the fund's goal of \$20 million, which will be used to provide first-time home buyers with low interest loans, build apartments for low-income families, and shelter the homeless.

The gifts are worth more than their surface value. Adobe Systems, Cisco Systems, Applied Materials and Soletron Corp. are prominent technology companies, and Kaufman and Broad is a leading homebuilder. They've set a pace that others can be expected to follow.

The trust fund started as the brainchild of the Santa Clara County Collaborative for Housing and Homelessness working with the county supervisors and the Manufacturing Group. The Group's Housing Action Coalition and the Housing Leadership Council also are partners, along with the

Community Foundation Silicon Valley, which will administer the fund. The James L. Knight Foundation and the David and Lucile Packard Foundation put up some operating money for administrative and fund-raising costs.

The supervisors put up the first \$2 million — \$1 million outright, and the rest as a challenge grant, which now has been matched.

This spring, San Jose Mayor Ron Gonzales pledged \$1 million from the city. San Jose has its own affordable housing program, but Gonzales thought it was important to support this countywide approach. We hope other cities follow the example — particularly those which, unlike San Jose, do little to provide affordable housing within their borders. All cities need teachers, service workers, and other low-paid employees.

Now the private contribution gives the fund drive the credibility it needs as it officially kicks off next month, seeking gifts from other companies, government agencies, foundations and individuals.

Housing costs are industry's problem and everyone's problem. They make it hard to recruit educated workers from other areas, but they also affect the quality of life and work for people here. Productivity suffers when people are forced to live in substandard conditions or commute long, stressful, tiring distances. Children who live in overcrowded apartments with stressed-out

grownups are less likely to succeed in the schoolwork they need for their own high tech future.

A \$20 million fund is no panacea. San Jose puts that much redevelopment money into its affordable housing program in a year, and by selling bonds will have hundreds of millions of dollars to spend on housing over the next five years.

But like San Jose, the trust will leverage its money, adding it to private financing and tax credits to get low-income projects off the ground. It should stimulate some \$200 million in housing aid overall, helping some 5,000 families, the Manufacturing Group's Carl Guardino estimates.

We see it as a beginning to a solution. Much of the money will be loaned out and repaid, so it will be a revolving fund. New donations can replenish it as well.

There are not a lot of alternatives. Polls show that people see housing costs as a problem but don't want to pay higher taxes to help. At the same time, businesses don't want to raise minimum wages to a point at which janitors and clerks can afford homes at our inflated prices.

The Housing Trust Fund is a certifiable Silicon Valley solution: a public-private effort to patch resources together in creative ways. Now it's off to a good start. Beginning today, anyone can donate through the Community Foundation's Web site (www.cfsv.org).

The Valley

■ SANTA CLARA COUNTY ■ BAY AREA ■ WEATHER ■ OBITUARIES ■ EDITORIALS

Companies pledging \$1 million to housing

BY JOHN STAMPER
Mercury News Staff Writer

Five Silicon Valley companies today will pledge a total of \$1 million to a trust fund dedicated to helping people find affordable housing, bringing the fund to \$4 million before its \$20 million fundraising campaign even kicks off.

The five companies are matching a previous \$1 million pledge to the Housing Trust Fund by the Santa Clara County Board of Supervisors. The companies giving \$200,000 each are Adobe Systems Inc., Applied Materials Inc., Cisco Systems, Kaufman and Broad, and Solectron Corp.

"We think a healthy Silicon Valley is a place where people can live and work in the same community," said Nancy Hendel, vice president of Applied Materials. "Our community needs to be home to everybody."

Along with the donations, the trust fund today will announce the official July kickoff of its two-year campaign to raise the \$20 million. The goal is to help nearly 5,000 area residents with housing costs.

The city of San Jose previously chipped in \$1 million, and the county board of supervisors has contributed \$2 million, including the pledge grant and a \$1 million grant given last year that did not require matching funds.

The trust fund was started two years ago by a coalition of local groups and business interests, including the Silicon Valley Manufacturing Group and Community Foundation Silicon Valley.

The affordable housing

trust fund has already

raised \$4 million.

The effort is aimed at three areas: helping the homeless find shelter, helping first-time home buyers with down payments and closing costs, and helping developers build affordable rental housing. With \$20 million, Carl Guardino, president of the manufacturing group, said the trust fund could help 1,000 homeless people find shelter, 800 families buy their first home in Santa Clara County and 3,000 families find affordable rental housing.

The homeless will be helped with grants, while developers and home buyers will be helped with low-interest loans, which will be reinvested once repaid. Guardino said none of the money will be spent until all the money has been raised.

The trust fund's numbers are impressive, but not when paired with statistics showing a land of the rich unable to care for its poor, said Margaret Gregg, executive director of the San Jose Family Shelter on Las Planos Avenue.

"The need is so enormous," Gregg said. "We could triple or quadruple the size of our shelter and people would still be coming in."

There are about 1,000 beds for the homeless in Santa Clara County, with an estimated 4,500 homeless at

any time.

But Gregg, whose shelter houses 36 families for three months at a time, said the trust fund is a good beginning, one she fully supports.

Executives from the five companies said they gave their support for a variety of reasons — a major one being a fear that the area's high cost of living could put the brakes on their businesses.

Officials predicted they'll be able to raise the \$20 million easily — especially since they are a fifth of the way there before officially starting. They will be asking corporations, local governments, foundations and individuals to contribute.

Individuals will be able to donate on the community foundation's Web page, www.cfsv.org, beginning today.

"This project exemplifies the best of Silicon Valley problem-solving," said Peter Hero, president of the community foundation. "We're going to raise this money and raise it quickly."

Contact John Stamper at jstamper@sjmercury.com or (408) 271-3730.

IF YOU'RE INTERESTED

More information on how corporations, foundations and individuals can invest in the Housing Trust Fund with cash, stock or land is available at www.cfsv.org or by calling Community Foundation Silicon Valley at (408) 278-0270.

The Economist

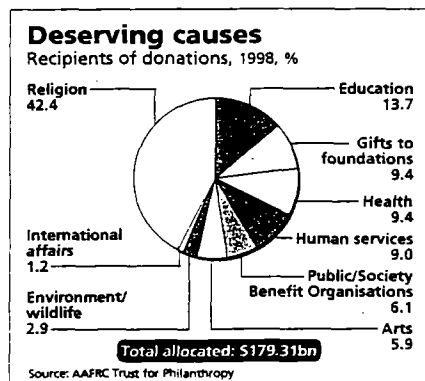
MAY 29TH - JUNE 4TH 1999

Philanthropy

Giving your all?

ON THE face of it, 1998 was a tremendous year for American philanthropy. Figures released on May 25th by the American Association of Fund Raising Counsel show that charitable giving rose by 11% to a record \$175 billion. Around three-quarters of this came from individuals; the rest from bequests, companies and foundations. The only sector to see a fall in giving was the arts—though they still received some \$10.5 billion. The AAFRC detects a possible “golden age” for charitable giving.

Is that really the case? American giving, at around 2% of GDP, is certainly generous compared with other countries (though European ones tend to have higher taxes and more bigger welfare states). And America's richest people do give more than their share by income (one analysis of 1995 tax returns by the AAFRC showed that people who earned \$1m a year accounted for just under



0.1% of the population but 8% of charitable giving).

However, many charities argue that the real test should not be income but net worth—and that the rich are not doing their share. Last year, Standard & Poor's composite index rose by 27%, more than twice the rate of giving. The gains from the 1990s bull market have gone disproportionately to the rich, with as much as 90% of the paper profits going to the top 10% of households. Very little of these gains—running into trillions of dollars—has been passed on.

The most damning evidence comes from the Newtithing group, a San Francisco non-profit organisation, which has constructed an economic model showing how much Americans could “afford” to give away, taking into account their assets and spending as

well as their income. The model works on a sliding scale, assuming that poorer Americans need to increase their net worth while the richest merely want to keep it stable, after allowing for inflation and their spending. Altogether, it reckons that individuals could afford to give away some \$242 billion more a year than they do. Half of that amount comes from the 111,000 people whom Newtithing reckons earn more than \$1m a year and whose total net worth is around \$21m.

Certainly, Silicon Valley, the temple of much of this new money, offers mixed evidence of a philanthropic renaissance. A few billionaires, notably Bill Gates, have begun the arduous process of giving away their loot. But most high-tech folk still seem slightly more preoccupied with bits and bytes. According to a 1998 report by Community Foundation Silicon Valley (CFSV), around one third of households there earning more than \$100,000 give \$1,000 or less to charity. The Santa Clara County branch of the United Way recently collapsed after donations fell short of expectations.

In many cases the problem does not seem to be miserliness so much as ignorance. As the CFSV report notes, one third of the “high net worth” individuals in the valley were paid with shares; but only 7% gave away shares, even though there are tax advantages in doing so. Whatever the reason, the golden age still looks some way off.

Charitable Deductions for Self-Dealing		Comprehensive Veto Power by Congress	Estimated Cost to the Federal Government
No provision	No provision	No provision	\$1.5 billion over five years
Reduction Limits			
No provision	No provision	Comprehensive Veto Power by Congress	Estimated Cost to the Federal Government
No provision	No provision	Same provision as in Senate, except that planned gifts would not qualify	\$7.5 billion over three years for individuals; \$25 billion over three years for corporations
Gifts Through Individual Retirement Accounts			
No provision	No provision	Comprehensive Veto Power by Congress	Estimated Cost to the Federal Government
No provision	No provision	Same provision as in Senate, except that planned gifts would not qualify	\$1.5 billion over five years
Self-Dealing Tax Exemption			
No provision	No provision	Comprehensive Veto Power by Congress	Estimated Cost to the Federal Government
No provision	No provision	Same provision as in House and Senate	\$400 million over five years
Travel Expenses for Self-Dealing			
No provision	No provision	Comprehensive Veto Power by Congress	Estimated Cost to the Federal Government
No provision	No provision	Same provision as in House and Senate	\$1.5 billion over five years
Gifts			
No provision	No provision	Comprehensive Veto Power by Congress	Estimated Cost to the Federal Government
No provision	No provision	Same provision as in Senate	Less than \$600,000 over five years
Non-Profit Subsidiaries			
No provision	No provision	Comprehensive Veto Power by Congress	Estimated Cost to the Federal Government
No provision	No provision	Same provision as in House and Senate	\$40 million over five years
Requests to Foundations			
No provision	No provision	Comprehensive Veto Power by Congress	Estimated Cost to the Federal Government
No provision	No provision	Same provision as in House and Senate	\$1.5 billion over five years
Exemptions from Penalties for Self-Dealing			
No provision	No provision	Comprehensive Veto Power by Congress	Estimated Cost to the Federal Government
No provision	No provision	Same provision as in House and Senate	None

Should allow the Secretary of the Treasury to grant exemptions from penalty taxes to private foundations and people with close ties to them—that participate in self-dealing transactions. The law currently does not allow for waivers for inadvertent violations of self-dealing prohibitions or for self-dealing arrangements that not only benefit an individual but also are in the best interest of a foundation. The government would have to publish a notice saying that it was establishing an exemption and was enforcing payments.

Tax Legislation Shows Growing Appeal of Charity Among Politicians

Continued from Page 31

strict lobbying by non-profit organizations. "But what I see in this legislation is more of the government creating a partnership with the non-profit community and individuals to work together to carry out the concept of a civil society."

William E. Steinbach, vice-president of the American Council on Education, said the legislation during the drafting of the tax bill in the big changes to charity and foundations laws that Congress made in 1993.

But he noted that the changes made then were to restrict charities and foundations, because Congress thought they were misusing money and tax privileges.

This summer's tax legislation represents a vast difference in the approach and attitude of lawmakers, Mr. Steinbach said. "One could say this is the high-water mark for the charitable community in the last 30 years," he said.

"If you are looking for the tax agenda for the not-for-profit community, the items that are in the bill—and even those that were significantly curtailed or deleted from it—will be the focus in coming years," he added. "Even if there is no tax bill enacted this year, getting this far will serve as a platform from which to work in the future. The proposals are out there, the revenue estimates have been made, Congress has thought about it. We'll be back."

After Congress returns to work after Labor Day, lawmakers are expected to try to negotiate with President Clinton to create a tax package that he would be willing to sign. Such a deal could include many of the provisions in the bill the House and Senate passed, but it is possible that the negotiations will fail and that no tax bill will be passed this year.

Retirement Accounts

In perhaps the most far-reaching provision in the House-Senate bill, lawmakers voted to allow people age 70½ and older to make tax-free withdrawals from individual retirement accounts for donations made directly to charities, effective for distributions made on or after January 1, 2003.

Under federal law, Americans may withdraw funds without penalty from I.R.A.'s when they reach age 59½. But people are subject to income tax on the amount taken out, even if they give funds immediately to charity.

The legislation would allow people age 70½ to roll over I.R.A. assets directly to charities without having the funds count as taxable income.

An earlier version of the legislation would have given the option to more people—permitting those ages 59½ and older to roll over their I.R.A. assets. Congress apparently settled on the higher age threshold because of concern that younger people might withdraw too much retirement money for charity and find themselves years later with insufficient income. Old-

erly, better sense of their retirement-income needs and how much retirement money they could really afford to give away.

Still another version of the bill that was eventually dropped would have allowed people to make tax-free contributions from retirement accounts through such planned gifts as charitable remainder trusts. Congress eventually decided that only gifts made directly to charity would be allowed under the measure.

Some charity leaders privately questioned whether the narrowing of the provision—the higher age limits and rejection of planned gifts—had so watered down the measure that non-profit organizations would not see much benefit.

But most officials were enthusiastic. Janne G. Gallagher, deputy general counsel of the Council on Foundations, said her organization hoped that the provision would encourage people to use their I.R.A. assets to establish funds at community foundations.

"We'd prefer that people be able to use planned-giving techniques," said Ms. Gallagher, "but the fact that this is in the bill at all is a huge step forward."

Others said that they thought the I.R.A. provision got a needed lift as it moved through the Republican-led Congress when George W. Bush, the one Governor of Texas, listed its adoption as one of his top priorities if he is elected President.

Estate Taxes

The House-Senate provision to phase out the estate tax over the next decade worries fund raisers who say that wealthy donors have often been motivated to give as a way to reduce the amount of their estate taxes.

But Matthew Hamill, vice-president for public policy at Independent Sector, a national coalition of charities and grant makers, pointed out that economists do not agree on what would happen if the estate tax were eliminated.

"There are some who argue that the estate tax would not

actively affect charitable giving, but there are others who have looked and have reached either a neutral or opposite conclusion," he said. "So we just don't know for sure what to expect."

Deductions for Gifts

Deans in all income brackets came tantalizingly close to seeing Congress adopt another provision long sought by charities—allowing non-profits to claim a charitable deduction for their federal income-tax returns to claim a charitable deduction for donations.

The Senate last month voted to allow people who don't itemize to claim deductions for donations of up to a total of \$50 for individuals and \$100 for married couples, at an estimated cost of \$1.2-billion over three years. But the House did not vote on the matter, and a conference committee that ironed out the differences between the Senate and House bills abandoned the provision.

People who don't itemize were allowed to claim charitable deductions until 1985. But they lost that option after the tax code was overhauled that year, and non-profit organizations have tried to get it back ever since.

Even with the defeat, "organizations should feel good that the effort to talk about giving non-itemizers a charitable deduction is beginning to bear fruit," said Mr. Hamill of Independent Sector, pointing out that that topic, too, has popped up on the Presidential campaign trail. "You are starting to see an idea that's been discussed and promoted by non-profits begin to take hold."

Charity officials also have hopes for the eventual passage of another provision that cleared the Senate only to be eliminated from the final bill: a gradual increase in the percentage of income that individuals and corporations may claim each year in charitable deductions, a step that could encourage donors to increase their donations over time.

On matters concerning chari-

ties, Congress did not focus entirely on fund-raising issues. Among other things, lawmakers decided to relax restrictions on the amount of lobbying that charities can do.

A provision in the final bill would remove limits on the amount that organizations could spend on "grassroots lobbying"—efforts to rally popular opinion in support of or in opposition to a bill. Charities are now allowed to spend no more than 25 per cent of their total lobbying expenditures on grassroots advocacy. Mr. Hamill said charities welcomed the change. "It would give non-profits the flexibility they may need to involve themselves in the public-policy process," said Mr. Hamill.

Foundation Provisions

Members of Congress also delved into foundation matters. In fact, a pair of controversial provisions—one passed by the Senate and one by the House—took private foundations by surprise and left observers scrambling to figure out the effects.

One drew national attention before it was deleted from the compromise bill. The proposal would have allowed private foundations to increase their holdings of publicly traded voting stock of a corporation that it receives by bequest from the maximum of 20 per cent—a limit in place since Congress made major tax-law changes in 1969—to 40 per cent in 2007, and to 49 per cent in 2008.

The idea was drafted by Sen. Bob Kerrey, a Nebraska Democrat, to help foundations increase their assets. But, according to Congressional Quarterly, Senator Kerrey had another goal: helping Warren Buffett, the Omaha investor and philanthropist, use a private foundation to shelter his stock in a holding company—that is, to keep the stock safe from estate taxes and other encroachments by the Internal Revenue Service after his death. Mr. Buffett, who owns 60 per cent of the holding company Berkshire Hathaway, did not return a call seeking comment.

"Although the proposition died, Mr. Kerrey, the lawyer for non-profit groups, said the topic is likely to resurface another day—and not just because of Mr. Buffett's personal interests."

"With the rising stock market, the value of these investments has come more and more important," said Mr. Kerrey. "With the shifting of wealth between generations upon us—and the success of Silicon Valley entrepreneurs—the tax-policy issues arise as to why a foundation shouldn't be able to hold on to more stock as long as it is beneficial to the organization and does not lead to someone getting an improper benefit. The question will come up again."

Waiving Penalties

The other proposal was that private foundations could pass the House and Senate. It took the final bill, brought by any coalition, but would affect those who became law. The provision would allow the Secretary of the Treasury to effectively grant exemptions from penalty taxes to private foundations—and people with close ties to them—that participate in self-dealing transactions.

The law currently does not allow the Treasury Secretary to waive the prohibition on self-dealing for organizations or people who inadvertently violate the rules. Nor can the government exempt those who engage in—or who plan to do so—even if such transactions are arguably beneficial for the foundation. For instance, if an official of a foundation offered to rent space to his fund at a below-market price, he would be self-dealing by using his position to secure a financial benefit. But the foundation would probably have to pay more for space owned by another landlord.

Under the provision, the government would have to publish a notice saying that it was considering an exemption and was soliciting comments.

Some observers speculated that the provision was drafted to help a specific foundation that Congress did not identify in the bill. Even so, they said it was a reasonable idea that should be effective and helpful to funds.

Too 'Subjective'

But others were not so pleased. Conrad Rosenberg, a former I.R.A. official, wrote in the *EO Tax Journal* that he expected that most private foundations would be reluctant to ask the government for an exemption for self-dealing acts because they would not want to attract the I.R.A.'s attention and become possible targets for audits.

Mr. Rosenberg said he had been tinkering with the long-standing self-dealing rules, which were enacted in the 1969 tax law. A new provision, he said, would essentially ask the government to make too many subjective judgments in which it is not an expert. He said the organization that is the basis of all the facts, or perhaps he and his colleagues, would be the ones to make the final decision. "It's a very bad kind of deal," he said.

WHITE HOUSE PHILANTHROPY CONFERENCE WORKPLAN-08/06/99
OCTOBER 22, 1999-EAST ROOM, APPROX. 150 PARTICIPANTS

DELIVERABLE	MANAGER(S)	DEADLINE	STATUS
• Determine Conference Program • Confirm location and date • Select title (suggested—<i>Gifts to the Future: New Philanthropy For the New Millennium</i>) • Create format—number of sessions, speakers/town hall/panels, agenda, etc.	• Shirley/ Ellen	• July 30	• Date/location confirmed with POTUS and FLOTUS • Program structure still TBD
• Draft Budget/Secure Fiscal Agent • Draft budget • Identify, contact and confirm fiscal agent(s) • Recruit in-kind support • Call Jill Iscoll	• Malcolm/ Leela • Shirley/ Melanne	• August 6	• Calls made/ decisions pending • Sun Microsystems contacted
• Determine Satellite Downlink Partners/Process • Draft budget • Secure partners • Create and maintain website • Create registration process and manage cybercast	• Malcolm/ Leela	• July 16, budget and partners • End of August, registration process	• Michael Grantham to be hired as downlink coordinator, Aug 16-Oct. 29 • ARC and United Way taking lead in organizing quality forums with local constituencies; joint letter sent 8/06

• Research/Create Invitation List • Identify individuals/entities to invite across four invitee categories • For each invitee provide: contact name, organization name, address, phone, fax and email; and briefly describe why person should be invited • Mail Invitations	• Malcolm/ Leela • MaryEllen/ Kim • Kim/Social Office	• July 14 • July 23 • Sept. 14	• Invitee categories identified • Draft of WHMC list received by FLOTUS office, COB 7/14 • New master list to be reviewed 8/05 mtg.
• Research/Select Speakers • Based on agenda items, research possible speakers • For each identified speaker, gather contact information and bio • Locate prior speaking engagements/articles written as a means to preview	• Malcolm/ Leela/Kelly	• First draft of list to EL and SS for review, COB 7/30	• Fist draft complete/to be reviewed by team
• Research/Select Philanthropic Heroes • Identify 20-25 individual philanthropic heroes, with diversity in age, race, ethnicity, sex and type of giving (e.g., human services, education, arts, etc.) - For each candidate include: -contact name, organization, address, phone, fax and email; and short vignette of their heroic giving -supporting materials (e.g., article, videos, etc)	• Malcolm/ Kelly	• First draft of list to EL and SS for review, COB 7/30	• Fist draft complete/to be reviewed by team

• Generate List of Research Needs/ Polling Needs • Identify necessary information (e.g., visuals, handouts, etc.): -Polls on people's views of giving -Data on individual giving -Surprising facts -Patterns by different ethnic groups/other groups -Role of religion -Innovative • Assign topics and create one-pagers on each • Contact video producer • Determine video concept and list of interviewees • Complete filming • Edit and deliver rough-cut for first review	• Malcolm/ Kelly/Leela/ Rupa/Jessica/ Rachel • Leela • WHMC/SS • Sunburst • Sunburst	• First draft of one-pagers to SS for review, COB 8/06 • July 30 • September 10 • September 24 • October 1	• Research conducted/ need to select relevant info. • First draft of research summaries to SS, 8/10 • Sunburst Creative to produce video
• Outline Promotion Plan • Develop press releases • Determine timing • Create magazine insert	• Shirley/Ellen	• August/ September	• To begin
• Create Conference Materials • Generate list of what to include in conference packets/press materials (e.g., research data, resource lists, graphs, contact names, follow up information, etc.)	• Leela	• Draft by end of August	• To begin

• Generate List of Research Needs/ Polling Needs • Identify necessary information (e.g., visuals, handouts, etc.): -Polls on people's views of giving -Data on individual giving -Surprising facts -Patterns by different ethnic groups/other groups -Role of religion -Innovative • Assign topics and create one-pagers on each • Contact video producer • Determine video concept and list of interviewees • Complete filming • Edit and deliver rough-cut for first review	• Malcolm/ Kelly/Leela/ Rupa/Jessica/ Rachel • Leela • WHMC/SS • Sunburst • Sunburst	• First draft of one-pagers to SS for review, COB 8/06 • July 30 • September 10 • September 24 • October 1	• Research conducted/ need to select relevant info. • First draft of research summaries to SS, 8/10 • Sunburst Creative to produce video
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• Create Conference Materials • Generate list of what to include in conference packets/press materials (e.g., research data, resource lists, graphs, contact names, follow up information, etc.)	• Leela	• Draft by end of August	• To begin

• Develop Follow Up Plan/Deliverables • Respond to Treasury • Contact CNS • Call Foundations for deliverables • Determine conference “challenge” to be issued	• Ellen • Shirley • Ellen/Melanne	• August/ September	• To begin
• Assist Speechwriters • Research key issues • Provide acknowledgments/talking points	• Malcolm	• October 7	• To begin late Sept.
• Manage Overall Logistics • Follow up with POTUS request [Done] • Determine Social Office contact [Done: Kim W.] • Select production team, reserve satellite time • Determine audio and visual needs	• MaryEllen • WHMC- Leela/Anne	• August 31	• Production team contacted [Sunburst Creative], formal paperwork to be drafted confirmed
• Develop Comprehensive Timeline • Create overall workplan—with deliverables and deadlines • Finalize workplan and assign manager to monitor overall progress [Done: Leela, until August 27]	• Leela / MaryEllen • Shirley/Ellen	• July 9 • July 16	• Workplan drafted • Completed-7/14, to be updated weekly

IN BRIEF: MANAGING E.C.

White House Plans Giving Conference

First Lady Hillary Rodham Clinton is organizing a first-ever White House conference on philanthropy, scheduled for late October.

The meeting, tentatively titled "Gifts to the Future," will focus on individual donors and will emphasize "the importance of innovative ways of passing on the tradition to future generations," a spokeswoman for the First Lady said.

The White House Millennium Council is working with the First Lady's office to plan the event. Part of the meeting will be devoted to honoring "heroes of all ages and backgrounds who have made extraordinary gifts," according to the spokeswoman. The history of philanthropy and the ways it has changed in recent years are also expected to be highlighted.

The spokeswoman explained the conference by saying that it "really fits into the First Lady and President's strong commitment to the non-profit sector and to promoting active citizenship."

More details are expected to be announced in the next month or so.

Questions arose after a diamond-mining company owned by Mr. Robertson, the African Development Company, used the planes in its work. Despite Mr. Robertson's stipulation that all company travel be carefully accounted for and that the charity be fully reimbursed, investigators said his instructions had not been followed.

Still, the investigators said they found no evidence of an intentional attempt to misuse charitable assets. They also said that donations from Mr. Robertson and the African Development Company to Operation Blessing more than offset the amount the charity should have been paid to cover the use of the planes. What's more, investigators approved the steps the charity outlined to improve its record-keeping in the future and prevent conflicts of interests.

The Office of the Attorney General concluded in its report that "the breakdown in bookkeeping and accounting practices" amounted to "an unfortunate blemish on a charitable organization with an extensive record of humanitarian activities throughout the world."

Trustees Step Down

Jossey-Bass Too



"A perfect blueprint nonprofit organization use in building a giving campaign."

—Carole Schaad,
Rhinebeck Chamber
Music Society



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PHILANTHROPY NEWS DIGEST
Vol. 5, Issue 38
September 21, 1999

front page

Headlines

Gates Foundation Establishes \$1 Billion Fund for Minority Scholarships

National Urban League Distributes \$25 Million Lilly Endowment Grant

Hispanic Giving Comes Into Focus

SBC Communications Announces Grant to Hispanic Chamber of Commerce

President and Mrs. Clinton Announce White House Conference on Philanthropy

Center for Y2K & Society Releases Preliminary Community Preparedness "Report Card" Information

CompuMentor Offers Spanish and Portuguese Versions of "Y2K Workbook for Nonprofits"

Community Foundation for Southeastern Michigan Funds Innovative Arts Partnerships

New England Council to Study Economic Impact of Arts

Knight Foundation Announces \$17 Million in Journalism Grants

Former Prodigy Chairman Helps Fund Idaho Human Rights Center

Ameritech Awards Grant to Fund Nonviolence Education

New Survey Reports Public

President and Mrs. Clinton Announce White House Conference on Philanthropy

In response to research indicating that philanthropy is a tradition that needs to be actively fostered and sustained, President and Mrs. Clinton have announced the "White House Conference on Philanthropy: Gifts to the Future." The conference, to be held in the East Room of the White House on October 22, 1999, is designed to highlight the American tradition of giving, discuss the diverse and changing face of philanthropy, and explore ways to sustain and expand the tradition for future generations. A portion of the conference will be broadcast via satellite, providing communities across the country with an opportunity to participate in a dialogue on the subject.

Conference organizers plan to broadcast 90 minutes of the four-hour conference via satellite, with a tentative start time of 1:30 p.m. EDT. Conference participants, both at the White House and via satellite, will represent the wide range of racial, ethnic, economic, and religious groups involved in American philanthropy.

The White House Conference on Philanthropy is a program of the White House Millennium Council, which the President and Mrs. Clinton created in 1997.

For general information regarding the conference and guidelines on hosting a satellite downlink site, call (202) 395-7112. To register to become a satellite downlink site or view the conference broadcast via cybercast, visit: <http://www.giftstothefuture.gov>

"White House Conference on Philanthropy." White House Press Release 9/14/99.

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Governance and Regulation

Tax Bill Shows Appeal of Charities

Many provisions to foster giving made final version—or came close

By GRANT WILLIAMS

PRESIDENT CLINTON hates the tax bill Congress passed this month because he thinks its tax cuts are too charitable to the rich.

But the bill is a big hit with many of the nation's non-profit organizations—which received numerous benefits in the legislation. Among the most popular: a provision to allow donors to make tax-free withdrawals from individual retirement accounts to benefit charity. (Details of the legislation are provided in a table on Page 32.)

Even with the prospect of a Presidential veto of the bill, charity officials are already declaring a measure of victory. They say it is a good sign for future tax debates that a number of charity benefits made it into the final bill—or came very close to being included in the compromise measure that passed the House and the Senate.

Two provisions that the Senate approved, but that were deleted in last-minute negotiations, had the potential to attract significant donations to charity: Senators would have offered a new tax break to people who don't itemize on their tax returns and would have gradually increased the percentage of income that individuals and corporations are allowed to write off each year in charitable deductions.

Not so pleasing to many fund raisers is a provision in the House-Senate measure that would eventually eliminate estate taxes—a move that might put a damper on charitable gifts from estates of wealthy donors.

A Mood Swing

With the bill, Congress demonstrated that it wants to help non-profit groups raise more and more money—in part so that charities can relieve some of the burdens on government. Politics was another reason charities did so well: In recent months several of the candidates for the 2000 Presidential nomination have called for increases in support for non-profit organizations (*The Chronicle*, August 12).

"The mood of the country is changing," said Milton Cerny, a Washington lawyer who represents non-profit organizations. "In recent years there has been an aggressive mood in Congress against charities—attacks on them," he said, including efforts to re-

Continued on Page 33



Sheldon E. Steinbach of the American Council on Education says of the tax bill: "One could say this is the high-water mark for the charitable community in the last 30 years."

To Sunday FYI

Should also include Turner/Wirth

FINANCIAL TIMES WEEKEND AUGUST 28/AUGUST 29 1999

COMMENT & ANALYSIS

The new philanthropy

The generosity of Bill Gates recalls an earlier era of charitable giving, says **Richard Waters**

John D. Rockefeller, in the words of Winston Churchill, felt no need to pay "hush money to Heaven". Many others saw it differently. The dour Baptist who created Standard Oil was the most vilified businessman of his generation, the archetype of the robber baron set on enriching himself at the expense of society at large. Yet by the 1920s he had given away enough money to cement his reputation as the greatest philanthropist of the century.

It is no wonder critics claimed Rockefeller's charity was driven by guilt, or by an attempt to boost his lamentable public image.

The parallels with William H. Gates are, on some levels, uncanny. Microsoft's chairman has given away \$15bn since the start of this year, making his \$17bn family foundation the biggest in the US and the second biggest in the world. (Only the Wellcome Trust in the UK is bigger, at \$19bn.)

Mr Gates has none of the fierce moral stringency or religious vehemence of Rockefeller. Yet his battle with the US Department of Justice vies with Standard Oil's for the title of Anti-Trust Trial of the Century.

Like Rockefeller, Mr Gates sees himself as a visionary businessman whose company has benefited millions of people - only to find his success the subject of jealousy and his business practices the target of bureaucrats. Like the oil monopolist before him, Mr Gates' public travails have been accompanied by a flowering of generosity.

The Microsoft co-founder is not alone. America's irrepressible economic boom in the 1990s has ushered in a new philanthropic era, with an outpouring of charitable works to rival the days of Rockefeller, Henry Ford and Andrew Carnegie.

While those earlier charitable dynasties sprang from fortunes made in oil, automobiles and steel, the new ones reflect the sources of industrial wealth of the late 20th century: computers the second biggest family foundation, the \$9.5bn Packard Foundation, sprang from the wealth created by the Hewlett Packard empire, hedge funds (George Soros) and duty-free liquor (Charles Feeney, the founder of DFS, who has now given away more than \$4bn).

While these are the names that catch the headlines, the surge in private wealth created by the long bull market has produced a much more widespread outpouring of giving. The number of private foundations in the US has doubled since the stock market began its rise in the early 1980s. According to the Foundation Center in New York, the amount Americans donate to charities each year has doubled during the 1990s, reaching nearly \$20bn last year.

Big companies have also been rushing to give away more, though few go to the lengths of Chicago retailer Dayton Hudson, which donates 5 per cent of its annual profits.

"The economy has been doing very, very well, and corporate

profits are up," says Timothy McClimon, head of the AT&T Foundation, whose grants topped those of other corporate institutions last year. "The more money companies make, the more they give away."

Not surprisingly, the wave of cash has produced its problems. Charity frauds have become more common - most notably with New Era Philanthropy, a foundation that tricked some of the biggest grant-making bodies in the country with its promise to match their gifts with those of its own.

Some also fret that the not-for-profit world lacks the professional management and accountability to handle its new-found riches effectively.

The similarities with the philanthropic largesse of the 1920s is not surprising. The private fortunes that have sprung from the information revolution are every bit as striking as those that emerged from the great wave of nation-building in the early years of the century. And with those fortunes comes responsibility.

It was Ted Turner who first turned up the heat on Bill Gates. Three years ago, the founder of

CNN challenged the likes of Mr Gates and Warren Buffett, the investor who ranks as the world's second richest man, to use more of their money for social good.

"What good is wealth sitting in the bank? It's a pretty pathetic thing to do with your money," the man nicknamed the

'What good is wealth sitting in the bank? It's a pretty pathetic thing to do with your money'

Mouth from the South declared.

Mr Turner's comments carry an echo of Andrew Carnegie, whose views were said to have inspired Rockefeller. According to Ron Chernow, author of *Titan*, a recent biography of the oilman, Carnegie feared that the chasm between the new industrial fortunes of the age and the wages of workers would trigger a social backlash. Philanthropy was both

a social responsibility and a necessity. "The man who dies thus rich dies disgraced," the steel magnate argued.

With Mr Turner himself now two years into his pledge to give \$1bn to the United Nations over a decade, Mr Gates has delivered his resounding response.

"The pressure was on him," says Dorothy Ridings, president of the Council on Foundations, which represents the interests of many of the biggest private US foundations. "And I would not downplay the fact that he had his problems with the Justice Department." The timing of the donations, in the midst of the Microsoft anti-trust trial, "was perfect for him," she says.

Unsurprisingly, people close to Mr Gates deny that his generosity is self-serving. Patti Stonesifer, the former Microsoft employee who now runs the family foundation along with Mr Gates' father, says the billionaire had always planned to give away most of his Microsoft fortune, now worth around \$100bn.

But what about the timing of the gifts, in the midst of the trial? "There is not a manipulative agenda," says Jack Faris at the

Gates Foundation. "It's hard to prove a negative, but it really isn't so."

Perhaps not. But it is noteworthy that Mr Buffett, who has also promised to give away most of his personal fortune, has not opened his pocket book yet. Unlike Mr Gates, the cherubic 68-year-old does not have a public image in urgent need of repair.

Whatever the questions over the timing of Mr Gates' move, it should not be allowed to hide the bigger issue. As in Rockefeller's day, philanthropy, often on a massive scale, is alive and well in a country where private wealth has always brought with it onerous public obligations.

Other countries have their charitable traditions, but none seems to rival the US in scale or significance. From Europe, US philanthropy is often seen as a reaction to a deficient welfare system. Critics argue that charity in the US has grown to fill the void left by a weak social safety net, leaving private individuals to take on tasks that would, in a better-organised society, be the province of government.

That is a view roundly rejected in the US. "Bill and Melinda are very aware of what the proper sphere of government is," says Mr Faris. He adds that their gifts are made either to tackle issues that market forces alone cannot solve - for instance, the development of vaccines to tackle illnesses that are rife in the developing world - or to jump-start programmes that should eventually be taken on by government.

There is a striking similarity, again, with the ideas of Rockefeller, who believed that charity had its biggest impact in the areas of health and education, since this would give people a better shot at tackling their own economic disadvantages. A Rockefeller gift led to the first successful vaccine for yellow fever; a Gates donation is supporting the quest for a vaccine against malaria. Carnegie built public libraries across the country; Mr Gates is wiring them for the internet age.

With \$17bn - and more, apparently, to come - the Gates Foundation is about to catapult private charity into a new dimension. The amount is, for instance, enough to buy every American an upgrade to Windows 98, Microsoft's personal computer operating system.

Most of that money will be tucked away for the future: like Rockefeller before him, Mr Gates wants a legacy that will stretch for generations into the future. But, with a requirement on all foundations to give away at least 5 per cent of their assets each year to qualify for tax relief, the annual donations of the Gates Foundation will still be more than double those of the Ford Foundation.

Their early gifts apart, there are few clues about where Mr Gates and his wife hope to make their mark for posterity. At the moment, the new money is "essentially uncommitted," says Mr Faris. The requests for donations are doubtless already flowing in.



Andrew Finn

MEMORANDUM**SEPTEMBER 15, 1999**

TO: Shirley Sagawa
Ellen McCulloch-Lovell
Sharon Kennedy-Gill

FROM: Malcolm Richardson

SUBJECT: VIDEO PROFILES

Here follows a list of some outstanding individuals and groups who should be considered for the introductory video. I have listed more than 5 on the assumption that we will need a slightly broader pool in case someone turns down our request to film or our telephone conversations with them raise problems we haven't previously foreseen. I will find more detailed contact information as soon as possible and update this memo with that information.

1. Matel "Mat" Dawson.
Detroit, Michigan

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
West Virginia

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
Phoenix, AZ

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
Louisville, KY.

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
Elmhurst, IL

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, challenged the residents of Elmhurst to raise \$1 per inhabitant or \$40,000 for relief efforts. Recommended by the American Red Cross national headquarters.

8. Shamika Darisaw
Flint, Michigan

Now in college (at the University of Michigan) Shamika Darisaw could represent the Michigan community foundation program, funded by the Kellogg Foundation and administered by the Michigan Council on Foundations, which pairs youth advisory committees with community funds in a wide variety of localities. Recommended by the Michigan Council on Foundations as an articulate champion of youth involvement, she could describe this educational program and the importance of teaching philanthropy.

9. Youth advisory committee/Community Foundation-Silicon Valley.

A group portrait. Filming this committee in San Jose might help give us more geographic and ethnic diversity – most of the members are young Asian Americans and Hispanics – and would allow us to paint a portrait of giving in Silicon Valley that is definitely not the one that comes to mind when this region is mentioned as a center of philanthropy. Peter Hero has suggested we profile this project, though he has not pushed it hard.

10. Harrison Steans and the Steans Family Foundation
Chicago, IL

Harrison Steans fits the conventional image of a philanthropist. A Chicago banker, he made a fortune when his small banking firm was bought by a regional bank chain. Steans created a family fund and devoted himself to philanthropic activities. But the stereotype ends here: he moved the foundation's office from State Street in the Loop to an inner city neighborhood, near the housing project and communities where he and his family – 3 daughters and wife – decided to concentrate their attention. The entire family is involved in decision-making and has apparently leveraged tremendous resources for their projects. Strongly recommended by the MacArthur Foundation and by Elan Garonzik of the Mott Foundation as an example of what one dedicated funder can do to show larger organizations the way.

MEMO FOR SHIRLEY SAGAWA
MARYELLEN McGUIRE ✓
MALCOLM RICHARDSON
LEELA DESOUZA
FROM: ELLEN McCULLOCH-LOVELL
DATE: 8/30/99
RE: Philanthropy proposal

Mickey Ibarra would like us to include a state and local government component to the philanthropy conference. Please see the attached memo and let's discuss at our next meeting.

THE WHITE HOUSE

Assistant to the President and
Director of Intergovernmental Affairs

ELLEN -

I asked John
Monahan to
prepare this memo.
He was our IBA
director at HHS.
We agree that state
and local officials
could contribute to
The Philanthropy
Conference. Please
consider. Mickey

ADMIN

cc: Malesol

it to hear from you, and I wish you well in your

ing information regarding the Philanthropy Conference
forward any detailed information or specific names to you

the argument that state and local governments would
on concerning the changing role of philanthropy. As
anthropic partnerships with government to raise public
to provide policymakers with needed information and
access to, and the effectiveness of, public programs; to
city development; among many, many other projects.

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es, complement public strategies in important ways, and
on to state and local governments continues in many
nections to state and local officials will only increase.

In states and localities include:

cities on expanding employment opportunities for low-
vice systems reform, and with neighborhood groups and
ties. Casey is currently launching a major project to
ities to work together in an unprecedented manner that
olated low-income neighborhoods.

in, and numerous other foundations have worked with
years to enhance public awareness about the importance
rvices to young children. Successful efforts flowing from
k referendum led by Rob Reiner to increase county

funding for early childhood programs, Governor Hunt's Smart Start expansion of Head Start and other
quality early childhood programs statewide, Governor Dean's expansion of comprehensive health and
social services to all preschool children, and Ohio's dramatic expansion of Head Start with state dollars.

o The Rockefeller Foundation is working with city governments and public housing authorities across the
country to provide comprehensive employment services and other supports to residents of public housing,
focusing on one building or project at a time.

o The Robert Wood Johnson Foundation is funding a number of health programs that include state and
local government partnerships, e.g., its "Covering Kids" campaign is establishing public-private coalitions
in every state to enroll children who are eligible for Medicaid or CHIP but have not been enrolled, and its
support of Hillsborough County (Tampa Bay), Florida, and other local governments that are exploring
innovative ways to patch together health care plans for their uninsured.

cc: Maleol

NOTE TO MICKEY IBARRA

FROM: John Monahan 

DATE: July 27, 1999

RE: White House Philanthropy Conference

Thanks so much for calling last week. It was great to hear from you, and I wish you well in your recruitment efforts.

As you requested, I have taken the liberty of sharing information regarding the Philanthropy Conference with some of my colleagues at Casey, and I will forward any detailed information or specific names to you directly.

→ As we discussed, I strongly agree with your basic argument that state and local governments would have a great deal to offer in any public discussion concerning the changing role of philanthropy. As you know, there are numerous examples of philanthropic partnerships with government to raise public consciousness regarding important policy issues; to provide policymakers with needed information and analysis on a wide variety of subjects; to improve access to, and the effectiveness of, public programs; to leverage public and private resources for community development; among many, many other projects.

While philanthropy cannot replace, and should not be considered a substitute for, government at any level, foundations can fill crucial gaps in public resources, complement public strategies in important ways, and catalyze public initiatives. Moreover, as devolution to state and local governments continues in many policy domains, the importance philanthropic connections to state and local officials will only increase.

Examples of philanthropic efforts that partner with states and localities include:

o The Annie Casey Foundation has worked with cities on expanding employment opportunities for low-income families, with states on public human service systems reform, and with neighborhood groups and local governments on community building strategies. Casey is currently launching a major project to encourage public and private players in various cities to work together in an unprecedented manner that will strengthen families and improve services to isolated low-income neighborhoods.

o Carnegie Corporation, Kaiser Family Foundation, and numerous other foundations have worked with governors and state officials over the last several years to enhance public awareness about the importance of early childhood development and to expand services to young children. Successful efforts flowing from these initiatives include the California tobacco tax referendum led by Rob Reiner to increase county funding for early childhood programs, Governor Hunt's Smart Start expansion of Head Start and other quality early childhood programs statewide, Governor Dean's expansion of comprehensive health and social services to all preschool children, and Ohio's dramatic expansion of Head Start with state dollars.

o The Rockefeller Foundation is working with city governments and public housing authorities across the country to provide comprehensive employment services and other supports to residents of public housing, focusing on one building or project at a time.

o The Robert Wood Johnson Foundation is funding a number of health programs that include state and local government partnerships, e.g., its "Covering Kids" campaign is establishing public-private coalitions in every state to enroll children who are eligible for Medicaid or CHIP but have not been enrolled, and its support of Hillsborough County (Tampa Bay), Florida, and other local governments that are exploring innovative ways to patch together health care plans for their uninsured.

- o Over the past three years, the Joyce Foundation has funded an ongoing series of presentations and discussions for Midwestern human service officials struggling to implement welfare reform.
- o The Kellogg Foundation is funding a number of health reform programs centered around local public health departments and public hospitals.
- o A number of smaller foundations are devoting a substantial portion, if not virtually all, their resources to supporting a wide range of public sector partnerships and direct aid programs targeted to particular communities. For example, the Steans Family Foundation is devoting virtually its entire capital to assisting people in the North Lawndale neighborhood in Chicago.
- o In a number of cities, such as Cleveland, Chicago, and San Francisco, there are long-standing ties between city and county governments and local community foundations that have led to housing development, commercial business expansion, and other types of civic reform efforts.
- o The national public interest groups have countless relationships with various foundations. For instance, the Anne Casey Foundation supports the National League of Cities in maintaining a resource center for local officials interested in improving services to youth and families.

I hope this information is helpful to you in considering the potential role of state and local officials at the upcoming Philanthropy Conference. If you need further information on these projects or contact names, please call me. As I noted above, I will forward additional information as I come across it.

Please take care of yourself. I can be reached at 202-687-0880 or 410-547-6600. Thanks.

MEMO FOR SHIRLEY SAGAWA
MARYELLEN McGUIRE
MALCOLM RICHARDSON
LEELA DESOUZA
FROM : ELLEN McCULLOCH-LOVELL
DATE: 8/30/99
RE: Philanthropy proposal

Mickey Ibarra would like us to include a state and local government component to the philanthropy conference. Please see the attached memo and let's discuss at our next meeting.



WHITE HOUSE
MILLENNIUM COUNCIL

Honor the Past—Imagine the Future

6/16 '99

Shirley —

More reports
on philanthropy!

The note book contains
the report on minority
giving alluded to by
several of our advisers.
See you this afternoon!

M/ela

- 7/16/99 from **James B. Argue, Jr.**, urging you to do whatever you can for legislation that would allow transfers of IRA assets to charitable organizations that are eligible to receive deductible charitable gifts. This would also benefit the UMC's Board of Global Ministries. Press reports indicate that the Listening Tour is a masterstroke. He would be delighted to do whatever he can to help.

☐ See
☒ Respond — CC to Nicole Bahner re idea
☐ File; NRN

Shirley —

This might be more appropriate for you to review re: charitable tax status... let me know.

Nicole

THE WHITE HOUSE

August 12, 1999

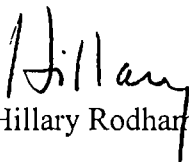
James B. Argue, Jr.
The United Methodist Foundation
of Arkansas
5300 Evergreen Drive
Little Rock, Arkansas 72205

Dear Jim:

Thank you for your letter regarding legislation to allow transfer of IRA assets to charitable organizations. I value your thoughts on the matter and am passing this information on to a member of my staff to follow up. I appreciate your concern about the considerations before the Senate Finance Committee and, as always, your able leadership of The United Methodist Foundation of Arkansas.

With best regards and gratitude for your friendship and continuing support, I remain

Sincerely yours,


Hillary Rodham Clinton



The United Methodist Foundation of Arkansas

5300 Evergreen Drive • Little Rock, AR 72205 • 501/664-8632 • Fax: 501/664-6792

July 16, 1999

Mrs. Hillary R. Clinton
The White House
1600 Pennsylvania Ave.
Washington, D. C. 20500

Dear Hillary:

My colleagues in the charitable sector and I strongly support a legislative proposal that would allow transfers of IRA assets, both direct and deferred, to charitable organizations that are eligible to receive deductible charitable gifts. IRA assets that are not needed for retirement purposes represent a very large, untapped source of financial support for the services that the charitable sector provides to the public, services that in many cases, the government would otherwise be called upon to provide.

It has just come to my attention that Senator Bill Roth, the Chairman of the Senate Finance Committee, supports this legislation and may include all or part of it in the "mark" that he has put before the Committee. Anything that you could do to help ensure that the full proposal and not just direct gifts becomes part of the Senate tax bill would be greatly appreciated. FYI, I understand that the Treasury Department has expressed serious concerns about the proposal. These concerns are misplaced and I am quite sure that upon full examination of the facts that you would agree.

By the way, this is the issue that Father Ryan, President of LeMoyne College mentioned to you last week. It would be equally important to our United Methodist Church's Board of Global Ministries in New York, as well.

The press reports indicate that the Listening Tour is a masterstroke. As you know, I would be delighted to do whatever I can to help. Many thanks.

Sincerely,

James B. Argue, Jr.
Executive Director

JBA/kyt

The Chronicle of Philanthropy

7/15/99

IN BRIEF: MANAGING

White House Plans Giving Conference

First Lady Hillary Rodham Clinton is organizing a first-ever White House conference on philanthropy, scheduled for late October.

The meeting, tentatively titled "Gifts to the Future," will focus on individual donors and will emphasize "the importance of innovative ways of passing on the tradition to future generations," a spokeswoman for the First Lady said.

The White House Millennium Council is working with the First Lady's office to plan the event. Part of the meeting will be devoted to honoring "heroes of all ages and backgrounds who have made extraordinary gifts," according to the spokeswoman. The history of philanthropy and the ways it has changed in recent years are also expected to be highlighted.

The spokeswoman explained the conference by saying that it "really fits into the First Lady and President's strong commitment to the non-profit sector and to promoting active citizenship."

More details are expected to be announced in the next month or so.



Newtithing Group

Four Embarcadero Center, Suite 3700
San Francisco, CA 94111-4107

Tim D. Stone
Executive Vice President

T: 415-274-2754

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timstone@newtithing.org

web site: www.newtithing.org

"Advancing A Breakthrough In Charitable Giving"



July 23, 1999

Dear Ms. McGuire,

I am writing to convey how the role that Claude Rosenberg might play at the "Gifts to the Future" conference could add considerable substance and broad national appeal to such a promising event.

Mr. Rosenberg is a retired money manager, seasoned philanthropist, and founder of an innovative not-for-profit philanthropic research organization, **Newtithing Group**. The Group stands at the forefront of educating the public on how wealth has changed in America and how tax filers can increase their giving on a sustained basis to productive non-profit organizations. To further this mission, Newtithing Group offers original research gratis on its web site (www.newtithing.org) and written guides available at cost.

How Newtithing Group Can Enhance the Conference

- **Unique On-line Calculator**. A masterful and seasoned public speaker, Mr. Rosenberg would be willing to introduce (for the very first time) a philanthropic innovation: an on-line charitable giving calculator to help citizens of all wealth levels better understand their financial wherewithal and determine how much they can comfortably afford to give. Many members of the philanthropic and financial community are eagerly awaiting this tool, to be offered gratis.

- **Intergenerational Approach**. Mr. Rosenberg's guide to wealth and giving potential, **Wealthy and Wise: How You and America Can Get the Most You of Your Giving**, was presented in synopsis form (at author's expense) to the Presidential Summit for America's Promise. The full-length book was also Amazon.com's #1 best seller for philanthropy and charity last year. It outlines the advantages and techniques of passing philanthropy to future generations (pp 39-44). One passage describes philanthropy's great intergenerational potential as:

"A great teacher of sound values; a cohesive element – a fine common interest – for a ladder of generations within a family; a practical tool that helps young people learn about business; and a psychological boost for people of all ages and of all income levels, including those of inherited wealth."

- **Sound Research on Wealth and Giving**. Newtithing Group's in-depth financial research estimates that prudent charitable giving by individual tax filers could triple. Mr. Rosenberg's original findings have been lauded by The New York Times (April 4, 1999), Giving USA (May 25, 1999), The Economist (May 29, 1999) and The Chronicle of Philanthropy (July 15, 1999). Comprised of sound financial budgeting, a "newtithing"

mentality could dramatically increase charitable donations and so help solve societal ills in our increasingly interdependent world.

Potential of the Newtithing Approach

For generations to come, increased giving from “newtithing” could help our nation’s non-profit sector establish sound safeguards against a variety of interrelated problems that currently threaten the very core of our nation and planet -- from illiteracy, disease, and infant mortality to poverty, crime, terrorism, and pollution.

Risks of Inaction

Citizens who can comfortably afford to give more to productive non-profits should do so as soon as possible. Inaction risks, not only the loss of an entire generation, but a further deterioration of societal ills, triggering far higher financial and societal costs than ever – to ourselves and to future generations.

Endorsements of Newtithing

Newtithing’s methods have been strongly endorsed by financial and philanthropic experts from across the political spectrum, including **Andrew Tobias** (NDC treasurer), **Peter Lynch** (Fidelity), former President **Jimmy Carter**, **John W. Gardner** (former Health, Education and Welfare Secretary), **Drew Matthieson** (the Mellon Foundation), and **Ann Kaplan** (Editor, Giving USA, of the American Association of Fund-Raising Counsel).

Claude Rosenberg’s Biography

Founder and former chairman of San Francisco-based **RCM Capital Management** (now Dresdner RCM Global Investors), Mr. Rosenberg has been involved in personal, family, and intergenerational philanthropy for over forty years. Founder of **Newtithing Group**, he also co-chairs with Mayor Willy Brown the San Francisco delegation to America’s Promise. His honors include the National Association of Fund Raising Executive’s “Philanthropist of the Year Award,” the Forrestal Award from the Association for Investment Management and Research (AIMR), the Tocqueville Award from United Way, and the Lilly White Award of the Employee Benefit Research Institute.

Public Speaking and Media Experience

Mr. Rosenberg has appeared on numerous media outlets, including Tom Brokaw’s **NBC Nightly News**, **NPR’s Morning Edition**, and **KQED** public radio. A gifted and witty public speaker, he has addressed a wide array of organizations and audiences across the nation -- from sophisticated non-profits and their donors, to financial advisors or lay people. His extensive public speaking credits include countless universities and community foundations as well as **The New York Harvard Club**, **The National Association of Fund Raising Executives**, the **American Cancer Society**, the **Arthritis Foundation**, **Junior Achievement** and the **Anti-Defamation League**.

T: 415-274-2761
F: 415-274-2756



Newtithing Group

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San Francisco, CA 94111-4107

info@newtithing.org
www.newtithing.org

We would like to help the White House conference become the starting gate for a new era in philanthropy. Thank you for your consideration and your support of this timely matter.

Sincerely,

Tim D. Stone, executive vice president
Newtithing Group
4 Embarcadero Ctr. Ste. 3700
SF, CA 94111
T: 415-274-2754; Fx: 415-274-2756

FOR BACKGROUND

contact:

Tim Stone, executive vice president

Newtithing Group

T: 415-274-2754

timstone@newtithing.org

www.newtithing.org

FACT SHEET

***Newtithing Group Releases "AFFORDABLE DONATIONS 1999"* Estimates U.S. Tax Filers Can Comfortably Donate Extra \$242 Billion Annually Suggests Individual Giving Could Triple**

SAN FRANCISCO – April, 1999 -- According to an annual study released by *Newtithing*TM Group, a San Francisco-based philanthropic research organization, in 1999 alone, U.S. tax filers can comfortably afford to give nearly a quarter of a trillion additional dollars to charity.

- The Group's proprietary findings, constructed from 1996 IRS data, suggest that individuals could donate an **additional \$242 billion in 1999** without impairing donors' net worth. This figure is up from the \$184 billion in additional affordable giving that the Group estimated for 1998 – and is almost 2 1/2 times the \$100 billion sum estimated in 1994, in *Wealthy and Wise: How You And America Can Get The Most Out of Your Giving*, by Claude Rosenberg, the Group's founder (retired chairman of RCM Capital Management, a San Francisco money management firm).
- The Group thus estimates that total affordable individual giving in 1999 could be almost triple current donation levels. Actual individual giving in 1997 (the latest year for which data is available) was estimated by *Giving USA* at \$109 billion and by *Newtithing Group* at \$115.5 billion.
- According to *Newtithing Group's* estimates, 78% of the \$242 billion in additional giving (**\$190 billion** of it) can come from the three wealthiest tax brackets.
- "But you don't necessarily have to be a millionaire to affordably increase your donations," says *Newtithing Group* founder Claude Rosenberg. "The more than 14 million filers who earn adjusted gross incomes of **\$50,000-\$74,999** while owning average investment assets of approximately **\$118,000** could on average increase their annual giving by **21%**, from **\$1,322** to **\$1,600 per filer** -- and under normal circumstances still see their wealth rise."
- In contrast, filers in the next lowest tax bracket, earning adjusted gross income of **\$25,000-\$49,999**, with average investment assets of roughly **\$67,000**, are already donating on average **\$675** to charity per year, which the Group's calculations suggest is sufficiently generous.
- The Group defines 'newtithing' as determining comfortably affordable donations based on surplus income and investment assets (excluding personal housing). This contrasts with the ancient custom of *tithing*, which Rosenberg says best suits people with income yet little or no investment assets. "The key to more productive giving," he adds, "is employing a practical and modern budgeting approach which reflects how investment asset wealth has changed in America over the past twenty years."
- *Newtithing Group* is a California corporation that donates any annual surpluses to charity and whose findings are distributed free or at cost to non-profit organizations, individuals, and interested parties. Web site: www.newtithing.org. Philanthropy booklet: www.newtithing.org/frames/f_wealth01.html.
(more)

Contact: Tim Stone, executive vice president
Newtithing Group, T: 415-274-2754

Individual Affordable Donations 1999 – By Average Tax Filer

Adjusted Gross Income Brackets ¹	Number of Filers	Average Reported Salary ² (per filer)	Average Investment Assets ³ (per filer)	Discretionary Funds ⁴ (per filer)	Average Actual Donations ⁵ (per filer)	Possible Affordable Donations ⁶ (per filer)	Cost of Possible Affordable Donations ⁷ (per filer)
\$ 25,000-49,999	30,149,984	\$ 32,740	\$ 66,910	\$ 3,400	\$ 675	\$ 675	\$ 480
50,000-74,999	14,322,850	54,900	118,070	10,900	1,322	1,600	920
75,000-99,999	5,801,418	74,350	215,440	22,000	1,986	4,200	2,460
100,000-199,999	4,612,554	99,640	523,440	45,300	2,963	10,700	6,010
200,000-499,999	1,198,671	173,090	1,687,780	135,600	6,874	37,100	18,440
500,000-999,999	213,823	326,650	4,660,660	346,100	18,145	159,700	73,620
1,000,000 or more	110,912	801,230	21,168,740	1,398,900	119,830	1,233,600	763,600

Source: *Newtithing Group*, San Francisco, 1999

Total Affordable Donations 1999 – By Tax Filer Group

Adjusted Gross Income Brackets	Incremental Affordable Donations (figures in thousands)	Cumulative Incremental Affordable Donations (figures in thousands)
\$ 25,000-49,999	\$ 0	\$ 0
50,000-74,999	3,975,732	3,975,732
75,000-99,999	12,846,846	16,822,578
100,000-199,999	35,688,741	52,511,319
200,000-499,999	36,230,904	88,742,223
500,000-999,999	30,267,615	119,009,838
1,000,000 or more	123,530,457	242,540,295

Source: *Newtithing Group*, San Francisco, 1999

¹ IRS reported AGI includes income from investment assets, salary and wages, and reported capital gains. Our table does not include the over 63 million tax filers with AGI below \$25,000 because our estimates suggest that they are already donating about as much as they can afford.

² From year-end 1996; conservatively estimated since it excludes 11.8% income growth between start-of-year 1997 and end-of-year 1998. (Table B-27, *Economic Report of President*, 1998).

³ Estimated year-end 1998 value of securities, real estate, and private investments based on 1996 IRS income data, then adjusted for changes in asset values by year-end 1998. To ensure conservative estimates, our research omitted values such as: personal housing and related possessions, IRAs, 401(k)s, life insurance cash values, stock options, government savings bonds, etc...

⁴ Composed of: reported salary, investment and other income, minus living expenses and taxes; plus assumed current-year capital gains or losses (for which we have assumed an historical annualized total return of 9.29% for common stocks and 3% for other assets).

⁵ Weighted average of: itemized donations reported to the IRS and *Independent Sector's* estimate of donations made by non-itemizing filers.

⁶ *Newtithing* affordability models, based on estimated Investment Assets and Discretionary Funds.

⁷ Assumes donations partially in appreciated securities.

MEDIA COVERAGE

on *Newtithing Group* and its founder
(updates: www.newtithing.org)

National Public Radio, Dec. 25, 1998, Morning Edition, "Newtithing" (interview).

Giving USA Update, Dec., 1998, Issue 4, (profile, *Newtithing Group*).

Fund Raising Management, Dec., 1998 (excerpt, *Wealthy and Wise*, 1998 synopsis edition).

CNNfn, Nov. 16, 1998, "Philanthropy," (interview of C. Rosenberg on *newtithing*).

The San Jose Mercury News, Nov. 6, 1998, editorial, "There's a New Option For Charity."

Worth Magazine, Nov./Dec., 1998, "Sweet Charity, what's your comfort level?"

The Atlanta Constitution, Oct. 14, 1998, "Give Like You're Ted Turner."

The Wall Street Journal, Oct. 2, 1998, by Eileen Daspin, "Giving It Up: A User's Manual."

The American Benefactor, Spring, 1998, by Claude Rosenberg, "Sharing The Wealth: Private Foundations have Flourished With The Wall Street Boom. Now It's Time To Give Some of That Money Away."

Fortune Magazine, Feb. 2, 1998, by A. Faircloth and C. Bollinger, "Fortune's 40 Most Generous Americans." [quoting Rosenberg]

The Chronicle of Philanthropy, Dec. 11, 1997, by Claude Rosenberg, "Are Warren Buffett's Views on Giving the Best for Philanthropy?"

The San Francisco Examiner, Nov. 2, 1997, by S. Salter, "A Charitable View of the Rich."

The American Benefactor, Spring, 1997, by E. Watters, "The Gospel of Giving According To Claude Rosenberg."

The Star Tribune [Minneapolis], Aug. 30, 1996, by Robert Franklin, "Go On, Give! Money Expert's Word To Wealthy: you can afford to be more charitable."

The Chronicle of Philanthropy, Jan. 26, 1996 [review of *Wealthy and Wise*, by Claude Rosenberg].

The New York Times, April 30, 1995, by G. Fabrikant, "Noblesse Oblige With Strings: The Charity of the Rich Isn't All What it Seems."

The Wall Street Journal, Jan. 6, 1995, by J. Grundfest, "Reasons For Giving All You've Got to Give." [review of *Wealthy & Wise*, by Claude Rosenberg]

Smart Money, Dec. 1994, by J. Taylor, "Give It Up: How Much Can You Afford to Donate to Charity?"

The Chronicle of Philanthropy, Nov. 29, 1994, by Claude Rosenberg, "How Philanthropy Could Be \$100 Billion Bigger."

contact: Tim Stone, Executive Vice President, *Newtithing Group*, 415-274-2754 .

INTERVIEW QUESTIONS

1. **What Does *Newtithing* Mean?**
2. **Are More People Actually Wealthier Than Ever?** Since publication of your 1994 book, *Wealthy and Wise*, the stock market has risen to historic levels, yet also experienced turmoil. How can financial prosperity or uncertainty affect giving patterns and relationships between donors and non-profits?
3. **How Realistic Is Your Estimate That Filers Can Annually Afford To Donate Hundreds of Billions of Additional Dollars to Charity?**
4. **How Can Individuals Determine What They Can Affordably Give To Charity?**
5. **Why Are The Wealthy Not Donating Nearly As Much As You Think They Can?**
6. **What Do The Wealthy Risk If they Do Not Increase Their Charitable Donations?**
7. **What First Sparked Your Interest in Philanthropy?**
8. **How Can Philanthropy Boost Non-Profit Productivity, As You Claim It Can?**
9. **Why Were You A Successful Money Manager?** In 1996, RCM Capital Management, the money management firm you founded, was sold to Dresdner Bank. What was the key to RCM's success?
10. **Can Uniform Financial Reporting Standards Make Non-Profits More Accountable?** You received the Daniel L. Forrestal Leadership Award from AIMR (Association for Investment Management and Research) for developing money manager performance standards — can a similar system measure non- profits performance?

TESTIMONIALS

CLAUDE ROSENBERG'S *WEALTHY AND WISE* (Little, Brown & Co)

"Applying Claude Rosenberg's investment expertise to charitable giving is what's needed in this fertile field. In *Wealthy and Wise*, he shows us what we can afford to do and how to do it far better than we are. He also shows us how the right approach can be the perfect conduit to personal and family happiness and to our country's recovery."

— **Peter Lynch, Vice Chairman, Fidelity Management and Research Co**

"In *Wealthy and Wise*, Claude Rosenberg provides meaningful options for those searching for ways to invest in the future of their communities. This is truly an important book."

— **Jimmy Carter, former U.S. President**

"Splendidly well-argued and clearly presented, *Wealthy and Wise* provides 'investment advice' [about how to] do more for ourselves [how to] think smart about our portfolios...and do more for others."

— **The Wall Street Journal**

"This is a unique book – a practical and thoughtful guide to personal philanthropy by one of the most admired and successful money managers in the nation. *Wealthy and Wise* is important for you, important for all of us; everyone in fundraising should have multiple copies on hand to pass out to prospective donors."

— **John W. Gardner, former U.S. Secretary of Health, Education, and Welfare**

"*Wealthy and Wise* is truly an important piece of work and a real contribution to the field. It is rare that someone with both the insight into the benefactor world and such expertise in money management has been willing and able to make the case for higher levels of giving."

— **Bruce R. Sievers, Executive Director, Walter & Elise Hass Fund, San Francisco**

"After reading *Wealthy and Wise*, an important Chicagoan plans on spending the next few years thinking about intelligently giving away almost \$10 million to the charities he is interested in."

— **David S. Rosen, The Continuity Funds, Chicago, Illinois**

"*Wealthy and Wise* was distributed to the attendees at a dinner for a local charity on December 3, 1996. Between then and June 1st, total current and deferred grants rose from \$69.8 million to \$95.7 million, a whopping 37.1 percent increase. Needless to say, the book made a dramatic impact."

— **Lawrence S. Phillips, Former Chairman and CEO, Phillips-Van Heusen Corp**

"George A. and Jane S. Miller have made a gift of \$1 million to the University of California, Berkeley, partly the result of reading Claude Rosenberg's book *Wealthy and Wise*."

— **Bene Legere, U. Cal. Berkeley Library Publication**

"All of us in not-for-profit organizations have found a grand ally in Claude Rosenberg. He offers our prospective donors a sensible and creative approach to philanthropy which stretches the traditional mind set regarding giving. Quite simply, Claude Rosenberg has provided a blueprint for strengthening America."

— **Mary G.F. Bitterman, CEO, KQED Inc., San Francisco**

"Claude Rosenberg's wisdom and words paid off handsomely and quickly after his book-signing to benefit Junior Achievement [a non-profit organization designed to educate young people on business and economics]. Within days of the presentation, several attendees initiated gifts to Junior Achievement for the first time. Without question, Mr. Rosenberg is a tremendous role model for all charitable givers."

— **Shawn E. O'Hara, President, Junior Achievement of the Bay Area, San Francisco**

contact: Tim Stone, Executive Vice President, *Newtithing Group*, 415-274-2754

PRINT REVIEWS

Claude Rosenberg's *Wealthy and Wise* (Little, Brown)

The Wall Street Journal: "Splendidly well-argued and clearly presented, *Wealthy and Wise* provides 'investment advice' (about how to) do more for ourselves (and how to) think smart about our portfolios and do more . . . for others."

The Chronicle of Philanthropy: "Replete with models that help people determine how much they can afford to give and how to give effectively . . . Rosenberg is already starting to influence how people give . . . (like a) real estate investor (who) says he and his wife decided to double their charitable donations after reading *Wealthy and Wise*. Fund raisers and board members have snatched up copies . . . donors are surprisingly receptive. (Rosenberg) breaks new ground by presenting a formula for how to calculate giving based on net worth. This is a successful businessman talking about his vision of philanthropy."

Smart Money: "A provocative . . . unique . . . book . . . A careful strategy for investing as well as donating that makes so much sense . . . (*Wealthy and Wise*) will help you plan better for all of your money needs."

The San Francisco Examiner: "*Wealthy and Wise* shows how you can give some of your money away and — if you play it right — get most of it back (and shows how) you don't have to be rich to give your money away wisely."

The Orange County Register: "Philanthropy is quickly becoming the most practical source of long-term change in the United States (and) Rosenberg tells how to assess where your money is going and how to plan bequests to your children."

The Memphis Business Journal: "In clear, no-nonsense language, Rosenberg shows how to get the most out of donation dollars, intelligently and efficiently. This meticulously researched book shows us how we can convert tax-deductible contributions to great reward at little or no personal risk. This innovative guide . . . provides a model for better (personal) living or for enhanced giving to society . . . (providing) a detailed plan for transforming our troubled communities and improving our lives and the lives of all Americans."

Stanford Magazine: "In *Wealthy and Wise*, Claude Rosenberg suggests practical new concepts in personal financial planning and offers guidelines for how to choose where you give and influence how your donations are spent. He also demonstrates how \$100 billion more each year could be easily raised in the private sector to address the problems facing America."



Claude Rosenberg
Founder & Chairman

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FOUNDER'S BIOGRAPHY

About Claude Rosenberg, Founder of *Newtithing Group*

Financial Biography: In 1998, Mr. Rosenberg founded *Newtithing Group*, a philanthropic research organization committed to increasing affordable charitable giving, personal fulfillment, and the productivity of the non-profit sector. In 1970, he founded *RCM Capital Management*, which became one of the leading institutional money management firms in the country. In 1996, he stepped down as chairman of *RCM Capital Management*, which as Dresdner RCM Global Investors currently manages over \$60 billion in fixed income and equity assets. In 1958, he was named *Research Director of J. Barth & Co*, which under his leadership developed the largest regional investment research department in America (later merging with Dean Witter & Co). In 1975, he formed *RREEF Corporation*, now the fourth largest U.S. manager of real-estate for tax-exempt clients. Previously, he received his *BA* and *MBA* from *Stanford University* and spent two years in the Navy.

Books: Mr. Rosenberg has published five books on finance including *Stock Market Primer*, an investment classic selling over half-a-million copies. His latest book is *Wealthy and Wise: How You And America Can Get The Most Out of Your Giving* (Little Brown, 1994) – both a comprehensive analysis of national wealth and a practical tool for charitable giving showing how greater donations can meet America's pressing societal needs.

Wealthy and Wise: has garnered praise from many authorities including Fidelity Vice Chairman *Peter Lynch*, former U.S. President *Jimmy Carter*, Vice Chairman of the Richard King Mellon Foundation *Drew Mathieson*, and former U.S. Secretary of Health, Education and Welfare *John W. Gardner*.

Current Activities: In addition to serving as Chairman of San Francisco-based *Newtithing^{1st} Group*, Mr. Rosenberg also serves as Co-Chairman of the Board of Directors of *Philanthropic Research Incorporated* (Arlington, VA), as well as Co-Chairman of the San Francisco delegation to *America's Promise*, (Alexandria, VA). He sits on the advisory bodies of: *Harvard University's Hauser Center for Nonprofit Organizations* (Cambridge, MA), the Peninsula Community Foundations' *Center for Venture Philanthropy* (Menlo Park, CA), and the *Entrepreneurs' Foundation* (Menlo Park, CA).

Awards: Honors awarded Mr. Rosenberg include the *Daniel J. Forrestal Leadership Award* from the *Association for Investment Management and Research* (AIMR), for developing standardized guidelines of money manager performance; the *Arbuckle Award*, the highest honor for management excellence awarded by the *Stanford Graduate School of Business*; the *Lillywhite Award* of the *Employee Benefit Research Institute* for extraordinary lifetime contributions to American economic security; and the *Excellence in Business Lifetime Achievement Award* from the *San Francisco Chamber of Commerce* for leadership and contributions to the San Francisco community. He and his wife, Louise have also received the *Outstanding Philanthropist Award* from the *National Society of Fund Raising Executives*, Golden Gate Chapter; and the *de Tocqueville Award* from *United Way*.

CLAUDE ROSENBERG SPEAKS ON NEWTITHING

"I'm concerned about numerous trouble spots that are negatively effecting our nation. Look at our public education system, drug abuse, poverty, or the rising fear of violence. Even in an era of enormous prosperity, we're experiencing a dangerous deterioration of our societal fabric that can not persist without severe repercussions for everyone. We should not and can not rely heavily on government to solve such problems. If the wealthy don't share more of their good fortune to address our most pressing needs, we could relegate another generation of Americans to hopelessness and dependence.

"And while the success stories of the prosperous have recently been held in awe, if wealthy people don't make a more recognizable impact on our country's needs, national fascination may turn to national frustration, triggering higher taxation or other forms of expropriation aimed at forcibly sharing the wealth.

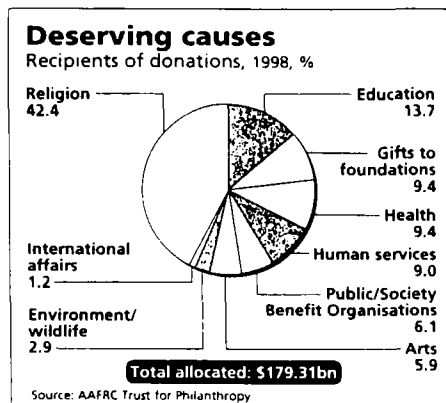
"The good news is, we have the wherewithal to make both our citizens and our non-profit sector healthier and more self-sufficient for generations to come. With increased giving from our higher taxpayer groups, we should be rewarding non-profits who demonstrate effective results, and educating others to follow suit. Imagine the improvements America could make if significantly higher funding accompanied greater non-profit effectiveness. This dual approach could become one of our nation's most productive investments — in ourselves, our families, our citizens, and our descendants."

Philanthropy

Giving your all?

ON THE face of it, 1998 was a tremendous year for American philanthropy. Figures released on May 25th by the American Association of Fund Raising Counsel show that charitable giving rose by 11% to a record \$175 billion. Around three-quarters of this came from individuals; the rest from bequests, companies and foundations. The only sector to see a fall in giving was the arts—though they still received some \$10.5 billion. The AAFRC detects a possible “golden age” for charitable giving.

Is that really the case? American giving, at around 2% of GDP, is certainly generous compared with other countries (though European ones tend to have higher taxes and more bigger welfare states). And America's richest people do give more than their share by income (one analysis of 1995 tax returns by the AAFRC showed that people who earned \$1m a year accounted for just under



0.1% of the population but 8% of charitable giving).

However, many charities argue that the real test should not be income but net worth—and that the rich are not doing their share. Last year, Standard & Poor's composite index rose by 27%, more than twice the rate of giving. The gains from the 1990s bull market have gone disproportionately to the rich, with as much as 90% of the paper profits going to the top 10% of households. Very little of these gains—running into trillions of dollars—has been passed on.

The most damning evidence comes from the Newtithing group, a San Francisco non-profit organisation, which has constructed an economic model showing how much Americans could “afford” to give away, taking into account their assets and spending as

well as their income. The model works on a sliding scale, assuming that poorer Americans need to increase their net worth while the richest merely want to keep it stable, after allowing for inflation and their spending. Altogether, it reckons that individuals could afford to give away some \$242 billion more a year than they do. Half of that amount comes from the 111,000 people whom Newtithing reckons earn more than \$1m a year and whose total net worth is around \$21m.

Certainly, Silicon Valley, the temple of much of this new money, offers mixed evidence of a philanthropic renaissance. A few billionaires, notably Bill Gates, have begun the arduous process of giving away their loot. But most high-tech folk still seem slightly more preoccupied with bits and bytes. According to a 1998 report by Community Foundation Silicon Valley (CFSV), around one third of households there earning more than \$100,000 give \$1,000 or less to charity. The Santa Clara County branch of the United Way recently collapsed after donations fell short of expectations.

In many cases the problem does not seem to be miserliness so much as ignorance. As the CFSV report notes, one third of the “high net worth” individuals in the valley were paid with shares; but only 7% gave away shares, even though there are tax advantages in doing so. Whatever the reason, the golden age still looks some way off.

DAVID CAY JOHNSTON

Donors' Assets— Where the Money Is

WE ARE IN THE MIDST of a revolution. No, not the changes brought about by the Internet, though that is a part of it. This revolution is in the ownership of assets, and it will have a profound effect on the ability of charities to thrive in the decades ahead.

In short, asset ownership is rapidly being democratized. With the explosion of interest in the stock market over the past two decades, business owners and executives no longer are the only ones who have the assets from which to make large gifts. Financial assets now are owned by literally tens of millions of Americans, most often in the form of stocks and mutual funds.

What's more, growing numbers of employers, especially in the high-technology industry, are paying workers in part with stock options and other forms of equity in their companies. As a result, secretaries can become millionaires overnight, and in many towns the local Home Depot manager can afford to live in a mansion.

Just as democratizing the ownership of automobiles changed personal mobility, and democratizing homeownership and college educations after World War II changed social values and created vast new wealth, democratizing the ownership of assets will profoundly alter the economic, social, political, and charitable landscape.

For charities, that trend means that annual campaigns based on donor incomes will become less important as a revenue source, while major gifts based on donor wealth will continue to grow in significance. Charities that grasp that reality will develop the connections, management, and fund-raising skills—and the budgeting practices—that will serve them well in the years ahead. Conversely, charities that fight the trend will wage a battle just to survive, a battle that will sap their energies and leave them wondering why they cannot develop the support they need, even if they provide services that are efficient and effective.

That is not to say that there is no place for gifts based on donors' income. The weekly payroll deduction, the crisp new bill dropped in the Sunday collection plate, and the annual charity membership charged to a credit card will continue to play a major role in financing non-profit groups as far into the future as one can imagine. But the relative importance of gifts made out of income is diminishing as major gifts based on assets are growing.

Charities looking to capitalize on gifts of assets need to understand that the rich give differently—and that the logic behind their style of giving is reaching down to many middle-class households and all but the spendthrifts among the burgeoning upper middle class.

In 1996, the latest tax-return data show, Americans who itemized deductions on their income-tax returns gave \$66-billion in cash and \$21-billion in items such as stocks, art, and real estate

Continued on Page 52

Donors' Assets: Where the Money Is for Charities

Continued from Page 51

to churches and charities—a ratio of \$3 cash to \$1 of personal property. But among the 111,000 households with incomes of \$1-million or more, cash gifts totaled \$5.8-billion, while gifts of property were worth even more: \$7.5-billion.

That's because the rich understand how gifts of assets are a much better financial deal than are gifts from income. Write a check and you get a deduction, but give an asset that has soared in value and you avoid the capital-gains tax and win an income-tax deduction. Give through payroll deduction and you pay every week in good times and bad, but give from assets through a donor-advised fund or similar vehicle and you can bunch your gifts to maximize your income-tax break.

That many charity executives do not understand the economics behind asset giving was brought home to me in a conversation with an official of a national charity who has worked in the field for 25 years and has taught fund-raising strategies. He did not understand the tax significance of giving stock instead of cash. And he said he did not even think his organization would know what to do if a donor offered it a stock certificate.

That lack of knowledge about asset-based giving is a serious failing—and is going to have an especially detrimental impact on charities run by and for the poor and the working class. That is because the boards and staff members at those charities are the least likely to have personal, practical knowledge of owning assets, or strong ties to those who do.

Taking advantage of the benefits of getting donors to give based on their assets does not require a sophisticated planned-giving operation. What it does require is getting people to give now instead of planning to give when they die, and persuading them to sign a sim-

ple document called a "stock power" instead of a check. And, a charity needs to supplement its bank account with a brokerage account so it can immediately convert gifts of securities to cash.

THE POTENTIAL WINDFALL for savvy charities, many observers believe, is huge. Five years ago, Claude Rosenberg, a retired San Francisco investment manager who had grown frustrated at being turned down for gifts from people whom he knew had substantial assets, wrote a book titled *Wealthy and Wise* that focused on giving based on assets instead of income. He showed how Americans could easily double their annual giving to churches and charities without lowering their standard of living, or their wealth, one iota. He was not the first to spot this, but he has become the leading popularizer of giving based on assets.

Now, because of the booming stock market, Mr. Rosenberg calculates that Americans overall could nearly triple their annual giving without lowering the quality of their lives. His organization, the Newtithing Group, estimates that Americans will give about \$132-billion to churches and charities this year but that Americans have the capacity to give an additional \$242-billion, for a potential total of \$374-billion in gifts.

Mr. Rosenberg's proposition: Change how you look at your capacity to give, focusing on what you have instead of what you make.

"Our main point," Mr. Rosenberg said, "is that generosity has been based too much on income. With capital for many people being so much larger than income, there is enormous untapped capacity to give."

He figures that a family in the upper reaches of the middle class, making \$50,000 to \$74,999

and holding investment assets of \$118,000—the average for that group—could afford to increase their donations by 21 per cent, to \$1,600 a year on average—up from the current \$1,322 average shown in Internal Revenue Service data. Households that have earnings of \$100,000 and \$1-million of invested assets could give away \$16,000 without changing their way of life, he said—six times actual average giving. And households with annual incomes of more than \$1-million could increase their yearly giving more than tenfold, Mr. Rosenberg said.

"I am trying to convince people, especially wealthy people, that it is very much in their interest to give away much more and to create a society where they can live safer, happier, better lives," Mr. Rosenberg adds. "They just need to change how they think about how much they can afford to give."

For those who have \$650,000 or more in assets—not an uncommon level of wealth for white-collar workers or even police officers these days—the alternative to Mr. Rosenberg's idea of giving away more now is either to pay estate taxes at death or to give it away at death. Lifetime giving ought to be a lot more rewarding than giving after death. It should even teach donors how to better fashion the gifts they do make when they die.

Those charities that can adapt quickest to this new way of thinking about giving—and, thus, about how they raise funds—stand to gain the most. But knowledge of the new economy and the benefits to donors of giving assets still eludes the majority of charities. Perhaps it is time for some smart grant maker to sponsor a course called Asset Giving 101.

David Cay Johnston, a reporter for The New York Times, has been writing about charities for two decades.

Personal Business

Can Americans Give More, and Not Hurt?

A Philanthropist Says Donations Could Be Tripled

By DAVID CAY JOHNSTON

FIVE years ago, Claude Rosenberg, a retired San Francisco investment manager, began touring the country, telling Americans that they could easily double their annual giving to churches and charities without lowering their standard of living, or their wealth, one iota.

It was a controversial message, embraced by people like Ted Turner, who pledged a billion dollars to the United Nations, and ridiculed by others, who took comfort in the oft-repeated observation by professional fund-raisers that Americans are the most generous people in the world.

After all, living Americans gave away either \$109 billion or \$115 billion in 1997, depending on whose estimate is used, or about \$1 of every \$40 of adjusted gross income.

Now Mr. Rosenberg has updated his figures. Because of the booming stock market, he says, Americans over all could nearly triple their annual giving without reducing the quality of their life styles.

Americans will give about \$132 billion to churches and charities this year, several studies indicate. But Mr. Rosenberg said Americans have the capacity to give an additional \$242 billion, for a potential total of \$374 billion in gifts, money that he said would provide enormous societal gain with no individual pain.

Mr. Rosenberg's proposition: Change how you look at your capacity to give, focusing on what you have instead of what you make.

"Our main point," Mr. Rosenberg said, "is that generosity has been based too much on income. With capital for many people being so much larger than income, there is enormous untapped capacity to give."

He advises people to first figure out how much they need to maintain their life styles, get them through any imaginable turmoil and provide for their families.

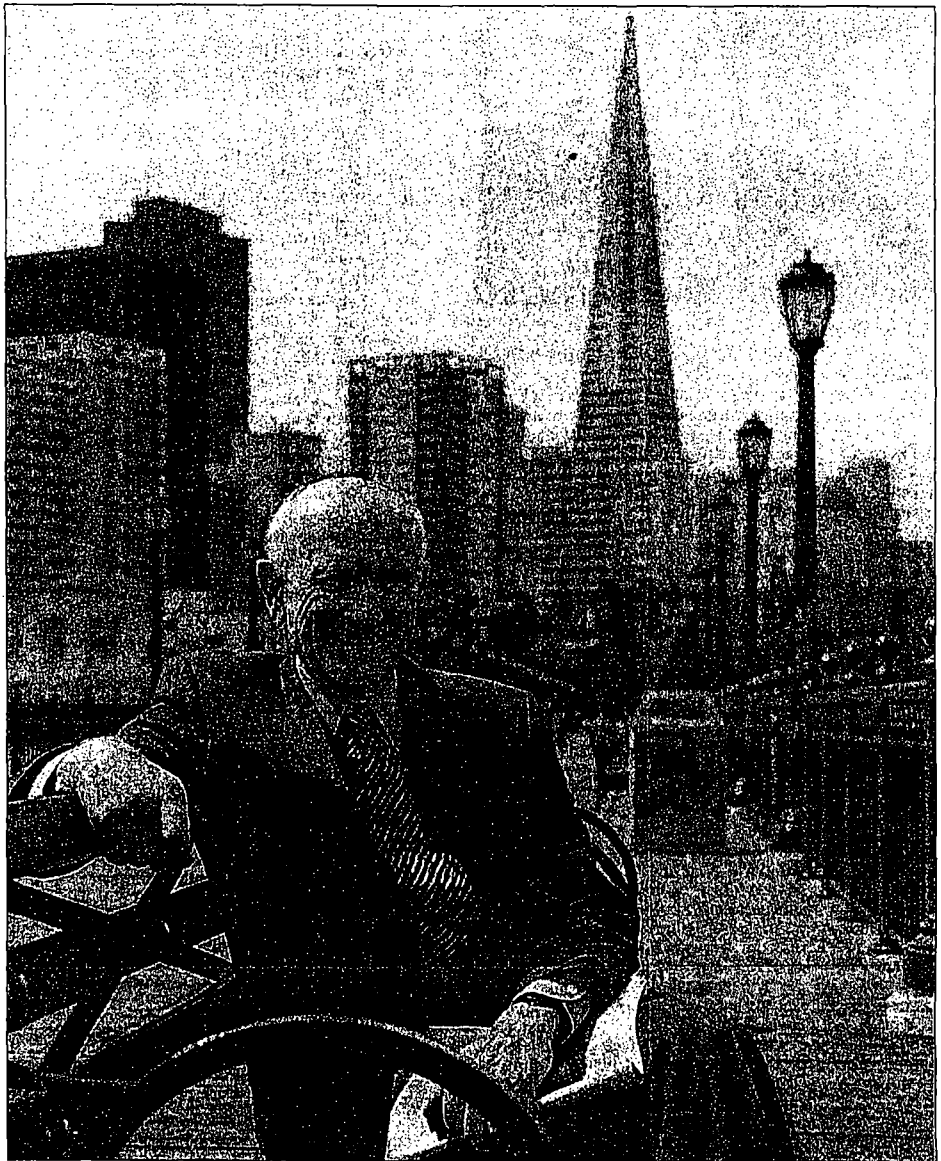
But after that, he said, many Americans — even at the \$50,000 income level — have stashed away more wealth than they need. He recommends that those people increase their giving now so that they learn to give in ways that accomplish clear goals, whether more opera in their cities or more after-school recreation for poor children. And as they learn how to make a difference with their gifts, he said, they should step up their giving.

"I am trying to convince people, especially wealthy people, that it is very much in their interest to give away much more and to create a society where they can live safer, happier, better lives," Mr. Rosenberg said. "They just need to change how they think about how much they can afford to give."

Using income tax data for 1996, the latest year for which information is available, Mr. Rosenberg calculated that a couple with \$50,000 to \$74,999 of income, and investment assets of \$118,000 — the average for that group — could afford to increase donations by 21 percent. That would raise their giving to \$1,600, from the \$1,322 average shown in Internal Revenue Service data.

Families with earnings of \$100,000 and \$1 million of invested assets could give away \$16,000 without changing their way of life, his economic model showed. That is about six times actual average giving.

And the roughly 111,000 families with annual incomes of more than \$1



Peter da Silva for The New York Times

Claude Rosenberg, a retired San Francisco investment manager who is now a philanthropist, believes that wealthy Americans get bad financial advice that leads them to hold down their charitable giving.

million could increase their yearly giving more than tenfold, Mr. Rosenberg said.

That group had average adjusted gross income of \$2.8 million and financial assets of \$21.2 million, Mr. Rosenberg estimated. Based on those figures, he said, they could give an average of \$1.2 million a year, versus their actual average of \$119,830. (In his calculations for that group, Mr. Rosenberg used I.R.S. data for 1996 on dividend and interest income to estimate average financial assets.)

YET financial advisers indirectly discourage people from giving as much as they could, Mr. Rosenberg said. They urge the wealthy, in particular, to hold down taxable income. Then, because their giving is based on their income, not their assets, their contributions are diminished.

Many charitable endowments operate on the theory that they can give away roughly 5 percent of assets each year, forever, and keep pace with inflation. Mr. Rosenberg's estimates for individuals are slightly higher. But, of course, individuals don't live forever.

He said that even the relatively few people who tithe, following the biblical injunction to give away 10 percent of income, are out of step with modern finance because they, too, ignore investment assets.

Mr. Rosenberg's organization has trademarked the word "newtithing" for his concept of charitable giving based on assets and surplus income. The idea was first outlined in his

book "Wealthy and Wise: How You and America Can Get the Most Out of Your Giving" (Little Brown, 1994); it is also explained in detail at www.newtithing.org, his organization's Web site, which soon will include a calculator to help people determine their giving capacity.

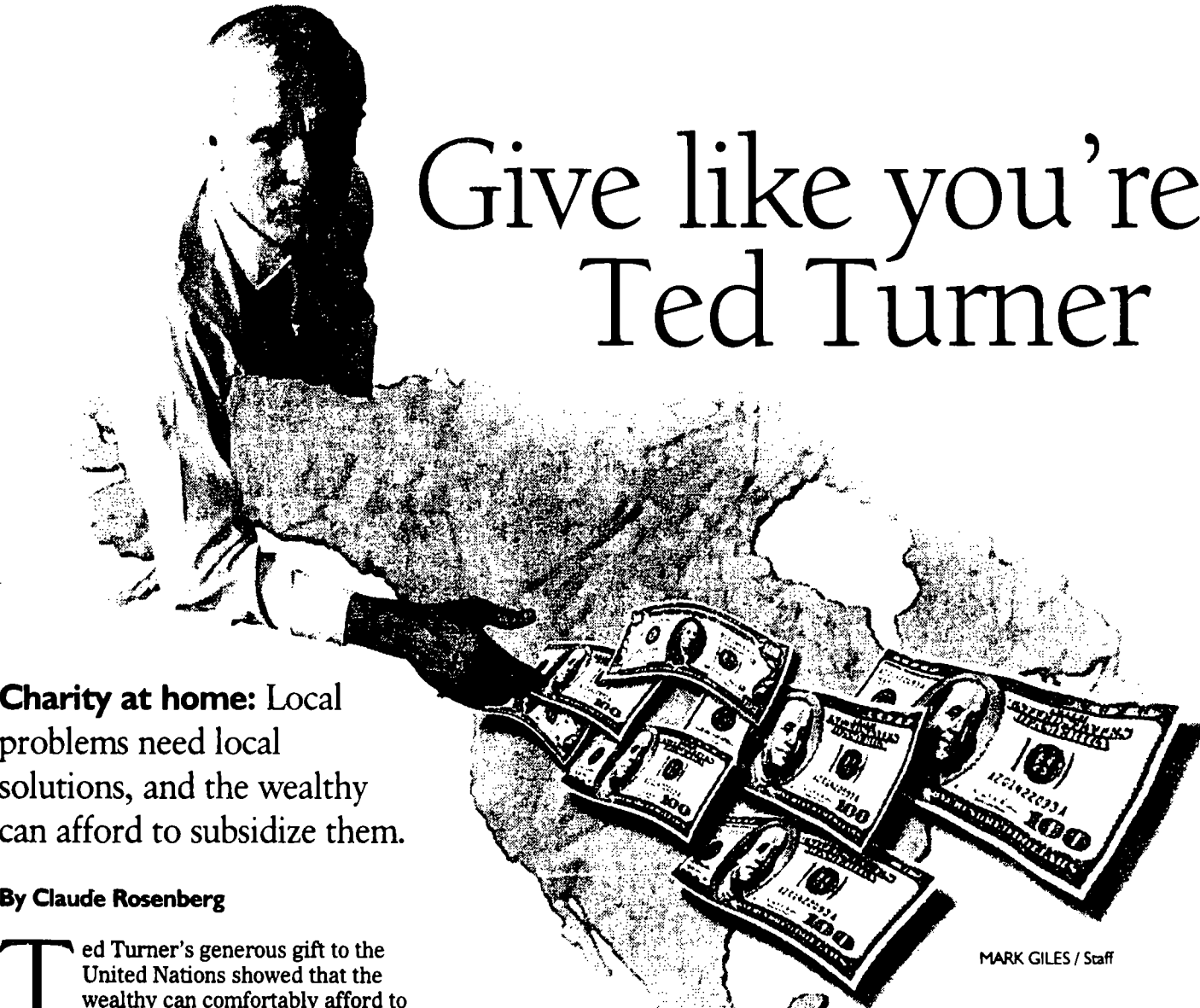
Newtithing grew out of "my own experience soliciting donations," said Mr. Rosenberg, whose family foundation has \$32 million. "I was disappointed, even angry, that people I knew were giving little compared to their estimated wealth." He came to believe that some individuals he regarded as stingy were simply listening to standard tax advice and then measuring their capacity to give largely in terms of income.

Paul G. Schervish, a Boston College social work professor who has studied the wealthy for 15 years, says assets are increasingly being counted in calculations of the capacity to give, a dramatic change that Mr. Rosenberg is helping to spur.

"He is attempting to mobilize the consciousness and the consciences of wealth holders to appreciate how much wealth they have and what good they can do with their wealth," Mr. Schervish said. "And he is right that advisers focus on income, not wealth."

Peter Lynch, the famed money manager, and former President Jimmy Carter are among those who endorse Mr. Rosenberg's approach.

"A lot of people have been waiting for some validation that it is all right to give a lot more," Mr. Rosenberg said. "I am giving it to them based on research." □



Give like you're Ted Turner

Charity at home: Local problems need local solutions, and the wealthy can afford to subsidize them.

By Claude Rosenberg

Ted Turner's generous gift to the United Nations showed that the wealthy can comfortably afford to give more to charity by acknowledging income and net worth in budgeting decisions. As the final quarter of 1998 begins, Georgians and all Americans of means should see Turner's actions as an urgent "call to alms," especially on a local level, by making larger charitable donations. Despite short-term stock-market setbacks, the well-to-do have experienced a decade-long investment boon while significant portions of the nation are deteriorating.

Georgia risks a worsening of its own problems, as all states do, in the next recession. Even after the '90s' economic good times, a crack epidemic among young women is ravaging unwed mothers and their children in Atlanta more than in most any other large city, while crime runs rampant in dilapidated neighborhoods.

This symbolizes the diverse societal problems that have plagued our nation even during prosperous times. If Ameri-

ca's wealthy do not boost nonprofit initiatives with increased charitable donations to solve (not simply ameliorate) chronic local problems — whether about education, unequal opportunity, crime, poverty or whatever — such troubles will grow even more when the economy eventually slows.

How much more can individuals afford to give? Turner can comfortably donate \$1 billion over 10 years. What about the rest of us?

Rough estimates suggest that most Georgians earning \$200,000 or more a year could comfortably afford to double their annual contributions from about \$18,000 to roughly \$36,000. If increased annual donations went only to efficient, productive local organizations, the best Georgian and Atlantan nonprofit organizations could begin solving problems with an increase of more than half a billion dollars

each year.

If the wealthy were to make larger charitable donations contingent on increased nonprofit effectiveness and focused on addressing a problem's systemic causes, the nonprofit sector might be energized into greater productivity, helping more Americans, Georgians and Atlantans meet their full potential as productive citizens. This strategy of "contingent generosity" could help conquer our "chronic" societal ills and lay the groundwork for enduring safeguards to the nation's future.

Claude Rosenberg is founder and chairman of San Francisco-based NewtithingTM Group, a philanthropic research organization advocating increased charitable giving and nonprofit productivity. The group's Web site is at <http://www.newtithing.org>. He is author of "Wealthy and Wise. How You and America Can Get the Most Out of Your Giving."

MARK GILES / Staff

Opinion

HURRICANE • CHARITY • ELECTION • MUSIC/POETRY

There's a new option for charity

THE stock option has become the standard means to accumulate riches in Silicon Valley, an emblem of deferred gratification.

It is appropriate then that stock options factor prominently in a new concept of giving back to the community. Called "newtithing," it's being promoted by a San Francisco-based non-profit of the same name.

Newtithing's premise is that you should factor in your investment assets with your salary when considering how much you can afford to give to charity. Otherwise, you're unnecessarily limiting your generosity.

That's apparently not as obvious as it might seem. Many people, even those with enviable portfolios, look only at their paycheck. And that's an archaic and an inaccurate perspective in the new economy, where fortunes many times salary are being accumulated in stock, says Claude Rosenberg Jr., an author and retired investment manager who created and is now promoting newtithing.

Rosenberg, like others involved in the field, is worried about the future of charitable giving in a time of a growing divide between rich and

poor. Dollars can be deceiving. Individuals gave \$109 billion to charity last year, 25 percent more than the \$87 billion they gave in 1992. But during this time, the bull-market years, a smaller percentage of households gave to charity, and those individuals who did give contributed relatively less: 1.6 percent of personal income last year, compared with 2.1 percent 30 years earlier. Baby boomers have been racking up riches and holding on to more of them than their post-war parents.

Sure, some of that money is socked away for retirement — few employers are offering straight pensions these days — or for college tuition for the kids. Yet many potential donors perceive they can't afford to give, even as they plop down cash for third cars, monster big-screen entertainment systems and homes that are on average one-third bigger than the ones they grew up in.

Rosenberg calculates that the well-off could comfortably donate \$150 billion more each year. And he stresses *comfortably*. Rosenberg's not calling for vows of poverty or hocking the Mercedes. Contrary to the old definition of the term, he's not urging people to give up 10 percent of their income. (The extra \$150 billion would raise giving to about 4 percent of personal income.) And he doesn't prescribe a

level of giving, leaving it up to individuals to choose, based on their own circumstances.

What he shows, with simple calculations in his book "Wealthy and Wise," is that people can give substantially more, after deducting expenses and factoring in tax savings, and have plenty left over to build on their assets. (An example he used was a person earning \$100,000, with market-value investments of \$500,000 yielding an additional \$30,000 in income, who gives \$10,000 away. The organization's Web page, www.newtithing.org, will soon include a calculator enabling people to plug in their own numbers.)

The stock market has rebounded in the past few weeks after its shakeout in September. But non-profits are nervous that the gyrations may scare off possible donors. Rosenberg hopes that investors will take a long-term view and factor in, but not be scared by, the cycles in high-tech stocks. And frankly, if the \$500,000 portfolio vanished down a hole, the \$10,000 gift to a local charity wouldn't have made much of a difference.

Rosenberg's promotion of newtithing coincides with a surge in attention to philanthropy in Silicon Valley. Leading the effort is the Community Foundation Silicon Valley, which earlier this year conducted a benchmark survey of the

giving patterns of companies and individuals. Next week, it's holding a conference for donors and non-profits to translate the survey results into increased generosity.

The newtithing concept — to encourage people to think in terms of their net worth, not their pay stub — is fundamental to any strategy. So is explaining the benefits of giving away stock. (If you give stock, you can reap tax advantages that you can't claim if you sell the stock and then make a donation in cash.)

The underlying assumption, however, is that people will feel it in their hearts to give to their community, and that once aware of their own potential, they will respond. It assumes, not incorrectly, we hope, that the root is sensitivity, not selfishness.

FOLLOW-UP: *The Giving Back the Silicon Valley Way Conference will be held Tuesday, Nov. 10, from 8:30 to 11 a.m. at the Hyatt Sainte Claire in San Jose and is open, at no charge, to the public. Panelists will include Susan Packard Orr, chairperson of the Packard Foundation; Steve Kirsch, chairman of InfoSeek; Glen Toney, executive vice president of Applied Materials; and Lisa Sobrato Sonsini, president of the Sobrato Family Foundation. Call the Community Foundation Silicon Valley (408-278-0270) if you plan to attend.*

Editorial

*The opinion
of the
Mercury
News*

HARVARD CLUB OF NEW YORK CITY
27 WEST 44TH STREET
NEW YORK 10036-6645

March 29, 1999

Mr. Claude Rosenberg
Founder
Newtithing Group
4 Embarcadero Center, Suite 2620
San Francisco, CA 94111

Dear Mr. Rosenberg:

Thank you for speaking at the Harvard Club last week.

You engaged the audience and articulated very effectively how people really can give more money and involve themselves in their charitable causes more than they currently do. The question session showed how stimulated the audience was.

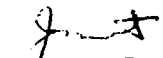
Several days after your presentation, one of the members of the Board of Managers, at the Club Board meeting, spontaneously cited your talk as one of the recent noteworthy programs.

Your message spreads.

Thanks to Tim Stone for making the handouts available. They are most appreciated.

Again, many thanks for sharing your wisdom here.

Sincerely,



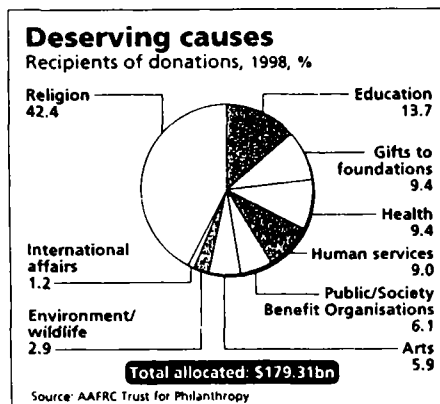
Janet L. Roen, M.D.
Chairperson, Program Committee

Philanthropy

Giving your all?

ON THE face of it, 1998 was a tremendous year for American philanthropy. Figures released on May 25th by the American Association of Fund Raising Counsel show that charitable giving rose by 11% to a record \$175 billion. Around three-quarters of this came from individuals; the rest from bequests, companies and foundations. The only sector to see a fall in giving was the arts—though they still received some \$10.5 billion. The AAFRC detects a possible “golden age” for charitable giving.

Is that really the case? American giving, at around 2% of GDP, is certainly generous compared with other countries (though European ones tend to have higher taxes and more bigger welfare states). And America's richest people do give more than their share by income (one analysis of 1995 tax returns by the AAFRC showed that people who earned \$1m a year accounted for just under



0.1% of the population but 8% of charitable giving).

However, many charities argue that the real test should not be income but net worth—and that the rich are not doing their share. Last year, Standard & Poor's composite index rose by 27%, more than twice the rate of giving. The gains from the 1990s bull market have gone disproportionately to the rich, with as much as 90% of the paper profits going to the top 10% of households. Very little of these gains—running into trillions of dollars—has been passed on.

The most damning evidence comes from the Newtithing group, a San Francisco non-profit organisation, which has constructed an economic model showing how much Americans could “afford” to give away, taking into account their assets and spending as

well as their income. The model works on a sliding scale, assuming that poorer Americans need to increase their net worth while the richest merely want to keep it stable, after allowing for inflation and their spending. Altogether, it reckons that individuals could afford to give away some \$242 billion more a year than they do. Half of that amount comes from the 111,000 people whom Newtithing reckons earn more than \$1m a year and whose total net worth is around \$21m.

Certainly, Silicon Valley, the temple of much of this new money, offers mixed evidence of a philanthropic renaissance. A few billionaires, notably Bill Gates, have begun the arduous process of giving away their loot. But most high-tech folk still seem slightly more preoccupied with bits and bytes. According to a 1998 report by Community Foundation Silicon Valley (CFSV), around one third of households there earning more than \$100,000 give \$1,000 or less to charity. The Santa Clara County branch of the United Way recently collapsed after donations fell short of expectations.

In many cases the problem does not seem to be miserliness so much as ignorance. As the CFSV report notes, one third of the “high net worth” individuals in the valley were paid with shares; but only 7% gave away shares, even though there are tax advantages in doing so. Whatever the reason, the golden age still looks some way off.

- **Downlink announcement letter from ARC/UW attached. If we can approve through legal and Marsha asap, it would be most effective to send out on WHMC letterhead with Ellen's, ARC's and UW's signatures.**

7/26 draft

Draft letter from Steve Bullock, Interim President & CEO, American Red Cross, and Betty Beene, President & CEO, United Way of America, to United Way CEOs and ARC chapter executives in 147 communities served by the ARC-TV network.

Date

Name

Title

Organization name

Address

City, state zip

Dear (personalized):

We are presented with an extraordinary opportunity for our ^{two} institutions to work together *and* to help advance the case for philanthropy in the next millennium. This letter is to gauge your interest in working with your (Red Cross or United Way) counterpart to convene and co-host a local forum on philanthropy, featuring a live satellite broadcast of proceedings from The White House Conference on Philanthropy on October 22, 1999. The segment broadcast will likely include participation by the President and First Lady.

The White House Conference on Philanthropy is a part of the White House Millennium celebration. In the overall context of "Honor the Past; Imagine the Future," the Conference will present the unique American tradition of giving and encourage "Gifts for the Future." It will also discuss the changing faces of philanthropy and what we must do to assure that this tradition will endure. The Conference will approach the subject from the vantage point that everyone has a responsibility to the community, and that includes giving.

The preliminary plan is to broadcast 1-2 hours of the 6-hour White House Conference through American Red Cross satellite network. The local Red Cross and United Way executives in communities where the Red Cross has satellite downlink capability are asked to consult with one another to determine if they wish to host a local forum around the White House ~~Philanthropy~~ ^{on Philanthropy} Conference. If so, you would be asked to engage a diverse group of individuals and organizations to help develop a local event. That is, we would ask that you ensure participants represent different aspects of philanthropy (e.g., the arts, human services, community development) and donors of all description from a wide range of ethnic and economic backgrounds. Your special attention to involving minorities, young people, and others not typically viewed as philanthropists would be particularly welcome.

You and your planning group could determine the form and content of the local forum, with the exception of the satellite broadcast. You could simply host a viewing of the broadcast or you could plan a local forum with speakers, panels, workshops or whatever

worked for your community. This would essentially be a turnkey operation: we would arrange for the broadcast and you would take it from there.

Please talk with your (Red Cross, United Way) counterpart, and let us know at your earliest convenience if the two of you are interested in pursuing this opportunity. One response from the two of you would be appreciated. We will get back to you as ~~soon~~ as possible with additional details. And be sure to save the date!

Y
soon

Yours truly,

Steven Bullock
President & CEO
American Red Cross

Betty Beene
President & CEO
United Way of America

g\irv\arc-uwa-white



GEORGETOWN UNIVERSITY MEDICAL CENTER

To Shirley

Institute for Health Care Research and Policy

FACSIMILE COVER SHEET

TO: Melanne Verwee

FAX NO.: 456-6244

FROM: John Morahan

DATE: _____

PAGES INCLUDING THIS
COVER SHEET:

3

COMMENTS:

Melanne -
Given your interest in these issues,
I thought you might like a blind copy
of my recent note to Mickey.

J

NOTE TO MICKEY IBARRA**FROM:** John Monahan **DATE:** July 27, 1999**RE:** White House Philanthropy Conference

Thanks so much for calling last week. It was great to hear from you, and I wish you well in your recruitment efforts.

As you requested, I have taken the liberty of sharing information regarding the Philanthropy Conference with some of my colleagues at Casey, and I will forward any detailed information or specific names to you directly.

As we discussed, I strongly agree with your basic argument that state and local governments would have a great deal to offer in any public discussion concerning the changing role of philanthropy. As you know, there are numerous examples of philanthropic partnerships with government to raise public consciousness regarding important policy issues; to provide policymakers with needed information and analysis on a wide variety of subjects; to improve access to, and the effectiveness of, public programs; to leverage public and private resources for community development; among many, many other projects.

While philanthropy cannot replace, and should not be considered a substitute for, government at any level, foundations can fill crucial gaps in public resources, complement public strategies in important ways, and catalyze public initiatives. Moreover, as devolution to state and local governments continues in many policy domains, the importance philanthropic connections to state and local officials will only increase.

Examples of philanthropic efforts that partner with states and localities include:

- o The Annie Casey Foundation has worked with cities on expanding employment opportunities for low-income families, with states on public human service systems reform, and with neighborhood groups and local governments on community building strategies. Casey is currently launching a major project to encourage public and private players in various cities to work together in an unprecedented manner that will strengthen families and improve services to isolated low-income neighborhoods.
- o Carnegie Corporation, Kaiser Family Foundation, and numerous other foundations have worked with governors and state officials over the last several years to enhance public awareness about the importance of early childhood development and to expand services to young children. Successful efforts flowing from these initiatives include the California tobacco tax referendum led by Rob Reiner to increase county funding for early childhood programs, Governor Hunt's Smart Start expansion of Head Start and other quality early childhood programs statewide, Governor Dean's expansion of comprehensive health and social services to all preschool children, and Ohio's dramatic expansion of Head Start with state dollars.
- o The Rockefeller Foundation is working with city governments and public housing authorities across the country to provide comprehensive employment services and other supports to residents of public housing, focusing on one building or project at a time.
- o The Robert Wood Johnson Foundation is funding a number of health programs that include state and local government partnerships, e.g., its "Covering Kids" campaign is establishing public-private coalitions in every state to enroll children who are eligible for Medicaid or CHIP but have not been enrolled, and its support of Hillsborough County (Tampa Bay), Florida, and other local governments that are exploring innovative ways to patch together health care plans for their uninsured.

- o Over the past three years, the Joyce Foundation has funded an ongoing series of presentations and discussions for Midwestern human service officials struggling to implement welfare reform.
- o The Kellogg Foundation is funding a number of health reform programs centered around local public health departments and public hospitals.
- o A number of smaller foundations are devoting a substantial portion, if not virtually all, their resources to supporting a wide range of public sector partnerships and direct aid programs targeted to particular communities. For example, the Steans Family Foundation is devoting virtually its entire capital to assisting people in the North Lawndale neighborhood in Chicago.
- o In a number of cities, such as Cleveland, Chicago, and San Francisco, there are long-standing ties between city and county governments and local community foundations that have led to housing development, commercial business expansion, and other types of civic reform efforts.
- o The national public interest groups have countless relationships with various foundations. For instance, the Annie Casey Foundation supports the National League of Cities in maintaining a resource center for local officials interested in improving services to youth and families.

I hope this information is helpful to you in considering the potential role of state and local officials at the upcoming Philanthropy Conference. If you need further information on these projects or contact names, please call me. As I noted above, I will forward additional information as I come across it.

Please take care of yourself. I can be reached at 202-687-0880 or 410-547-6600. Thanks.

recommended
by Bill White

Suzanne Feurt
(mott)

European Foundation Center

32 2 512 8938

fax 32 2 512 3265

(in Brussels)

Mucci Patten?
Canadian Foundation

Atal F.
UK
Slovakia
Carpathian F
So. Afr.

CHARLES STEWART
MOTT FOUNDATION

WILLIAM S. WHITE
PRESIDENT

June 16, 1999

The Honorable Melanne Verveer
Assistant to the President and
Chief of Staff to the First Lady
The White House
Washington, DC 20500

Dear Melanne:

Let me begin by thanking you for the invitation to meet with the First Lady and members of the administration regarding the humanitarian crisis in Kosovo and the neighboring countries. You may have noticed that I was unusually quiet during the meeting; in fact, I did not say a word which is surprising since, outside of the Soros foundations, Mott is one of the few foundations that actually has an office in the region. Indeed, just prior to and since the meeting, our Prague-based staff has been in Macedonia, Bosnia, Russia, Bulgaria, and of course, the Visegrad countries. So, we are continuing to go into these areas and monitor what is taking place. At its June 4, 1999 meeting, the Mott Foundation Board authorized an additional \$2 million to address issues directly stemming from the Yugoslav crisis. We will be working closely with the Soros foundations as well as several Central and Eastern European outfits.

One of the reasons I mentioned that we are in countries like Russia and the Ukraine on a regular basis is that, as you well know, these countries are having their own crisis and, as a funder of the not-for-profit sector, our grantees are feeling the effects of the various crises in many different ways. Indeed, I debated writing to you back in January regarding the plight of some of the Russian NGOs. For a variety of many good reasons, U.S. government funding is being cut to some of those organizations which appear to us to be doing a very good job. I believe some of the organizations that are receiving reduced funding are among those the First Lady has visited.

Changing subjects entirely, Elan Garonzik, the Mott program officer in charge of the U.S. and global not-for-profit grantmaking, enjoyed participating in one of The White House planning meetings for the proposed conference on philanthropy. To me, one of the most important philanthropic vehicles are community foundations. If you think about it, a community

The Honorable Melanne Verveer
June 16, 1999
Page 2

foundation enables the very rich person to join cause with the Biblical widow with only two mites. It is an organization for bringing people together to discuss basic community issues. We feel so strongly about the community foundation movement that we have, for about 20 years, helped the development of and have partnered with community foundations in this country. Further, we have taken what we have learned here and helped grow the community foundation movements in Canada, Central and Eastern Europe, the U.K., and now Germany, Italy, South Africa, et cetera. Attached is a brochure we prepared for the community foundation movement in the U.K.

I am making the mistake of having too many messages in one letter, but I must add that we continue to enjoy the partnership with the federal government on the 21st Century Community Learning Centers initiatives and the micro-enterprise development initiatives.

If we can be of help, please let us know.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill", written over the printed name.

William S. White

WSW:aco

Attachment

www.usatoday.com

TOUR de LANCE

AMERICAN CYCLIST EXPECTED TO WIN IN PARIS SUNDAY, CAPPING HEROIC COMEBACK

INTERVIEW, 1C

Armstrong: Cancer survivor
By Lauren Roberts, AP

THE NATION'S NEWSPAPER

USA TODAY

NO. 1 IN THE USA FIRST IN DAILY READERS

DOESN'T SOUND LIKE '69

RAP MEETS ROCK AT WOODSTOCK, 1E

► WHO'S ON STAGE IN ROME, N.Y., 3E

YOUR MONEY: MAKE MOST OF STOCK OPTIONS 1,3B

EDITION

Woodstock in swing: K.J. James on stage Thursday, 1E

FRI/SAT/SUN., JULY 23-25, 1999

NEWSLINE

A QUICK READ ON THE NEWS

WALL STREET: Dow Jones Industrial average drops 33.56 points to 10,969.22; Nasdaq index dives 77.33 points to 2,684.44; 30-year Treasury bond yield climbs to 5.96%. 1,4B.
► Japan's Nikkei average is down 267 points to 17,463 in early trading; yen is 116.70 per dollar. Hong Kong's Hang Seng index is down 138 points to 13,231 early today.

OFFICERS REMEMBERED: Congress memorializes two Capitol Police officers killed on duty a year ago Saturday. Plan to beef up security moving slowly. 15A.

New crop going to Baseball Hall

George Brett, left, Nolan Ryan and Robin Yount are among the marquee names headed into the Baseball Hall of Fame in Cooperstown, N.Y. Sunday. All three were elected in first year of eligibility. 3C.

REFORM PARTY CONVENTION: Members of the Reform Party meet this weekend to elect new chairman and to sort out issues over presidential candidacy. 3A.

REFUGEES RETURNING: Kosovo refugees in USA now faced with the decision of returning home; free government flights begin Monday. 3A.

NORTH KOREA FAMINE: As many as 250,000 North Koreans may have died in nation's famine in three years, study suggests. 13A.

CHINA BAN: Popular Falun Gong spiritual sect is outlawed by China in power play. 13A.

TODAY'S DEBATE: House tax cut. In USA TODAY's opinion, "Tax cut may look appetizing, but it's loaded with hidden costs."
► "Like children in a schoolyard, politicians are playing finders-keepers with money that doesn't belong to them," says Rep. Bill Archer, R-Texas.

MONEY: Comparing names Michael Capellas as CEO. 1B.
► Coke CEO expresses high hopes for picnic market. 1B.
► How to beat the S&P 500. John Waggoner column. 3B.

SPORTS: Baseball officials don't act on group of umpires' attempt to withdraw resignations and keep jobs. 1C.
► Denver QBs ready to practice. NFL. 1,8,17C.
► 1999-2000 NBA team-by-team schedules. 1,16C.

LIFE: Visiting bewitched Burkittsville, Md. 1D.
► European travel bargains come into view. 1D.
► Theme park for wine lovers opens in London. 4D.
► Can't quite commit to the good Acura RL. Test Drive. 9D.

COMING NEXT WEEK

Mystery scam
Piecing together the puzzle created by Connecticut man who disappeared with millions of dollars. Monday

Vanishing America
A Virginia man keeps the sun from setting on his drive-in theater. Tuesday

Written by John O. Buckley

USA TODAY

Crossword 10D
Editorial/Opinion 17,19A
Lotteries 10D
Marketplace Today 10-11D
State-by-state 10A
Stocks 4-11B

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USA SNAPSHOTS®

A look at statistics that shape the nation

Refugees return to Kosovo

About 95,000 of the estimated 790,000 refugees who fled Kosovo to neighboring regions remain there. How many have returned.

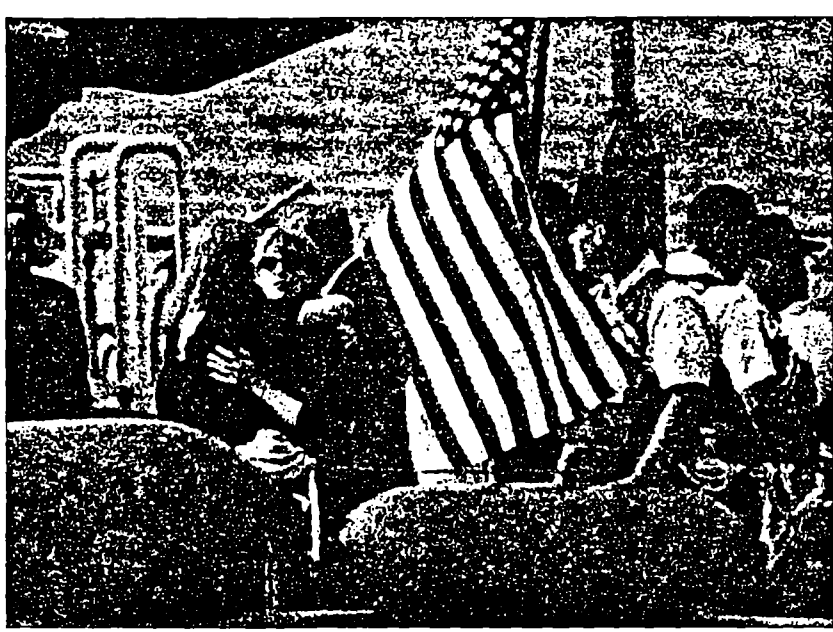
Where they were	Returned to Kosovo (in thousands)
Montenegro	50.1
Macedonia	215.5
Albania	421.8
Bosnia-Herzegovina	6.8
Total	694.2

► Many refugees in USA want to return. 3A

Source: UNHCR National High Commissioner for Refugees

Returned to the sea

Navy ship carries families, ashes of JFK Jr., wife, her sister



Mourning: Members of the Kennedy and Bessette families embrace before heading out to the burial aboard the USS Briscoe Thursday.



Maternity: Funeral for Jacqueline Kennedy Onassis in 1994.



Eternal Flame: Family members gather at the gravesite of President Kennedy and wife Jacqueline at Arlington Cemetery in 1995.



Tragic loss: Funeral for Michael Kennedy after 1997 accident.

Kennedy funerals: Sad familiarity

By Rick Hampson
USA TODAY

The funeral of a Kennedy is a national ritual, part catharsis and part carnival, the most personal of occasions transformed into something utterly public — even when it's closed to the public.

The Kennedys bury their dead with stoic resolve, soaring oratory and potent symbolism. Sometimes by design, sometimes by accident, these ceremonies have helped make the Kennedys the American family of the American century.

They had faced tragic death before. But the Kennedy mystique started in 1963 with the death of a president and a solemn salute by a son who turned 3 the day of the funeral. That son's own memorial Mass takes place today at his late mother's church, after his burial at sea Thursday in the waters he loved.

His mother planned his father's funeral, and he and his sister planned hers, and now the sister planned his.

For John Fitzgerald Kennedy Jr., death and its rituals were just part of being a Kennedy, like politics and touch football.

He lost his newborn brother, Patrick, in 1963; his uncle Bobby in 1968; his grand-

By Fred Bayles
USA TODAY

WOODS HOLE, Mass. — As hundreds watched from shore, the cremated remains of John F. Kennedy Jr., his wife and his sister-in-law were returned to the sea Thursday near where their bodies were recovered only 24 hours earlier.

Family members, surrounded by sailors in dress whites, held a half-hour ceremony on the fantail of the USS Briscoe.

Kennedy, 38, his wife, Carolyn, 33, and Lauren Bessette, 34, died a week ago when his private plane crashed off Martha's Vineyard.

The Navy destroyer carried three folded U.S. flags and

► Weekend TV coverage; index, 2A

► Who's who in Kennedy family, 4A

► His Irish neighbors say farewell, 5A

three wreaths with red, yellow and white flowers to the site.

"It was very simple but very solemn," said the Rev. Louis Iannello, a Navy chaplain who assisted in the ceremony.

Mourners included Kennedy's sister, Caroline Kennedy Schlossberg; his uncle, Sen. Edward Kennedy; and his aunt, Eunice Kennedy Shriver.

The Kennedy cousins were represented by Maria Shriver, William Kennedy Smith and Rep. Patrick Kennedy.

Carolyn Kennedy and Lauren Bessette's mother, Ann Freeman; her stepfather, Richard Freeman; and Lisa Ann Bessette, the twin sister of Lauren, also were aboard.

Coast Guard patrol enforced a 3-mile security perimeter. News helicopters were kept 10 miles away.

Defense Secretary William Cohen granted Navy assistance to the families, who cited Kennedy's desire to be buried at sea. He was an avid sailor.

The burial came after of a four-hour autopsy confirmed that the three died of "multiple trauma."

"Death was instantaneous," Cape and Islands District Attorney Philip Rollins said.

Investigators were awaiting results of toxicology tests from Wednesday night's autopsy, looking for signs of carbon monoxide poisoning, which could indicate that the had engine trouble. Questions also have been raised about whether Kennedy was taking painkillers for an ankle injury.

Before the burial, people lined the streets of Woods Hole as the families arrived in a motorcade of vans.

"It feels like losing one of your cousins or friends," said Maria Hickey, a Falmouth resident who brought her two young sons and a sign that read simply "God Bless."

The service was the first of several planned, including an Irish farewell Thursday at St. Patrick's Old Cathedral in Manhattan; a Mass today at Manhattan's St. Thomas More Church; and a memorial service Saturday in the Bessettes' hometown of Greenwich, Conn.

Thousands have paid respects by leaving flowers, flags and notes at spots associated with the Kennedy family.

The lines continued to grow outside the Kennedys' loft home in Manhattan's Tribeca neighborhood.

Also Thursday, divers brought up more wreckage from Kennedy's Piper Saratoga, which was found in 115 feet of water Wednesday. Key parts, including the plane's instruments, propeller and engine, are being examined for evidence of mechanical problems.

House passes GOP's \$792B tax cut

By Owen Ullmann
USA TODAY

WASHINGTON — House Republicans united to pass a \$792 billion tax cut Thursday, but the plan faces major changes in the Senate and a veto threat from the White House.

The 10-year plan, the GOP's domestic priority, was approved 223-205.

Four Republicans voted no; six Democrats supported it.

Given President Clinton's opposition, the plan is more likely to become campaign fodder than law. But a Senate bill with more bipartisan support could set the stage in the fall for a tax-cut deal between Congress and the White House.

House Republican leaders said their bill would return to taxpayers a chunk of the \$3 trillion federal budget surplus expected through 2009. Two-thirds of the surplus would be preserved for Social Security.

Clinton called it a "risky plan" that doesn't leave enough of the surplus for spending on Medicare, defense, education and debt reduction.

But House Speaker Dennis Hastert of Illinois said, "It is not risky to give the American people their money back."

Federal Reserve Chairman Alan Greenspan also weighed in Thursday against the plan, telling a House committee "the timing is not right" for a tax cut.

The House measure would:

- Cut all income tax rates by 10%.
- Reduce the top capital gains tax rate to 15%.
- Eliminate estate taxes.
- Ease the so-called marriage penalty.

The plan almost died when a dozen Republican moderates balked at the cost. GOP leaders averted an embarrassing defeat by drafting an 11th-hour compromise late Wednesday that would effectively bar the income tax rate cuts from taking effect unless the \$3.6 trillion public debt declines each year.

The Senate version was approved Wednesday by the Finance Committee and is scheduled for a vote late next week.

It has the same price tag, \$792 billion, but targets more relief toward the middle class.

The Senate plan would cut only the bottom income tax rate, from 15% to 14%, and would maintain current rates on capital gains.

One break for the affluent: expansion of tax-deferred individual retirement accounts.

► Fall deal possible, 15A



Hint of new rate hike

Federal Reserve Chairman Alan Greenspan told Congress Thursday that the economy's performance has been "exceptional" but hinted that potential problems, including a stock market bubble, could cause the central bank to raise rates again. Stock and bond prices dropped in response. Story, 1B.

WOODSTOCK '99 Funky Photos • Cool Concert Sounds • Trendy Trivia

WOODSTOCK 99 USA TODAY.COM

Mr. Gates Giveth

Seems that Bill Gates can't even give it away. For most of the 1990s, of course, Mr. Gates has been tied up with a Justice Department that believes it knows the computer market better than any of its players. Ralph Nader accuses the Microsoft CEO of thinking he is "immune to public scrutiny." Now comes a visiting professor at Johns Hopkins who suggests that even the money Mr. Gates is donating to charity really doesn't fully belong to him.

In his opinion piece in the latest issue of the *Chronicle of Higher Education*, Daniel S. Greenberg, author of "The Politics of Pure Science," puts it this way: "Although Bill Gates and his fellow foundation builders merit gratitude for their generosity, the fact is that much of their donated wealth would end up in public treasuries if the tax laws didn't permit its diversion for privately controlled philanthropic purposes. That makes a strong argument for transparency in foundations' operations: The public has a right to know how, why, by whom, and with what effect the money that might have belonged to it is being spent."

This is indeed a novel argument, one that George III might have envied. The complaint is not that Mr. Gates, Microsoft or the William H. Gates Foundation has broken any law. It is simply that the public (read: government) has a stake in the foundation's operations simply because had the tax laws been otherwise the money might have flowed into the Internal Revenue Service's coffers. Taken to its logical conclusion, of course, this means that the government has a strong prior claim on *all* our money—and thus a stake in how we spend it. That doesn't strike us as an argument bound to be persuasive outside Richard Gephardt's office.

It's a pity, because there is much to Mr. Greenberg's larger point, to wit, that foundations often operate without much scrutiny, in ways that their founders never anticipated and with

an overwhelming assumption of goodwill enjoyed by neither of the counterparts in government or business. In other words, managements of foundations are as likely to pursue their own interests as they are anything else, and when they have lots of money to throw into a contest they might alter the contest itself. This, of course, is precisely what the founders of the American system meant by a free society, and they would have seen in Microsoft's huge assets a powerful hedge against the kind of arbitrary legal action we have seen in, say, the numerous antitrust actions filed against Microsoft itself.

At the end of the day, the problem of foundation management is philosophically no different from the general problem of accountability in any business organization. From the outside, a free press and a citizenry free to organize and publicize are powerful counterweights to any abuse of power. From the inside, history demonstrates all too clearly that there is simply no substitute for a donor who insists on as much control over his foundation as he does over his company. Indeed, we recall Henry Ford II's resignation from the Ford Foundation in 1977, on the grounds that its trustees and staff had insufficient respect for "the [capitalist] system that makes the foundation possible."

All this, however, is argument less for public than private accountability. Now at more than \$10 billion, the William H. Gates foundation has become the fourth largest in the country, testament to its founder's business acuity, a booming stock market and a system that vests the power to determine winners and losers in the hands of consumers. Many of us, of course, will be keenly interested in which charities and projects Mr. Gates favors with his billions, and we are free to attack, cheer or publicize as we see fit. But let's not give the government any more bad ideas about whose money Mr. Gates is spending.

Ref: 1400

Youth in Philanthropy

25,000 to teams of ^{youth at risk} young people -

12-15 yr olds to make grants

4 month process

15 grants to other youth groups

will get one of these young people

stopped giving \$ - they saved it
themselves

Develop our topic

Silicon Valley - giving loans off at 35-45

SV-~~2~~2 - created investors

club Kevin Fong - bp VC

38 yrs old -

Idea of giving stock

Claude Rosenberg → Wealthy + Wise
friends of John Gardner

Guidestar - 990s

Steve Kunk - founder of Infoseek 42

E Bay 100,000 pre IPO stock
could sell right away
now \$30 m

Wait until profitable -? 10 yrs!

Model corp. citizen
united way
marketing
Serving on unit boards
Volunteering

Creative Strategies for Corp Comm. Involvement

HP, Microsoft, Applied Materials (semi conduct man)
CEO Jim Morgan
Law Platt (Pres of HP)
great speaker

Jay Harris - master black publisher in Am -
on King's Better Deal

Got on phone w/ Rick Hro → create
advisory board for better United Way

Lockheed Martin bid for TX welfare state
Lewis & Clark not United Way
competition

Fidelity Charitable Gift Fund 501 c 3

Where United Ways are working well -
what characteristics are working well

Impact On Line - places we.
put zip code - Jim Backstrom

Diane Finken + Jane Helms -
IRA roll out -
Take \$ out of IRA + give to
charity

Susan Packard Orr - David's Daughter -

Richard Schlosberg
Hugh Borrows at Packard - coo -

Bill White at Mott (Pres.)

Ford

Rockefeller Bros. -

Social Entrepreneurship - Venture Philanthropy

Jed Emerson

Christine Letts

Greg Dees

Bruce Siever at Haas Fdn - article taking

Letts on - IF Pigs could fly

Int'l perspective

Widener - German on Becklowen board
written on Am/German rel.

List by June 18

Advisors - 56 25

VIPs in Philanthropy

Passing on the tradition 50

- youth
- newly wealthy
- churches/religious
- employers
- minority/women
-

Friends of

Heroes - 6-12

Youth - 10

Young people

Blue collar

Rich people

CEOs

Family

Lynn
876 8614

Publicly made
on the
case
final.

- Les. Cline

- Rosabeth

- Henry Rabin

- Melanne
?

Jim → tell HRC

- United Way

- Indep sector

Scheduling mtg —

Luana -

Website -

6 congregations

- \$61,000 for project
- training

Nat'l 4H council doing a fundraising campaign.
New curriculum in budgeting of line for charity

Bernie Healy → Les Chelmsky

The only publ. projects

- Nat'l 4-H council - career based fundraising
Nancy Swanson - ED of state based
4-H foundation in
SD

- Michigan Project

youth on boards - Mich Council 7 for 4
York Philanthropy

K-12 Ed in Phil
Katherine Agard

616 767 7205

- Student Service in Philanthropy in NY
early work on a foundation
On boards

~~and~~ Youth as resources

Grapple Project - Patch Adams

FFA → Leadership + Service by Scouts → resuming + life saving
do a good turn

- Lilly [unclear]
- Packard

Catherine Milton

Executive Director

July 20, 1999

Shirley Sagawa
Office of the First Lady
Old Executive Office Building
Room 101
Washington, DC 20500

Dear Shirley:

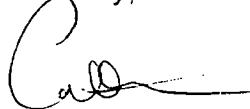
As we approach the beginning of our third year of Web of Support programs for children in the United States, I want to take the opportunity to share some of our progress and activities during the past year.

Save the Children's 1998 Annual Report summarizes our work in the United States, the developing world, and in crisis situations. 1998 was an especially challenging year for children globally. In response, Save the Children increased its efforts to deliver focused, tangible, measurable benefits to children and the communities where they live.

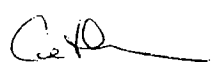
I have also enclosed our Web of Support newsletter, Out-of School Times. This publication describes a variety of ways in which helping communities provide quality after school programs including safe places, caring adults, and constructive activities to disadvantaged children in the United States. As we look to the future, we are concentrating on using cost-efficient, effective ways of bringing the Web of Support to more children across the United States.

I hope each of you who have played a part in supporting the work of Save the Children will see the results of your commitment in these reports. Because of you, and many other supporters like you, Save the Children reached more than eight million children and families in 1998. We thank you deeply for making this possible.

Sincerely,



Catherine Milton
Executive Director
U.S. Programs

Great to see you as always -
Thanks for suggestions.
We are moving really
fast on our Kidz4KID3
and might want to
"announce" in Fall. Will keep in
touch -


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Save the Children®

WEB OF SUPPORT FOR U.S. CHILDREN™

OUT-OF-SCHOOL TIMES

Youth and Seniors: A Win-Win

The Foster Grandparents program is an imaginative and enduring program that has been in operation throughout the United States for over 30 years. The program is administered by The National Senior Service Corps, a federal program that provides support through the Corporation for National Service.

In fall of 1998, Save the Children was asked to develop Foster Grandparent programs with community partners in Connecticut, South Carolina, Georgia, Kentucky, Tennessee, Mississippi,

Arkansas, and Arizona. Save the Children is also promoting the involvement of seniors in all of its activities to better serve the needs of children in both rural and urban communities.

The Foster Grandparents program is unique. It offers low-income seniors, age 60 and older, opportunities to serve as mentors and tutors for children and youth with special needs. Foster grandparents provide 20 hours of weekly service to community organizations at schools and youth centers. Each foster grandparent receives a modest tax-free stipend, reimbursement for transportation, meals during service, an annual physical examination, and accident liability insurance while on duty. Most importantly, the Foster Grandparent program gives participants the opportunity to share a lifetime of experience with children and youth, and to join the half million older Americans who are strengthening communities across the country.

To date, Save the Children has recruited, hired, and trained more than 80 foster grandparents to work as tutors and mentors with from one up to four children. Seniors who felt isolated in their lives now have a reason "to get up in the morning." Kids who felt alone now have "a nice lady who loves and helps me."

By the end of the year, Save the Children will have 273 foster grandparents linked with over 1100 young people. In this program everyone wins!

Message from the Executive Director:



Catherine Milton

Three years ago Save the Children launched its Web of Support initiative to help low-income children have caring adults, safe places, and constructive activities during the

important out-of-school hours. We now work with 85 community partners in geographically and demographically diverse communities, ranging from inner city areas like Bedford-Stuyvesant to the Zuni nation in New Mexico, and from small rural towns deep in the Mississippi Delta to major cities like Los Angeles.

Thanks to support from the Packard Foundation, we have been able to work with Aguirre International, an organization expert in outcome evaluations, to determine specifically how children are benefiting from our assistance and to use this information to improve the quality of programs within the Web of Support. The results of the most recent Aguirre evaluation are in, and they affirm our belief that the Web of Support is making a significant difference for young people. For example:

- 96% of the youth improved their reading comprehension level as demonstrated by the Accelerated Reading Program's computer-assisted testing. National Council for Negro Women, Duncan, Mississippi

- The percentage of youth served by our program at the Madison Youth Council in Madison, Arkansas, who completed 81-100% of their homework more than doubled. The number of these youth who performed at or above norm in academic subjects increased from 76% to 96%.

continued on page 7



Foster Grandparent Carmen Maldonado works with 5 year-old Celina Vargas of Bridgeport, Connecticut.

NATIONAL ENDOWMENT FOR THE HUMANITIES

1100 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20506



THE CHAIRMAN

September 28, 2000

Ms. Shirley Sagawa
Deputy Assistant to the President and
Deputy Chief of Staff to the First Lady
The White House
Room 100EEOB
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Shirley:

I want to congratulate you on the stellar Ephiphany conference you organized earlier this week in San Jose. It was an historic gathering, and our staff at the National Endowment for the Humanities deeply appreciated the opportunity to participate in such a meaningful way.

The conference presented a wonderful opportunity for showcasing NEH's leadership role in the use of technology and our ability to provide greater access to humanities resources. We especially enjoyed learning from all the groups represented about the enormous potential the internet offers to generate stronger support for the humanities.

Congratulations again on a terrific event. With warmest regards.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill".

William R. Ferris

VIDEO REQUEST PROPOSAL**TODAY'S DATE 9/18/00** **ACCEPT** **REGRET** **PENDING**

TO: Jamie Vavonese

FROM: Shirley Sagawa, Deputy Assistant to the President and
Deputy Chief of Staff to the First Lady 

REQUEST: Video message to welcome the 700 plus delegates to the
Independent Sector Annual Meeting, October 22 - 24, 2000.

PURPOSE: To recognize Independent Sector (IS) on the occasion of their
twentieth anniversary and to welcome the 700 plus delegates.

DATE AND TIME: The video is needed by Friday, October 20, 2000 to be shown at
the conference on Sunday, October 22, 2000.

SOURCE OF PAYMENT: To be determined

BACKGROUND: The video will be shown to over 700 people on October 22, 2000
in Washington, DC. Independent Sector is partnering with the
White House Millennium Council and several other national
foundations and non-profit organizations to sponsor an
ePhilanthropy Conference that will be held in San Jose, California
on September 25 and 26, 2000. Additionally, October 22 is the
one-year anniversary of the first ever White House Conference on
Philanthropy.

DURATION: 2-3 minutes

REMARKS: Talking points attached.

STAFF CONTACT: Shirley Sagawa, Deputy Chief of Staff, Office of the First Lady,
456-2583

ORIGIN OF PROPOSAL: White House Staff



INDEPENDENT SECTOR

September 12, 2000

VIA FACSIMILE - 202/456-6244

Ms. Shirley Sagawa
Deputy Assistant to the President
The White House
Washington, DC 20500

Dear Shirley,

I am writing to request your assistance in arranging for a video message from First Lady Hillary Rodham Clinton recognizing INDEPENDENT SECTOR (IS) on the occasion of our twentieth anniversary and welcoming the 700 plus delegates at our Annual Meeting on October 22-24, 2000. As I am sure you know, October 22 is the one year anniversary of the first-ever "White House Conference on Philanthropy: Gifts to the Future," and it would be wonderful to have a message from the First Lady in her capacity as the chair of that conference.

The IS annual meeting is the premier meeting ground for leaders in the nonprofit and philanthropic community. Our featured speakers this year include Vartan Gregorian, president of the Carnegie Corporation; Dennis Archer, mayor of Detroit; Jeffrey Swartz, president and CEO of Timberland; and Dorothy Stoneman, founder and president of YouthBuild U.S.A., who will receive the John W. Gardner Leadership Award. I enclose the preliminary program with information on the many more outstanding speakers who will be with us, including your good self.

I am enclosing a set of talking points that you may use in briefing the First Lady about INDEPENDENT SECTOR and the conference. She may want to incorporate some of these points into her message.

Thank you very much for your consideration of this request. I know that the First Lady's interest in the philanthropic community is a very strong one and that our members would greatly appreciate hearing from her as they gather in Washington in the fall.

Sincerely,

Sara E. Meléndez
President and Chief Executive Officer

cc: Malcolm Richardson

enclosure

A National Leadership
Forum to Encourage
Philanthropy, Volunteering,
Not-for-Profit Initiative
and Citizen Action

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**Talking Points for Mrs. Clinton
(Video for IS Conference)**

1. I'm pleased to welcome the members of INDEPENDENT SECTOR to Washington, DC, for your Twentieth Anniversary annual conference. And, congratulations to INDEPENDENT SECTOR for twenty years of leadership on major issues facing the philanthropic community and as a major meeting ground in philanthropy and not-for-profit initiative.
2. You are coming together at a time of another anniversary. One year ago, we held the first White House Conference on Philanthropy, and I was pleased to chair that event.
3. I'm sure you know, and we discovered, philanthropy and not-for-profit initiative are alive and well in this country. Your research – so helpful to all of us – rings true. Not only are the rich traditions of giving, volunteering and not-for-profit initiative still with us, there are new, entrepreneurial and creative approaches and programs, involving people of all ages.
4. Also from your research we know that the nonprofit sector is also a growing economic force in our country, accounting for more than 8% of employment and nearly 7% of the national income. There are today approximately 1.5 million nonprofit organizations in the country.
5. Throughout my travels, both in the United States and abroad, I have seen first hand what a tremendous difference you and your organizations are making in the lives of millions of people. Whether it is in the relief of human suffering, in education, the arts, the environment, as foundations, as corporate grantmakers or in informing the government about policy issues, nonprofit organizations give voice to the aspirations of people all of the world and help make their dreams into reality.
6. The President and I wish you well, as you go about your work over the next few days – work that is vital to the future of this country, and as to what kind of society we will have, years from now.
7. Your theme, "We the People: Fulfilling the Promise" is so appropriate, for it is truly we the people who must be involved in our communities, and who must keep the spirit of giving and volunteering alive and ever growing. And, your work is vital to the health of our democracy.
8. So work, learn, network, and plan together. For it is you who must play a major role in keeping the spirit alive. Good luck and great success to you all.

August 29, 2000

Dear Colleague:

Last fall the President and the First Lady hosted the first White House Conference on Philanthropy, and we are pleased to send you the enclosed report which captures the highlights of the discussion and summarizes the conference's recommendations.

The President was determined that the conference should not be an end in itself but instead serve as a catalyst for continued activity to promote giving and strengthen America's nonprofit organizations. Toward this end, he created an interagency Task Force on Nonprofits and asked this group to identify ways that federal agencies can contribute to the important work being done by the nation's nonprofits ~~and strengthen existing partnerships~~. The Task Force will issue its report later this fall.

~~A number of~~ ^{Several} conference speakers emphasized the growing importance of the Internet and called for follow-up meetings to explore this topic. Several national organizations and corporations, led by Independent Sector, will co-sponsor a forum later this month in San Jose to examine how this new technology can be used to increase giving. "Expanding Philanthropy through the Internet" will be held at the Fairmount Hotel in San Jose on September 25-26, and further information, with a full list of sponsors, can be found on the Independent Sector website at www.independentsector.org

Since the conference, we have heard about/exciting new initiatives to stimulate philanthropy, including plans ^{by several leading national funders} to expand giving by youth. In addition, as a result of the conference, the President unveiled a package on new charitable tax proposals, including a new deduction for nonitemizers. ^{Finally, thanks to the generosity of the Mott Foundation, the SC E&TV will soon have available a 15 minute videotape of the conf. narrated by Paul Newman.} To learn more about these initiatives, or the many innovative projects already underway, we encourage you to read this report and visit our website at www.whitehouse.gov.

Sincerely,

Shirley S. Sagawa
Deputy Assistant to the President and
Deputy Chief of Staff to the First Lady

Ellen McCulloch-Lovell
Deputy Assistant to the President and
Advisor to the First Lady on the Millennium

Leverage
at
work

National
Challenge
Fund

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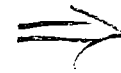
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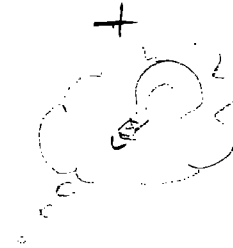
Youth
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