

To: Board of Visitors
Executive Committee
Center Advisory Boards

From: Eugene R. Tempel, Executive Director

Date: August 27, 2007

Subject: Center on Philanthropy Activities

We just hosted our fourth McCormick Tribune Foundation Philanthropy Summit, entitled “Expecting Too Much? Promising Too Much? Assessing Accountability for Grantmakers and Recipients.” The summit brought together 51 leaders from nonprofit organizations, foundations, governmental organizations, and corporations to candidly discuss challenges and strategies for ensuring that assessments are having positive results for grantmakers, donors, and the nonprofit organizations they support. Bill Plater, former Executive Vice Chancellor of IUPUI and now associated with the Center on Philanthropy, organized this year’s event. We opened Monday evening with a discussion of accountability to the government by Ronald Schultz, Senior Technical Advisor for the IRS who is in charge of the Form 990 revisions. The group discussion ranged from the importance of assessment to difficulties created by measures that do not actually reflect success.

Earlier this month I participated in the Big 10 Fundraisers Institute, an annual event for higher-education development officers held at Mackinaw Island, Michigan. Curt Simic, President of the Indiana University Foundation and a member of the Center’s Board of Visitors, is the dean of this longstanding program. The Big 10 Fundraisers Institute is designed to help staff members at complex university development programs deal with the management issues and challenges they face. The Institute demonstrates that practitioners are interested both in the data that can be of use to them and the experiential wisdom of senior practitioners. We were able to discuss some of the Center’s research that is applicable to university fundraisers during the program.

We welcomed new classes of incoming MA, Executive MA, and PhD students. There are 21 new MA, 18 Executive MA, and three PhD students. We can also report that there are 30 new students in the SPEA MPA nonprofit management concentration program at IUPUI. International students continue to be interested in the programs. Our PhD cohort includes two international students, one from Ghana and one from South Korea. A third PhD student works on the IUPUI campus as the director of the Bepko Fellows and Scholars Program. We also welcomed a MA student from England who works as the senior vice president and chief development officer for Starr Commonwealth. We now have a total of 86 in the MA, 80 in the Executive MA, and 24 in the PhD program. There are an additional 120 in the MPA with a concentration in nonprofit management at IUPUI and at IU Bloomington. These academic programs also bring new students who will be serving as graduate assistants on the Center’s staff.

As we take stock of our impact this fall, we note that 1,646 practitioners have completed the Certificate in Fundraising Management and another 2,642 are in process. We have three new Philanthropic Studies Faculty members. David E. Campbell is assistant professor of Political Science at the University of Notre Dame. His research has been on the influence of communities and schools on civic engagement. Laurence Lampert is emeritus professor of Philosophy at IUPUI and is interested in the philosophical issues related to philanthropy. He will serve as the Major Advisor for the dissertation of one of our PhD students. Anne Beeson Royalty is associate professor of Economics and director of the Graduate Studies of Economics program at IUPUI. She has received a grant from the Center's research program to study the impact of health care costs on employment in the nonprofit sector.

We are pleased to announce that the first Ernest W. Wood Fellowship Research Prize has been awarded to Yue (Jen) Shang, a PhD student at the Center. This new national fellowship supports research related to fundraising, including major gifts and capital campaigns, and was created by the Center in partnership with the Association of Fundraising Professionals Foundation for Philanthropy. The new doctoral fellowship is made possible by an endowment from Ernest W. Wood's family and friends to encourage research that extends the knowledge of fundraising and philanthropy. Ernie was an activist and leader in fundraising, fundraising training, and AFP. He was an early proponent of research related to fundraising and was working on the concept of this prize when we lost him. Jen will be recognized at the AFP International Conference on Fundraising in San Diego next spring.

The Public Service staff continues to look for opportunities to develop partnerships and work with significant organizations to extend the reach of the Center's programs. As an example, The Fund Raising School and the Third Millennium Philanthropy & Leadership Initiative collaborated with Indiana Black Expo's "Black Business Conference" to host a fundraising workshop for conference attendees. The course, "Developing Annual Sustainability," brought together 61 nonprofit leaders, including paid staff, volunteers, and board members from throughout Indiana to participate in the training. A total of forty-five nonprofit organizations representing the diverse fields of health, human services, arts/culture, humanities, education, and religion participated. The program is a part of Millennium's ongoing efforts to expose local nonprofit organizations to The Fund Raising School via scholarships.

According to the results from the "Patterns of Household Giving by Income Group 2005" report, about one-third of the donations Americans give to charities are focused on the needs of the disadvantaged. The Center received funding from Google to conduct this research. In the study, the Center found that of an estimated \$250 billion that individuals contributed in 2005, about \$19 billion went directly to organizations that help the underprivileged meet their basic needs. Through our analysis of our household studies, we found that households report 8 percent of their giving to organizations that meet basic needs. We developed a series of estimates to determine how much is going to other types of charities that are focused on the needs of the poor. From available data, we found that an additional 23 percent of giving is likely to be focused on helping the poor. The largest share of household or individual donations went to religious organizations, and researchers have found that donations to religious congregations are used principally for congregational operating expenses with 10 percent or less supporting outreach and community efforts of the faith group. Private schools, universities, hospitals, and arts organizations received the majority of the rest of charitable giving made by households. As

income increases, donors gave a lower percentage of their total contributions to target the needy. Families with annual household incomes between \$200,000 and \$1 million gave 29 percent of their gift dollars to groups that help the poor, while those earning \$1 million or more gave only 22 percent of their donations for the poor. However, lower- and middle-income donors, those with incomes of \$200,000 or less, gave an estimated 36 percent of their donations to help the disadvantaged.

The Center's public affairs program is dedicated to increasing the understanding among the news media, lawmakers and citizens about the importance of philanthropy to a healthy, productive society. Almost 600 media calls in 2006-07 demonstrate that the print and broadcast media know they can rely on the Center for credible, insightful answers to questions about philanthropy and nonprofit issues. The Center was cited repeatedly in influential media outlets, including newspapers such as the *New York Times*, *USA Today*, the *Washington Post*, *The Wall Street Journal*, *The Indianapolis Star*, and the *Indianapolis Business Journal*; television programs like the *NBC Nightly News* and PBS's *NewsHour with Jim Lehrer*; many mentions on *National Public Radio* programs; national wires *Bloomberg News* and the *Associated Press*; and *The Christian Science Monitor*, *Barron's*, *Fortune*, *Money* and *Town and Country* magazines.

We are grateful for the guidance and leadership you provide to strengthen and expand the work of the Center on Philanthropy. As always, your comments and suggestions about our work are welcome.