

To: Board of Visitors
Executive Committee
Center Advisory Boards

From: Eugene R. Tempel, Executive Director

Date: July 25, 2007

Subject: Center on Philanthropy Activities

Americans gave a record \$295.02 billion in 2006 according to the latest *Giving USA* just released (a copy of the news release is attached). This represents a 4.2 percent increase from 2005. Some highlights from 2006 include:

- If disaster gifts are excluded from the 2005 total, giving in 2006 rose 6.6 percent.
- Giving by individuals rose by 4.4 percent, to \$222.89 billion, and represents 75.6 percent of all giving for 2006.
- Foundation grantmaking rose 12.6 percent to \$36.5 billion.
- In 2006, the highest growth rate for giving to the different types of charities was in arts, culture and humanities organizations, which saw a 9.9 percent increase to \$12.51 billion.

Seven years ago, the AAFRC Trust for Philanthropy (now the Giving USA Foundation) contracted with the Center to research and write *Giving USA*. The edition released in June incorporates estimates made using techniques the Center developed, along with summaries of key events in 2006 that marked charitable giving in the year. These include Warren Buffett's remarkable gift and other notable contributions. This year's edition also contains revised and updated estimates for types of recipients based on the IRS Forms 990 for 1989 through 2004.

The Lake Institute on Faith & Giving recently hosted philanthropist Tom Cousins and Charles Knapp, president emeritus of the University of Georgia and chairman of the East Lake Foundation, as Lake Distinguished Visitors. Mr. Cousins is a major developer in Atlanta; was the visionary behind the CNN Center, the Omni Coliseum, the Bank of America Plaza and the World Congress Center; and has been described as one of the architects of Atlanta's transformation into an international city. Mr. Cousins and Dr. Knapp have a philanthropic mission to revitalize neighborhoods in America's large cities. Mr. Cousins is also the face behind the East Lake Villages project (www.eastlakefoundation.org), which has become an award-winning model for a thriving, mixed-income community in what was once one of the nation's most troubled public housing projects. Mr. Cousins has been awarded the Woodrow Wilson Award for Corporate Citizenship for this achievement. Some outcomes of the project are:

- Violent crime has gone down by 95 percent since the project began.
- The Charles R. Drew Charter School was the first charter school in Atlanta, and in its first year only 5 percent of its fifth-graders met reading and math standards. Now, 78 percent meet or exceed state standards.

- The mixed-income housing, The Villages of East Lake, won one of ten (in the world) of the Urban Land Institute's Awards for Excellence in 2003.
- Property values in the area have gone up 200 percent while half of the housing is still reserved for families on public assistance.
- Employment rates for people on public assistance have gone up from 14 percent to 71 percent.
- The East Lake Golf Club is now the last stop on the PGA tour, and the entire area is one of the most profitable neighborhoods in Atlanta.

One of the purposes of the Lake Distinguished Visitors program is to bring to the university and to the Indianapolis community visionary philanthropic practitioners to share their story. The highlight of the visit by Mr. Cousins and Dr. Knapp was a luncheon attended by fifty-six corporate and private community leaders. The Honorable Bart Peterson, Mayor of Indianapolis, participated in a panel discussion with Mr. Cousins and Dr. Knapp as part of the luncheon program. In addition, leaders from the faith communities of Indianapolis were invited to a seminar-conversation with Cousins and Knapp. Following the luncheon, Cousins and Knapp met with members of Mayor Peterson's staff as well as with community development and neighborhood representatives.

Mr. Cousins will travel to communities nationally at his expense to try to develop interest in implementing the East Lake model. His foundation will also pay the expenses of city leaders and developers from around the country to travel to Atlanta to examine more closely the East Lake model.

The Center welcomed a new class of fifteen executive MA students this month. The students will spend three weeks in Indianapolis taking intensive course work and then go back home to continue their course work online. Their backgrounds include positions in development with nonprofit organizations, the U.S. Department of the Treasury, executive positions with consulting firms, director of critical care with a regional hospital, and an executive director of a nonprofit. With the new class of students, we now have a total of 64 students in the executive MA program. Recent graduates hold leadership positions in foundations, universities, and nonprofit organizations, including Laura Carpenter Bingham, president of Peace College; Stacia Edwards, Assistant Dean of Wright State University; Jud Fisher, executive director of the Ball Brothers Foundation; and Lisa Browar, Chief Librarian at the New School University.

Part of our continuing mission is to increase the understanding of philanthropy, which includes providing the public with timely, objective, and accurate information and commentary on philanthropy and the nonprofit sector. Since the beginning of June, our faculty and staff have responded to over sixty media inquiries. Notably, we were able to provide explanatory background for *Bloomberg News* and *The Wall Street Journal* related to the release of the *Giving USA 2007* report. Our experts provided commentary in an AP story about cause-related marketing and appeared in a *Marketplace* radio report on Princeton and alumni giving. We also provided contextual information for a story in *The Wall Street Journal* about "stretch" givers.

We provided key commentary for three recent *Indianapolis Business Journal* stories on the decline of participation in service organizations, the challenges facing a local organization that is

changing from an all-volunteer to paid staff, and on leadership transition in the nonprofit sector. Finally, we provided key background information for a *NonProfit Times* story on our recently released “Paying for Overhead” study. It stimulated enough reader feedback that NPT asked us to answer some of the readers’ questions about foundation funding of overhead costs.

As I have previously reported, the Center on Philanthropy is planning its signature 20th Anniversary Celebration events for November, featuring discussion leaders and discussants who are national and international experts and thought leaders in our sector. We could not bring these people together without the financial assistance of our 20th Anniversary sponsors and funders. I want to recognize our Platinum Sponsors, David A. Noyes and Company and the McCormick-Tribune Foundation. Half of their significant contribution is matched by the Gates Foundation and supports the Center on Philanthropy Panel Study, raising an additional \$40,000 for the study. Our three Silver Sponsors – CCS Fundraising, Ball Brothers Foundation, and André Donikian of Pentera – have also been long-time supporters of the Center. Our Bronze Sponsors include organizations and companies who have histories of not only supporting the Center, but also having positive influence in the nonprofit sector. They are Johnson, Grossnickle and Associates, Merrill Lynch and Co., Skystone Ryan, Inc., the Association of Fundraising Professionals, the Association for Healthcare Philanthropy, Bentz Whaley Flessner, the Center for Effective Philanthropy, the Cleveland Clinic, Indiana Grantmakers Alliance, Mays Chemical Company, The Philanthropic Initiative, Smith Beers and Yunker, United Way of Central Indiana and ARNOVA. We do need additional sponsors. For information about becoming a 20th Anniversary sponsor and learning about the Center’s past 20 years, please visit the Center’s 20th Anniversary web page – <http://www.philanthropy.iupui.edu/About/20thAnniversary>. If you are interested in a sponsorship, you can contact Linh Preston at 317-278-8946.

The Center continues to be a vibrant and active place even during the summer. By the time I send out the August letter, classes for the fall semester will have begun and we will have hosted the McCormick-Tribune Foundation Summit on Effectiveness.

Thank you for your involvement and support. As always, your comments and suggestions are welcome.

Attachment