

To: Board of Visitors
Executive Committee
Center Advisory Boards

From: Patrick M. Rooney, Interim Executive Director
Date: March 25, 2009
Subject: Center on Philanthropy Activities

Undergraduate Degree Proposal

As we reported earlier, the proposal for the undergraduate degree in Philanthropic Studies was passed by the School of Liberal Arts Faculty Assembly 51-5. Congratulations to all who have worked on the proposal, especially Dwight Burlingame and Richard Turner. The proposal is now moving forward through the University wide approval process. We will keep you informed of the proposal's progress.

Press Clippings and a White Paper on Tax Deductions

An article in this week's *Chronicle of Philanthropy* includes information about two Center "firsts," Center and Philanthropic Studies faculty efforts to strengthen fundraising research and practice, and Jen Shang's groundbreaking research. The article, "Proving What Works in Fund Raising: Scholars Dispel Myths," notes that the Center created the first endowed chair in fundraising held by Adrian Sargeant. It also notes that the Center created the nation's first Ph.D. in Philanthropic Studies and that the first four Ph.D. graduates received their degrees last year. Jen Shang's research on techniques that improve fundraising results is discussed extensively. The article quotes John List, a leading researcher in fundraising, as saying Jen is the person he most admires among other scholars researching fundraising. A copy of the article is attached.

The Center released an academic white paper in response to the Obama Administration's plans to reduce charitable tax deductions of high income taxpayers and increase the top personal income tax rate. Our estimates showed a relatively small negative effect on itemized charitable giving among all itemizers (-2.1%). However, there is a larger effect (-4.8%) among those households most likely to be effected by the proposed changes in tax policy (households with incomes greater than \$200,000 per year). This was based on a very conservative projection model. However, considering the current economic status, the new tax legislation could further increase the challenges the nonprofit sector is already facing. The Center's information continues to help inform the debate about the Obama Administration's proposed reduction in the charitable gift tax deduction rate.

The Center and *Giving USA* were both cited in an opinion article in the print edition of *BusinessWeek* by Sandy Weill, chairman emeritus of Citigroup and chairman of Carnegie Hall and the Weill Cornell Medical College, (http://www.businessweek.com/magazine/content/09_12/b4124098509142.htm). A *New York Times* editorial cited the Center's white paper on the proposed tax incentive changes (http://www.nytimes.com/2009/03/20/opinion/20fri1.html?_r=1) and *The New York Times* also cited the Center's Million Dollar List in a story about the first \$100 million dollar gift of 2009 (http://www.nytimes.com/2009/03/13/us/13gift.html?_r=1). The *Chronicle of Philanthropy* interviewed faculty member Rich Steinberg for an article on the Obama Administration's tax incentive proposal (<http://philanthropy.com/premium/articles/v21/i10/10000601.html>) and published a column by faculty member Les Lenkowsky on the proposed changes (<http://philanthropy.com/premium/articles/v21/i10/10003102.htm>). An *Indiana Daily Student* article quoted IU Foundation President and Philanthropic Studies faculty member Gene Tempel and cited the Center's analysis of the proposal (<http://www.idsnews.com/news/story.aspx?id=67044&comview=1>).

In addition, a recent Associated Press article, which also appeared in *Newsweek* online, about giving to higher education noted the IU Foundation's successful fundraising efforts, quoted Gene about the importance of continuing to stay in touch with donors during difficult economic times, and cited the Center's Million Dollar

List research (<http://www.newsweek.com/id/186419>). A *Chronicle of Higher Education* article on giving to higher education (<http://chronicle.com/weekly/v55/i26/26a01501.htm>) that was also published by the *Chronicle of Philanthropy* also quoted Gene (<http://philanthropy.com/premium/articles/v21/i10/10002201.htm>). Adrian Sargeant, Robert F. Hartsook Chair in Fundraising, was interviewed by *The Oregonian* for an article on face-to-face fundraising.

Board of Visitors Meeting

During the Board of Visitors meeting, we engaged in a particularly helpful discussion of the Center's place in policy advocacy. The general consensus was that the Center serves policy makers as a source of unbiased and accurate information. There are moments, like these, when such information must be delivered to legislators before policy is enacted. While we continue to conduct longitudinal research of the various factors that affect philanthropy, it is the Center's aspiration to deliver research-based information in a timely manner to help shape the future of policy. In short, we strive to be proactive as well as reactive.

Also during the March 5th Board meeting, we discussed the options for the Center in becoming its own school within the university. With many of the interested parties present, including Dean William Blomquist of the School of Liberal Arts and Associate Deans David Reingold and Kirsten Grønberg who represented the Dean of the School of Public and Environmental Affairs (SPEA), much was to be said of the expectations of the Center to become the very first School of Philanthropic Studies. The logistics of moving forward were deliberated and it was suggested by Uday Sukhatme, Executive Vice Chancellor and Dean of the Faculties, that the Center seek to first become a department within the School of Liberal Arts, while continuing to build the base for creating a school. The Center will create a written plan to outline what base requirements are needed, and what the necessary steps will be for putting them in place. This process will rely on the continued partnerships with the School of Liberal Arts, SPEA, as well as the Chancellor and other university leadership. Thank you for your counsel and support of the Center in this matter. We will continue to keep the Board engaged in this process.

New Bank of America Study

On March 4, 2009, the Center and Bank of America released the [2008 Bank of America Study of High Net-Worth Philanthropy](#), which offers new insights into the giving behaviors of America's wealthiest donors. The study expands upon an initial landmark study published in 2006 – the largest survey of wealthy Americans ever conducted on this topic – which has become a leading resource for the philanthropy industry for understanding these important donors. The study was based on a random survey which included over 20,000 households in high net-worth neighborhoods across the country. The findings reflect upon the responses of nearly 700 respondents with household income greater than \$200,000 and/or net-worth of at least \$1,000,000 excluding their primary residence.

The findings from the study indicated that wealthy philanthropists' motivations for giving demonstrate a strong desire to "give back to the community" (81.2%) and to make an immediate difference (66.9%) in the world around them. Other leading motivations include social (70.4%) and political (58.5%) beliefs, as well as loyalty to certain causes and organizations (70.7%) – many of whose missions seek to remedy an issue that may have affected the donor personally or someone close to them (57.5%). Among other results, the study found that most high net-worth donors support education, many serve on boards of directors, expect little or no public recognition, and strive to set an example for their children. Please follow the [2008 Bank of America Study of High Net-Worth Philanthropy link to view the full report](#).

International Programs

Bill Plater, Director of International Community Development, and Dwight Burlingame, Associate Executive

Director of the Center, traveled to Egypt, Turkey, and United Arab Emirates this month in an effort to develop and expand the Center's relationships in Muslim nations and our work in Islamic Philanthropy. Their itinerary included continued discussions about collaborations in research, student exchange, and faculty exchange with the Gerhart Center at the American University of Cairo; discussions about joint training offerings for nonprofit leaders in Egypt and other Arab nations to be co-branded with The Fund Raising School; potential collaborations in the areas of philanthropic studies, nonprofit management, community engagement, and service learning with leaders at Sabanci University in Turkey; the exploration of mutual interests in philanthropic studies, nonprofit management, and community engagement with leaders at Koc University and their faculty; potential collaborations in philanthropy, nonprofit management, and community engagement with leaders at Bogazici University; a meeting with officials at Abu Dhabi and the 2nd World Congress of Islamic Philanthropy to become familiar with their organization and their mission.

In other international efforts, the Center welcomed six visitors from Thailand this month. The delegation included two faculty members and a Ph.D. student from the Center for Philanthropy and Civil Society at the National Institute of Development Administration (NIDA) in Bangkok, Thailand, and three representatives from the Songkla Community Foundation. The NIDA faculty brought the Songkla officials here to introduce them to the American form of community foundations. The NIDA faculty and graduate student worked with the Center to develop plans for a master's degree in philanthropic studies to be offered by NIDA. Indiana University has had a historic relationship with NIDA playing a critical role in the creation of NIDA and most recently working closely with their Center on Philanthropy to aid in the establishment of philanthropic practices in Thailand. Dr. Juree Vichit-Vadakan, the Director of the Center, was awarded an honorary doctorate by IU on the occasion of the Center's 20th anniversary.

Women's Philanthropy Institute (WPI)

Debra Mesch and Andrea Pactor, from the WPI staff, presented a session on donor loyalty at the United Way of America Women's Leadership Council (WLC) Summit biennial meeting. The United Way's WLCs engage more than 40,000 women in 125 United Ways around the country. In 2008, the WLCs raised \$105 million to meet community needs. This is one of several national initiatives for women's philanthropy around the country. The WPI presentation included data from the national donor survey conducted by the Center on Philanthropy for the United Way of America and funded by the Lilly Endowment.

Lake Lecture on Faith & Giving

On March 26, the Lake Institute will host its sixth annual Lake Lecture with Rabbi Elliot Dorff, Ph.D., Rector, and Distinguished Professor of Philosophy at the American Jewish University. Rabbi Dorff has not only written extensively on Jewish philanthropy, but he is also recognized as a leading voice on poverty, sexuality, and end-of-life issues in the Jewish Conservative Movement. He has written over 200 articles and 13 books on Jewish thought, law, and ethics. His lecture, titled "Donations of Ill-Gotten Gain: A Jewish Legal Perspective," will use a case study to explore the ways in which Jewish law responds to concrete and moral dilemmas.