PHILANTHROPY MATTERS

THE CENTER ON PHILANTHROPY AT INDIANA UNIVERSITY
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What's inside

Surveying the Giving Landscape

PHILANTHROPY MATTERS

INCREASING UNDERSTANDING AND IMPROVING PRACTICE

Volume 11 Issue 1 • Spring 2001

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Today more than ever, scholars and practitioners alike are asking tougher questions, probing deeper and more complex issues, and discovering new ideas and opportunities that defy conventional wisdom as they reshape and improve our work. This issue of *Philanthropy Matters* includes several articles that challenge us to look at ongoing issues in new ways.

Our cover story reveals the results of a new study showing vast differences in estimates of charitable giving. Center on Philanthropy researchers comparing frequently used survey methods found that reported giving averaged $1,000 more per person on longer, more detailed surveys than on shorter questionnaires. "Surveying the Giving Landscape" discusses the findings, as well as the implications for practitioners, and how giving is measured.

Characteristics of outstanding foundation officials, suggestions for improving the relationship between grantmakers and grantseekers, and a list of grantseekers' rights are outlined in "Beyond the Crystal Ball." The article draws on the ideas and experience of Joel Orosz, senior program director for the W.K. Kellogg Foundation.

Veteran fundraiser Alice Green Burnette explains philanthropic strengths of the African American community uncovered in her new research project, *The Privilege to Ask*, being released this spring. The article is the first in a two-part series examining what Burnette's research reveals about fundraising and philanthropy in the Black community.

"The Young and the Generous" highlights surprising findings from the National Committee on Planned Giving's recent report on donors and planned giving. Three experienced development professionals explain the results and what they mean for your fundraising program.

I think you will find this issue both useful and thought-provoking. I hope you will take time to reflect on these articles and share your thoughts and suggestions with us.

Cordially,

Eugene R. Tempel
Executive Director and Publisher

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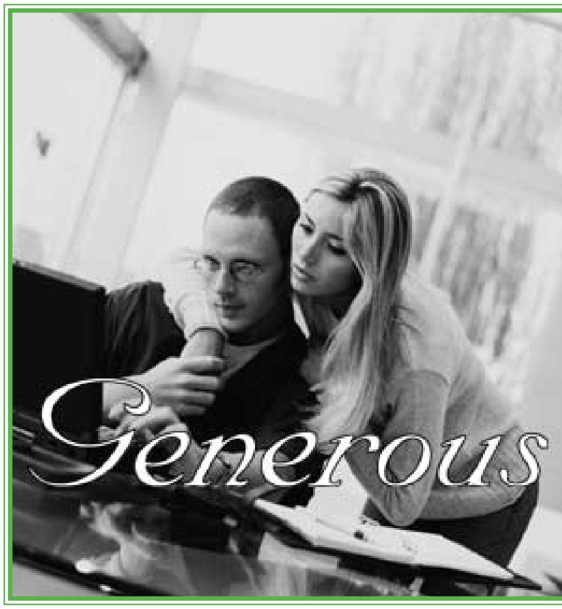

ESTATE PLANNING BEGINS EARLIER, AND ALL THOSE BROCHURES YOU'RE PRINTING DO MAKE A DIFFERENCE

What motivates people to give, and who's doing the giving? Knowing the answers to those questions is crucial to the success of charitable gift planning professionals. And some answers are now available, thanks to a recent survey of donors.

The survey, "Planned Giving in the United States 2000: A Survey of Donors," was conceived and designed by the National Committee on Planned Giving (NCPG). Nearly 1,600 households—selected from a national database of 170,000 households balanced for a variety of factors using the latest U.S. Census figures—were used as the basis of the survey, which inquired about bequests, charitable gift annuities, and charitable remainder trusts. The 2000 survey also compares relevant statistics with NCPG's first major survey of planned giving, published in 1992.

Growth in Gifts

"The finding that jumped out at me was the fabulous increase in gifts. It's just astonishing," says Jim Gillespie, president of the philanthropy consulting firm CommonWealth, and a faculty member of The Fund Raising School at the Center on Philanthropy at Indiana University.

The number of people who have placed a charity in their wills has increased from 5.7 percent in 1992 to 8 percent today, a 40 percent upsurge.

Still, Bruce Bigelow, vice president for external relations at Maryland's Hood College and a member of the 2000 NCPG Research Committee that oversaw the survey, notes that there is plenty of room for growth.

"Although one percent of respondents have already created charitable remainder trusts, five times as many are considering it," he says. "The real trick is to find out who these people are."

The Age Myth

So, who *are* planned giving donors? They're younger than you might think. Shattering the myth that most planned gift donors are in their 60s and 70s, the survey found that the average age at which donors arrange their first charitable bequest is 49 and the average age at the time of the first will is 44.

"This finding has incredible implications," says Scott Lumpkin, University of Denver associate vice chancellor and a member of the 2000 NCPG Research Committee. Historically, says Lumpkin, most planned giving programs wouldn't even consider contacting a potential donor until his or her mid-50s. "If gift planners ignore younger ages now, they're missing a great opportunity."

Bigelow agrees. "This information tells us that we should be dealing with a much broader age spectrum of donors than we thought," he says. "I should be talking to my 25th reunion class as much as the 50th reunion class."

Building Relationships and Bequests

Perhaps one of the most encouraging findings for nonprofits comes in the increased impact of charities' publications and personal visits. In 1992, 5 percent of donors arranging charitable bequests cited the charities' published materials as the first source of the idea to give, while in 2000 almost seven times that number (34 percent of donors) credited the charities' publications. More than five times as many charitable bequest donors—or 11 percent—cited personal visits as the impetus for their giving in 2000, up from only 2 percent in 1992.

Most philanthropy professionals have anecdotes about a visit resulting in a gift, says Bigelow. "But this is national statistical evidence that says our hard work—our visits and our publications—is paying off."

In light of this evidence, Gillespie recommends utilizing the printed word early and often, telling planned giving stories about real people and real situations in nonprofits' newsletters and other publications. "People are getting these materials and they must be reading them," he says. "Once when I was explaining charitable remainder trusts to a potential donor, he pulled open his desk to reveal several brochures and said, 'Isn't that what these are all about?'"

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Alice Green Burnette's 37-year career in institutional advancement has included leadership positions with Morehouse College, the U.S. Peace Corps, Howard University, and the Smithsonian Institution, where she served as Assistant Secretary for Institutional Advancement.

GIVING Strength

UNDERSTANDING PHILANTHROPY IN THE BLACK COMMUNITY

The U.S. Census Bureau predicts the African American population will grow by 68 percent between 1990 and 2030. Though this demographic has been changing for several years, only recently have fundraisers begun focusing new efforts on soliciting support from the African American community. Motivated by the potential income this growing population promises, fundraisers may, however, be skipping steps in a too-hasty approach.

"The availability of information on increased income in the Black community and its increased buying power is distracting fundraisers from doing what they normally do. They are not exerting the same sensitiveness toward this constituency as they do toward others in understanding its culture, values, aspirations, and strengths," says Alice Green Burnette, principal of Advancement Solutions in Palm Coast, Florida, and a 37-year fundraising veteran. "Knowing that there are increased income and buying power in the Black community is, in my view, an insufficient basis for knowing how to raise funds in that community."

With the goal of providing a new knowledge base for fundraisers, Burnette recently completed *The Privilege to Ask*, a national research and leadership development project that was co-funded by Lilly Endowment Inc. and The Ford Foundation. Through in-depth interviews with 28 presidents and 8 trustees of Black institutions and organizations, 20 Black corporate giving and foundation executives, 47 Black fundraising professionals and consultants, and 10 other individuals with substantial experience in fundraising and philanthropy, Burnette compiled, for the first time ever, a qualitative national report on how African Americans view philanthropy and fundraising in the United States.

As a preview to the formal public release of her work this year, Burnette discussed with *Philanthropy Matters* the four philanthropic strengths of the African American community revealed by her research. This article is the first in a two-part series that explores issues of fundraising in the Black community.

Long Tradition of Philanthropy

"There's a long tradition of fundraising in the Black community. But like many of our other traditions, giving is an oral tradition," says Burnette. "We understand how to activate giving and organize giving for our community."

This community-based, personal approach to fundraising is supported by several cultural traditions that could work against professional solicitations. As an example, Burnette talked about how she was brought up to avoid talking about money—a topic most fundraisers consider key.

"When I was growing up, it was not considered appropriate to discuss three things—sex, death, and money. Sure—we talked about money all the time in the Black church in terms of the needs of the church. But money in terms of helping our children 'learn how to pay their civic rent'—we generally didn't do that," says Burnette. "We really are not comfortable talking about our money with people we don't know. And we certainly did not discuss any money we had with strangers, such as professional advisors."

Impact of Faith

Burnette's research confirms that such community-based philanthropy is deeply grounded in the Black church. As a result, the church is not only an important gathering place in the Black community, it is usually the center of fundraising efforts. During services, the plate is passed several times for everything from an offering for a family whose house burned down to a gift for the United Negro College Fund.

In fact, a recent study by the W.K. Kellogg Foundation found that 59 percent of all donations from African Americans are for religious causes, particularly churches. In 1998, the Lilly Endowment funded "A Study on the Financing of the Historically Black Church," a survey conducted by the Institute of Church Administration and Management (ICAM). Researchers found that 96 percent of the respondents agreed that church members should make regular offerings and that 85 percent thought church members should tithe. The study also found that church members with incomes of $10,000 to $60,000 gave more than other income groups.

"African Americans understand that the role of the Black church—especially in the area of fundraising—is legendary," says Burnette. "We recognize that the Black church puts the force of authority and legitimacy behind its appeals to reach givers in the Black community. The Black church is a triumphant example of what our preeminent scholar, Dr. Emmett D. Carson, has called 'philanthropy among friends.'

> "Knowing that there are increased income and buying power in the Black community is, in my view, an insufficient basis for knowing how to raise funds in that community."

Results of Exclusion

In terms of giving among friends, Burnette found that African Americans are prone to give to organizations either in or benefiting the Black community. This tradition has fueled the creation of many Black nonprofits that provide parallel services to those of majority nonprofits.

"Many Black organizations were created in a response to having been excluded. Historically Black colleges and universities were created to set up educational opportunities for Blacks where there weren't any," says Burnette. "In this strange way—by excluding us from participating in their institutions—white people led us to create our own institutions which are, today, a great source of strength for us."

Issues of exclusion, however strengthening for the Black community, present challenges for non-Black fundraisers. "I have found that there is a concurrent level of guilt that accompanies the issue of exclusion. In the same way African Americans know they have been excluded, white Americans know they have excluded us. This creates an environment of discomfort for fundraising in the Black community," says Burnette.

Growing Capacity of Community

In determining what organizations to support, African Americans tend to look for those that provide resources like education, and they no longer consider neediness as the primary premise for giving. Tangible, concrete results motivate African Americans and all Americans to give, Burnette says.

As an example, Burnette highlights a very well-known and respected small Black liberal arts college in Mississippi. "The college's president told me that were it not for his small college, the state of Mississippi would not have 40 percent of its doctors or 35 percent of its teachers," says Burnette in illustrating how this small college continues to grow the assets of the Black community and the state of Mississippi. "The growing capacity of the Black community means that we should no longer be viewed as needy recipients of charity."

Giving Opportunities

Understanding these four philanthropic strengths of the African American community provides the key to successful fundraising.

"These four traditions are not impediments. They are strengths, and we need to look at them in new ways to do a better job of fundraising in the Black community," says Burnette.

The second part of this series will examine what Burnette's research reveals about how to approach fundraising in the Black community.

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Surveying the Giving Landscape

Depending on how you measure, one state's average philanthropic giving per household last year was either less than half or more than double the national average. In one survey, the annual mean level of giving in the state was $504 per household in 2000; another survey indicated the average was $2,336.

There was an almost five-fold difference between the results of the two surveys—yet both were conducted in the same place, at the same time, by the same people.

The surveys were two of seven modules of a Center on Philanthropy study designed to determine whether and how methodology affects estimates of giving. Center researchers Patrick Rooney and Kathy Steinberg found that, in the U.S. at least, the most frequently used methods of measuring giving—most of which are based on surveys—produce surprisingly disparate results.

Fundraisers, nonprofit leaders, and public policy makers often use such estimates to understand how and why people give, to see how their organizations are doing compared to overall giving patterns, and to plan new initiatives.

Even when the researchers introduced controls for age, income, education, race, gender, and household status, they found that reported giving for the short surveys was, on average, $1,000 less per person than for the longer surveys.

"Because giving estimates are cited and used so frequently, we need to understand how and why the surveys currently in use across the country vary so greatly in the amount of giving they report," Rooney said. "Most researchers agree that more precise ways of estimating how much money people give are needed."

Many nonprofit sector professionals and scholars nationwide share significant concerns about effective measurements of giving and volunteering behavior. When several previous national, local, and regional studies conducted by different researchers are compared, the results vary widely. The surveys have at least one thing in common, though. In each of those studies, every area of the country studied reported giving figures that were higher than the national average.

The Center on Philanthropy set out to examine these issues on two fronts. Following discussions with the Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA), the Center convened virtually all of the leading researchers across the country involved in estimating giving and volunteering for a conference examining the pros and cons of current methods on November 28 and 29, 2000. The researchers heard the results of several studies, the pros and cons of each, and discussed how to develop measures that potentially could improve research results in the field of philanthropy overall.

Steinberg and Rooney, who is chief operating officer and director of research for the Center on Philanthropy at Indiana University and associate professor of economics and philanthropic studies at Indiana University–Purdue University Indianapolis, also began to test different survey research methods, teaming up with Paul Schervish, 1999–2000 distinguished visiting professor with the Center and director of the Boston College Social Welfare Research Institute.

The research team hoped not only to assess how different survey methods—such as wording, order, and number of prompts—produced different findings, but also to develop several practical "rules of thumb" for improving future research for the field of philanthropy. Their ultimate goal: to begin to establish ways of measuring giving that more closely reflect actual giving.

Prompt Results

The Center on Philanthropy at Indiana University has published a quadrennial study of giving in Indiana, *Indiana Gives*, since 1991. As Rooney and Steinberg, assistant director of research for the Center, prepared to conduct the 2000 survey, Schervish suggested that they test the theory that more prompting of respondents leads to improved recall and more accurate detail.

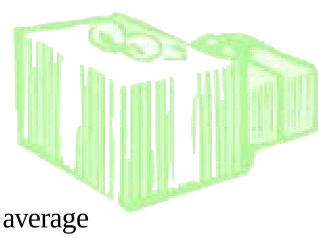
"So we said 'let's take this to the next level,' says Rooney. "Instead of doing just one survey, we decided to test several different methodologies to see if and how they lead to different results."

Using various approaches employed by several major giving surveys, they came up with seven different telephone

Improving the Science of Estimating Giving

survey modules, ranging in length from "Very Short"—with four basic questions: Did you give? How much? Did you volunteer? How much?—to those that included several questions designed to prompt respondents to recall various types of giving and took up to 90 minutes to complete. All were conducted by a small team of trained interviewers using random digit dialing, with each respondent participating in only one of the modules. Samples for each module contained 100 to 125 respondents with a total of 781 participants.

They found that the more prompts a survey had, the higher the giving figures reported. For example, the average level of giving was $504 for the shortest survey and $867 for the second shortest. But for the two longest modules, the average levels of giving came in at $1,462 and $2,336 respectively.

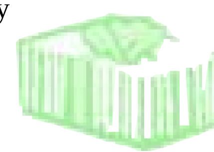


"What this suggests is simply that with fewer prompts it is likely that some people forget about some of their gifts," says Steinberg. "We found that longer surveys produced more complete results and appear more likely to produce a more accurate estimate of the level of actual giving."

Even when the researchers introduced controls for age, income, education, race, gender, and household status, they found that reported giving for the short surveys was, on average, $1,000 less per person than for the longer surveys.

"By coincidence it could have been the case that for the shortest survey we might have drawn lower education, lower-income respondents who were less likely to give, and for the longer surveys drawn higher education and income respondents who gave more," says Rooney. "But even after testing controls for these differences, there was a significant difference in the final numbers. I did not expect to see such consistently big differences that were that statistically robust."

Given this evidence that giving estimates do vary widely depending upon the surveys used, fundraisers may want to rethink how they assess and use estimates of giving that are based on survey results.



"Our study results say to me that each survey is developed for a specific purpose and may be less applicable for other purposes," says Steinberg. "Fundraisers and researchers may need to better clarify how and for what they are using survey numbers."

For instance, "If your gift expectations are based on the results of a short survey that underestimates giving levels, you may not ask for enough," says Rooney.

"If the results of our study are verified when replicated, that could mean that average giving is actually at least 40 percent and could be as much as 100 percent higher than the amounts reported in virtually all previous surveys," Rooney says. "Knowing that could alert fundraisers to greater possibilities."

"The Center is working with our colleagues in the field to lead efforts to strengthen research for the nonprofit sector," says Gene Tempel, executive director of the Center. "This study should be viewed as a next stage in that process, rather than as critical of earlier surveys, many of which play an important role in understanding giving."

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Here are a few caveats fundraisers might consider:

- **Very short surveys do underestimate giving. Find out how long the survey was and the number of prompts respondents received. More prompts lead to higher reported giving.**
- **Look at whether the survey examines individual giving or household giving. "Focusing on household giving may improve recall, at least among people who itemize tax deductions, because it is the way couples normally handle their taxes," says Steinberg. The argument for reporting individual giving is that each person in a household may have made separate gifts.**
- **When comparing results from regional studies to national numbers, use caution. Find out how the survey tools compare.**

Joel J. Orosz believes grantmakers and grantseekers should take a certain cliché to heart: "We've got to stop meeting like this."

"That sums up what needs to happen between today's grantseekers and grantmakers," says Orosz, senior program director in the Philanthropy and Volunteerism programming area of the W.K. Kellogg Foundation.

According to Orosz, the old days—when foundations were thought of as black boxes where proposals go in and money comes out—are over. Mysterious, random meetings between grantmakers and grantseekers are no longer acceptable. And the best way to change the situation is through comprehensive training.

"Philanthropy today is large and important enough that we need to start getting serious about providing training for grantmakers. It is simply unacceptable that some foundations don't train new employees," he says. "We must treat grantmaking as a calling with best practices. Otherwise, we are hurting foundation employees and grantseekers alike."

Orosz's vision of a more professional environment, in which grantmakers and grantseekers interact effectively, is articulated in the first comprehensive guide for the profession, *The Insider's Guide to Grantmaking*. This practical tool for both grantmakers and grantseekers benefits from Orosz's experiences working on both sides of the grant world.

Humanizing Grantmakers

One of the most critical—and overlooked—aspects of foundation work that Orosz emphasizes in his *Guide* is the "human factor." The basic human qualities grantmakers possess determine the quality of all foundation work.

"It's a problem that I see often. Foundation leaders go out and look for new program officers, and they go for the most brilliant people, the ones with the tremendous academic backgrounds," says Orosz. "If you just hire brilliant people who don't have the people skills or a spiritual base on which to rest this work, they will not be effective grantmakers."

Imagine Star Trek's Mr. Spock as a grantmaker. "Everything Spock did was very logical, but often missed the boat because he didn't have the power to stir people's souls," says Orosz. "I am not saying that you need to be a mystic with no common sense. But you do need to have a receptive heart and hungry soul—not just a superanalytical mind—to be open to new ideas."

Orosz outlines six qualities a grantmaker needs in order to excel: integrity, people skills, analytical ability *and* creativity, spirituality, a sense of balance and proportion, and compassion. He also examines the grantmaker's version of the Seven Deadly Sins—those temptations that grantmakers should avoid. Orosz believes arrogance is the one temptation to which most grantmakers succumb.

"Grantmakers get so little real feedback from the outside world—unlike politicians who have opinion polls. There are very few people who are brave enough to tell grantmakers what they are doing wrong and too many people willing to compliment them for everything they do," says Orosz.

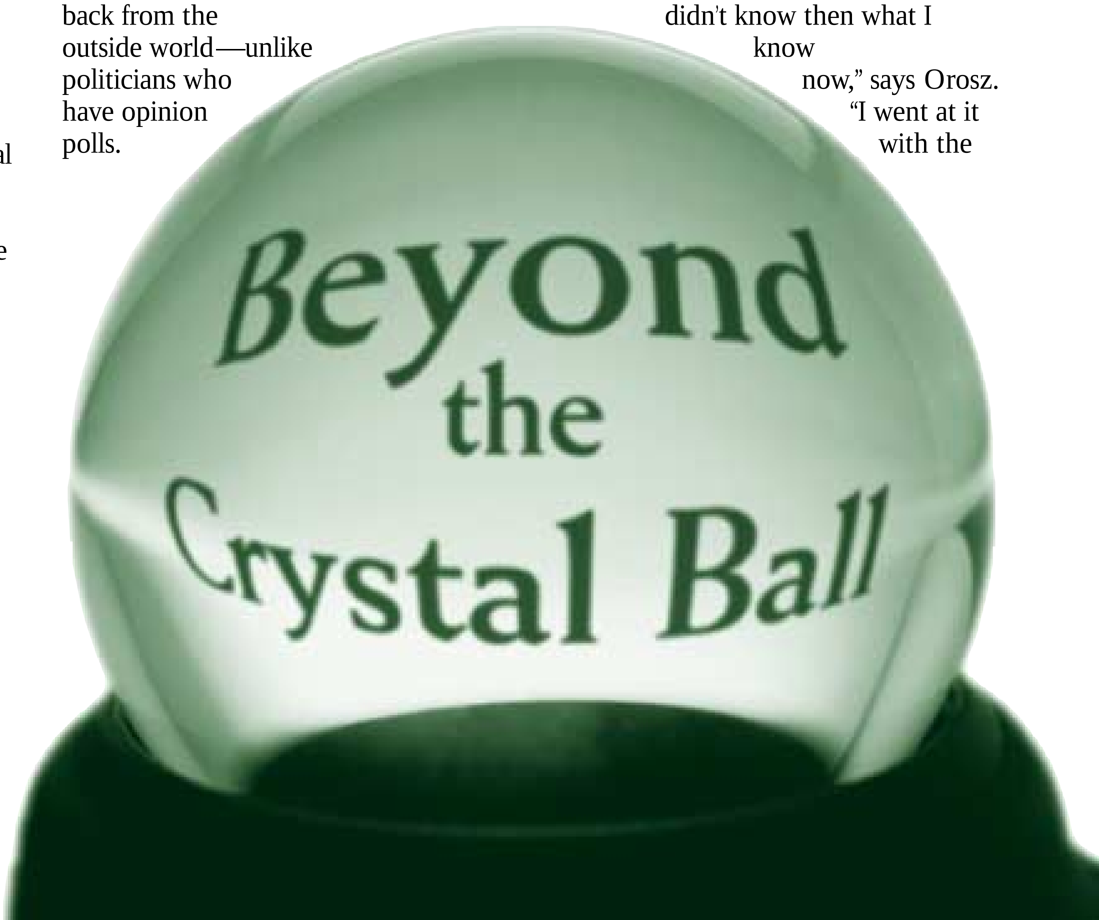
To fight off the temptations that come with constant flattery, Orosz recommends two things. First, grantmakers need to have their own internal meters that help them measure the sincerity of compliments through careful self-assessment. "If you don't have an internal gyroscope, you might believe all the praise you hear and become arrogant and insufferable," says Orosz. "You can also lean the other way and become so cynical that you don't believe anything you hear."

Orosz also recommends that grantmakers deputize a friend or colleague to give them the whole truth. "It is so important to have an external source of unvarnished feedback, someone to tell you that you aren't a god."

Guiding Grantseekers

Though the book is called a guide to grantmaking, it is an invaluable resource for grantseekers as well—one that Orosz could have used in his work as a grantseeking museum curator.

"I wasn't very successful because I didn't know then what I know now," says Orosz. "I went at it with the



On the Horizon

Here's a look at a few opportunities that Orosz sees beckoning on philanthropy's horizon:

BULL MARKET
"Even with the losses that the market has suffered since March of 2000, the Dow Jones is still almost 10 times as high as it was 20 years ago," says Orosz. "There's still a lot of wealth this 20-year bull market generated that has not been eroded." As an example, the number of foundations with assets valued at more than $1 billion went from two in 1980 to 31 in 1998.

DIVERSITY
People of color—African Americans, Latinos, Native Americans and Asian Americans—are becoming a philanthropic force to be reckoned with. Women and African Americans have made the greatest gains on the staff rolls and in the boardrooms of foundations; in fact, many people of color are establishing foundations of their own. With them has come a much-needed injection of new energy and ideas. "Being in charge of funding decisions that most affect them has also given these formerly excluded populations real philanthropic influence," says Orosz.

HYBRID NONPROFITS
The lines between the three sectors—business, government, and nonprofit—will continue to blur and some nonprofits will take on a hybrid appearance. In these situations, foundations are still funders, but are less likely to be the sole funders. Grantees are likely to get additional support from other sectors. For example, Orosz points out the $60 million marketing contract created in 1998 between the Boys and Girls Clubs of America and Coca-Cola.

TAX POLICY
Among the most imminent changes Orosz sees coming in the next couple of decades are those that will originate with tax policy changes. "How much of the recent boom gets translated into large bequests and new foundations will depend on public policy changes," says Orosz.

Some of the ideas that have recently been discussed in Washington are a reduction (or even elimination) of the excise tax paid by private foundations; the restoration of the deductibility of gifts made by nonitemizing taxpayers; the elimination of the estate tax; and the creation of a "rollover" provision that would allow citizens to donate their individual retirement accounts to charities. Students of the foundation field are split on whether the recently enacted legislation abolishing the estate tax will be helpful or harmful to foundations, but all agree that the other three provisions would help sustain and accelerate the boom in foundation formation. Orosz emphasized, however, that more solid studies are needed on the long-term effects of these proposed changes in public policy.

'I'm a humble museum curator' attitude and expected people to just give me money."

This is one approach Orosz hopes to discourage in other grantseekers. "Grantees need to realize that, to be successful, their relationships with foundations have to be partnerships," says Orosz. As sources of great ideas, grantseekers should look to partner with foundations to bring their ideas to life.

"The bottom line is, if all grantees went on strike tomorrow, foundations would very quickly be brought to their knees," says Orosz. "Foundations need the people- and idea-power that grantees bring to partnerships."

Grantseekers have the right to the following courtesies in their interactions with foundations. "If grantseekers don't receive the respect the following rights outline, they should understand that they are really being mistreated," says Orosz.

Grantseekers have the right to:

1. receive a clear statement of the foundation's funding interests
2. have all communications answered
3. receive an explanation of, and timeline for, the foundation's proposal review process
4. receive a prompt acknowledgment of receipt of a proposal
5. have all proposals read in full and seriously considered
6. receive a timely and unambiguous funding decision
7. receive an explanation of the reasoning behind funding decisions
8. have all requirements for the grant relationship clearly spelled out, in writing (including the right to have any components of the grant required by the foundation paid for by the foundation)
9. have all reports completely read and carefully considered
10. be informed whether continued funding is a possibility.

Above all, Orosz advises grantseekers always to try to get a face-to-face meeting with the foundation's program officers. "I would approach foundations in person as much as I could. For the vast majority of program officers, it is just harder to say no to a human being than it is to say no to a letter," says Orosz. "It's important to remember this is a personal business that requires a personal process."

more info *The Insider's Guide to Grantmaking* can be purchased through www.amazon.com, through the Center on Philanthropy at pkelley1@iupui.edu or by calling (317) 684-8922, or through Jossey–Bass Publishers at www.jpb.com.

Taking on the Tax Man

Nonprofits face objections to property tax exemptions

The story is a familiar one to many working in nonprofit organizations around the country: When a Philadelphia YMCA sells memberships, local for-profit gym owners protest that the property tax benefits the nonprofit receives give it an unfair competitive advantage. They see the YMCA as a competitor, a for-profit enterprise in disguise, and believe it should pay taxes just as they do.

Philadelphia gym owners are not alone in their view of nonprofits as commercial competitors who should have to pay taxes. Increasingly, the nonprofit world is facing objections to its tax benefits. In Pennsylvania, several historically exempt hospitals and even some churches are now paying property taxes. In some documented cases, local officials forced nonprofits to make secret payments in lieu of taxes or face ceaseless legal pursuit of property taxes.

As the number of "commercial nonprofits" (those that rely on the sale of services, not donations, for income) grows, the property tax debate may heat up. One researcher who hopes to lower the temperature is Robert T. Grimm, Jr., research director for the American Philanthropist Project at the Center on Philanthropy at Indiana University and an adjunct faculty member in history and philanthropic studies.

Measuring the Collective Good

Believing that many existing local standards for deciding tax exemptions are based on generally limited and fluid definitions of the "public benefit" nonprofits provide, Grimm studied an alternative way to more effectively measure the value of a nonprofit's activities. Subsequently, Grimm examined 129 Indianapolis nonprofits using the "donative theory" as his basis.

Developed by legal scholars John Colombo and Mark Hall, the donative theory ties a nonprofit's claim to tax benefits to its ability to produce collective goods or public benefits—like affordable housing or cancer research—as measured by the donation income they receive.

Using his method of measurement, Grimm found that 40 to 78 percent of the nonprofits studied would lose their property tax exemptions if they were required to show that more than 33 percent or more than 50 percent of their gross revenue came from donations.

Education and health nonprofits—which generally bring in more revenue from commercial activities than from donations—failed these donative thresholds for property tax exemptions more often than any other group. (Despite that result, Grimm says most fared better under his test than they would under many communities' payment-in-lieu-of-taxes (PILOT) policies.) And yet, though these nonprofits are more involved in commercial activities, they aren't necessarily producing fewer collective goods than other nonprofits.

"Just because a nonprofit is involved in commercial activity doesn't necessarily mean we need to take away its tax exemptions," says Grimm. He offers Goodwill Industries as an example: "They take used clothing and refurbish and sell it. The profits are then used to facilitate more work for people with disabilities or other barriers

The Young and the Generous
continued from page 3

Publications and personal visits directed to recognized potential donors and friends are natural ways to raise funds. It's a form of "preaching to the choir." However, there are large groups of donors who initiate planned gifts to charities with which they have never shown any affiliation. In fact, the survey found that one in five bequest donors had no previous connection with the charity.

According to Lumpkin, this means that mission matters. "It is critical that we get the word out very widely about our organizations—why we do what we do and how we better society," he says. "There are people who will hear us and believe in us, with no affiliation."

Bigelow, Lumpkin, and Gillespie believe the survey contains many new findings that will be helpful to fundraisers. It also reinforces something they've known all along—connecting with people is what counts most.

"The development officer who thinks he's doing business in the office isn't doing business," says Gillespie. "This job is all about relationship building."

more info Contact the National Committee on Planned Giving at (317) 269-6274, e-mail ncpg@iupui.edu, or visit www.ncpg.org/surveydonors.html.

to employment. This is not a commercial activity to be concerned about."

Grimm does not believe that the donative theory is a good method of evaluating eligibility for tax exemptions, and he thinks more work needs to be done to develop an appropriate measure. In the meantime, Grimm hopes his work prompts nonprofits to gather information that demonstrates how their commercial activities promote the collective good. He recommends that nonprofits work to better educate the public and policy makers about the various ways nonprofits benefit society and why they are deserving of tax exemptions.

"It's important for nonprofits to understand the issues facing them so they can make strong cases for themselves," says Grimm. "The property tax system should be structured in such a way that nonprofits could establish their exemptions if they could prove that their commercial ventures cross-subsidize collective goods or help accomplish their public-serving mission."

more info Contact Robert Grimm at bgrimm@indiana.edu.

Surveying the Giving Landscape
continued from page 7

Measured Steps

Steinberg and Rooney see their research as a next step in developing better survey strategies and, ultimately, in developing estimates of giving that reflect actual giving as closely as possible. They would like to repeat the study with larger samples in different areas of the country to provide a broader, more national perspective, and to confirm the differences in results and determine how wide they are.

They have identified several other areas of their study that they would like to explore in the future as well. For example, the research raises important questions about information volunteered with surveys that have multiple prompts. "Do the additional prompts lead respondents to report gifts that they didn't really make or that they made several years ago?" asks Rooney. "Do they over-report on longer surveys because they want to please the interviewer, in order to appear generous? These are questions that still need to be addressed."

These questions and the *Indiana Gives* study are part of the Center on Philanthropy's ongoing commitment to studying giving and volunteering behavior. The Center also is partnering with the University of Michigan on a longitudinal study to address an array of questions that cannot be answered through cross-sectional random surveys, such as how individuals' giving habits change over one's lifetime and how they are influenced by factors such as economic conditions and changes in tax policy.

more info Contact Patrick Rooney at rooney@iupui.edu or (317) 684-8908 or Kathy Steinberg at ksteinbe@iupui.edu or (317) 684-8957. Information about the Giving and Volunteering conference and the papers presented is available at www.philanthropy.iupui.edu. Some of the conference papers also will be published in a special issue of *Nonprofit and Voluntary Sector Quarterly* later this year.

PROFESSIONAL DEVELOPMENT MATTERS

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more info To register or for more information, visit the Community Foundations Institute Web site at cfi.iupui.edu, call CFI at (317) 236-4919, or e-mail njgraves@iupui.edu.

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The *Excellence in Fund Raising Workbook Series* began with Hank Rosso's vision to create a series of separate but interrelated workbooks offering practical, high-quality strategies and models for key aspects of successful fundraising. Rosso, a leading figure in developing organized philanthropic fundraising, was a founder of the Center on Philanthropy and The Fund Raising School. Inspired by Rosso's revolutionary Fund Raising Cycle, the workbooks are based on concepts and materials taught by The Fund Raising School and are edited by its director, Timothy L. Seiler, Ph.D., CFRE.

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Marilyn Bancel
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James Armstrong
Paper, 208 pages, $27.95

Designed to be a well-thumbed reference, this book will help you to produce events that will raise money without breaking the budget, expand your support base, and attract attention to your cause—all while showing you how to integrate these events seamlessly into your fund development program's "big picture."

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Gwyneth J. Lister
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Timothy L. Seiler
Paper, 160 pages, $26.00

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Ed Schumacher, 2002

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