2006

State of Philanthropy 2006: A New Foundations Debate

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STATE OF PHILANTHROPY 2006

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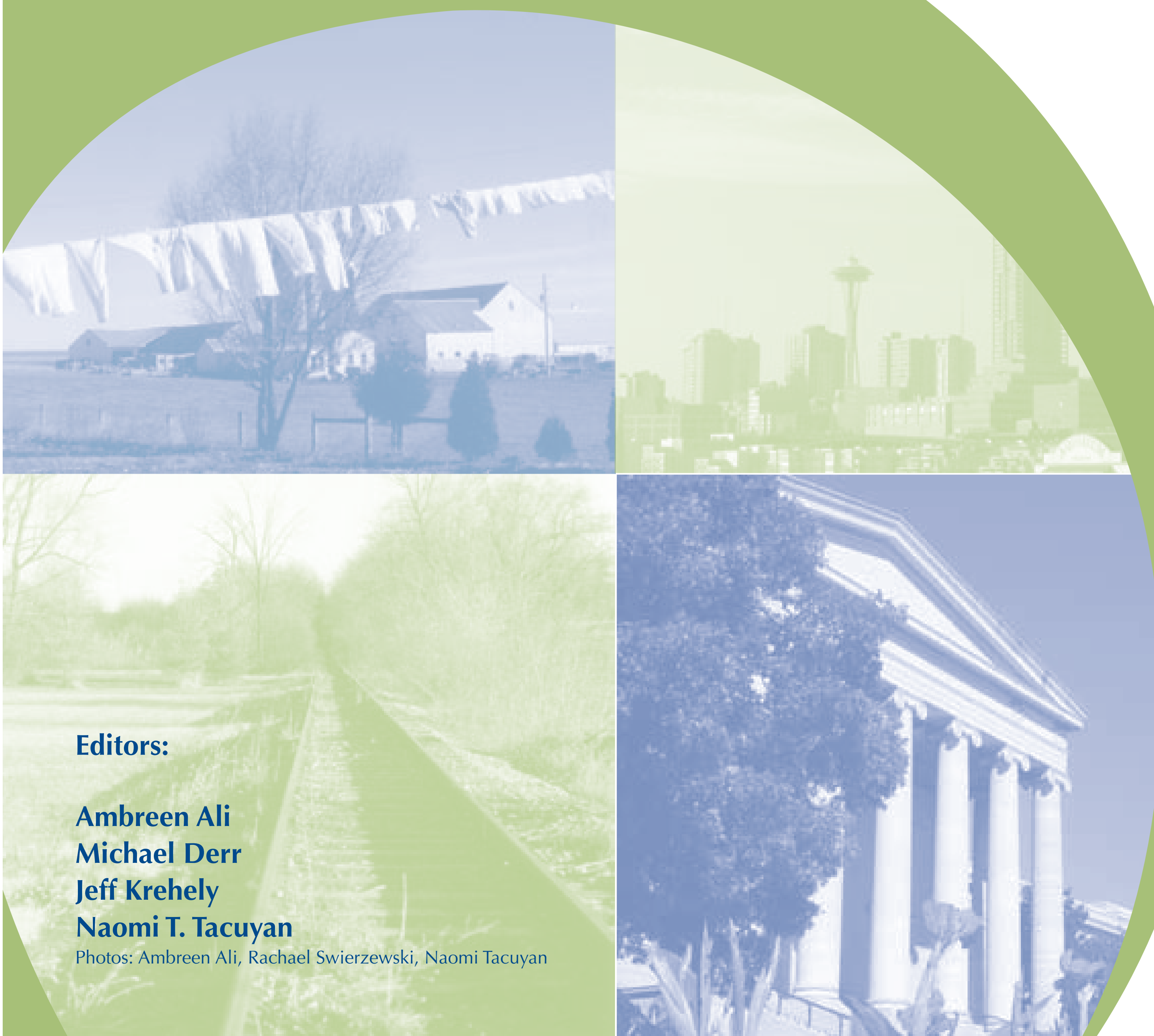

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State of Philanthropy in 2006: A New Foundations Debate

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Ronald Reagan famously said that in the 1960s the United States fought a war on poverty and poverty won (Reagan, 1988). While the point is debatable—it can easily be argued that significant social problems were addressed successfully through Great Society programs—poverty has not gone away. In contrast, many who were sympathetic to the Reagan critique hailed President Clinton's 1996 welfare reform law as a more effective way to wage war on poverty. But that effort, too, despite some successes, has left much undone.

If nothing else, 2005 provided vivid reminders of America's enduring poverty challenge. Most notably, the terrible aftermath of hurricane Katrina revealed to the world—however briefly—the vulnerability of low-income Americans. Lacking transportation and financial resources, many of the Gulf Coast's most disadvantaged residents were trapped and were unable to escape the storm and its aftermath. Also in 2005, the Census Bureau announced that the federal poverty rate had increased in 2004 for the fourth year in a row, to 12.7 percent from 11.3 percent in 2000 ("Historical Poverty Tables," 2006). While the 2004 increase was not dramatic, the numbers remind us that many Americans still struggle to live on very limited resources.

The Community Service Society's (2005) survey of low-income New Yorkers provides a clear picture of the day to day trials facing the more than two million New York City residents who earn less than 200 percent of the federal poverty level. The survey identified that 70 percent of low-income families with a full-time worker experienced three or more significant hardships in the previous year (such as postponing needed medical care, using a food pantry, or having utilities turned off). The simple fact that working families are unable to meet basic needs presents an ongoing challenge to our country:

There remains important work to do to build a society that rewards work and improves conditions for those with the least.

Americans have traditionally used philanthropy as a mechanism for addressing the needs of society's poorest, most vulnerable members. Indeed, one need only consider the outpouring of support in response to our two most recent high-profile disasters, the September 11, 2001, attacks and hurricane Katrina. The nearly $6 billion in financial support (Epstein, 2006) provided by foundations and individual Americans to assist the needy during these events affirm America's belief, and perceived role, in philanthropy.

For this reason, we think it is important to renew a conversation about the role of philanthropy, and foundations in particular, in American society. Stanford University Professor Rob Reich (2006), writing in the *Stanford Social Innovation Review*, has asserted "a failure of philanthropy" in meeting the needs of low-income Americans (p.24). We consider his emphasis well-placed and add to it. Our focus on foundation giving is because of the leadership role that foundations play both in defining priorities and establishing strategies to address those priorities. Although, as Reich points out, "foundations account[ed] for only 11.6 percent of the charitable universe in dollars given in 2004," (p. 30) the size of individual grants and the strategic way in which they are made allow foundations to shape the nonprofit sector in much larger ways than do individual donors.

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We have become increasingly concerned that foundation giving may not be sufficiently directed toward solving the problems facing low-income Americans. In Reich's (2006) analysis of foundations, he cites the Foundation Center's statistics on the distribution of foundation resources. Recently updated, the Center identified that in 2004, "Education" received the most foundation resources (23 percent), followed by "health" (22 percent), "human services" (14 percent), "public affairs/society benefit" (13 percent), "arts & culture" (13 percent), and "environment and animals" (5 percent). The remainder was distributed in several other categories, no one of which received greater than 3 percent (p. 31). It is difficult to determine from the Foundation Center's categorization whether resources given in these areas are targeted to meet the needs of low-income individuals and families.

Analysts may assume that "social services" is a proxy for grants aimed at that group, but not all social services can be described as such. Foundation grants categorized as "education" or "health" also do not provide information regarding whether beneficiaries are likely to be low-income. The categorization of foundation grants—admittedly a difficult task—is not designed to provide information about the extent to which grantmaking addresses the needs of low-income individuals and families.

Recent research and writing about foundations has largely emphasized management issues, such as grantmaking strategy and compliance with federal tax regulations (mostly interested in foundation expenditure rates). This discussion has been very valuable. It has generated reforms in foundation practices; it has contributed to more sharply defined strategies for goal accomplishment and more tangible measures of effectiveness. It has also led foundations to reflect on their spending practices and for some to increase their payout rates.

In contrast, what foundations do, that is, what activities they should fund, have been a much less central concern. Specifically, there has not been a clear debate about whether foundation giving should show a preference for improving the lives of low-income members of the community. We worry that the debate about management strategy may have taken place at the expense of a larger discussion about the role of foundations in American society. The challenges facing low-income Americans—so much a part of the development of the foundation form here—should remain a concern.

No doubt, it is important for foundations to learn how to use their resources as effectively as possible, but good management tools are less useful without agreement about the role foundations should play. In fact, the specific role of foundations in addressing the needs of low-income families, particularly given foundations advantaged tax status, has not been debated. We think that is a debate worth having, and at the end of this essay, we identify four questions we believe could be used as a starting point for that debate.

We have organized this essay in four parts. First, we review recent writing about foundation management strategy. We include a consideration of discussions about foundation regulation, specifically payout rates and the distribution rules for both donor advised funds and Type III support organizations. Second, we introduce the context for a new foundations debate: the tax benefits to foundation donors, and recent discussions about the meaning of charity and nonprofit status. Third, we consider foundation giving in light of the substantial challenges facing low-income Americans. We end with four questions around which a new foundations debate could be organized.

1. Recent Foundation Debates

a. Management Strategy

Over the past ten years, there has been considerable attention paid to how foundations operate. The debate seems to have been generated based on two related concerns. First, the relationship between foundations and government has changed. In the Great Society era and into the 1970s, foundations functioned like the research and development arm of government (Bailin, 2003; Stauber, 2001). Over the past 25 years, Republican success in federal elections has led to an emphasis—at least in philosophical terms—on a smaller role for government. The smaller government culture has limited the extent to which government leaders look to foundations and their grantees as sources of replicable social innovation. In short, foundations can no longer depend on government to provide long-term funding for the good programs foundation money develops through nonprofit organizations. Second, there has been a great deal of discussion about the results of foundation funding. Some have expressed concern that foundation grants have not yielded expected results or that there has not been an adequate alignment between foundations' goals and their grantmaking strategies (Bailin, 2003; Letts, Ryan & Grossman, 1997; Letts & Ryan, 2003; Porter & Kramer, 1999; Rich, 2005).

The debate about these issues has led to a reconsideration of foundations' management strategies. Writers have urged foundation leaders to reconsider how they operate both to reflect the evolving relationship between nonprofits and government and to achieve more effective grantmaking. The major theme of this work is the development of grantmaking strategies that maximize the value of the investments foundations make in organizations. In an environment in which foundations no longer hand off good program ideas to government, foundations need to consider their role in sustaining those ideas, either through long-term foundation support or the identification of other funding sources.

b. Maximizing Grantmaking Value

Writers have identified three distinct approaches to maximizing the value of foundation grantmaking: "high engagement philanthropy" (Letts & Ryan, 2003, p. 26), "creating value" (Porter & Kramer, 1999, p. 121), and the clarification of intended impact and theory of change (Bailin, 2003). The high engagement approach suggests that foundations should learn from the example of venture capitalists and their involvement with start-up companies (Letts & Ryan, 2003; Letts, Ryan & Grossman, 1997). Foundations should view themselves as partners with grantees. Defining themselves as such would change the way in which they fund and relate to grantee organizations. This approach recommends longer grant periods, larger grant amounts and an exit strategy that sustains the investment foundations make in grantees. High engagement also encourages foundations to invest more in grantee infrastructure, to ensure that grantees have the capacity to deliver the program innovations or other services that the foundation values.

The creating value approach, defined by Porter & Kramer (1999), identifies that foundations need to maximize the value they provide to society given the tax advantages received by foundation donors. This approach offers four specific suggestions for changes in how foundations make grants. They are provided in order, from least to most valuable. "Selecting the best grantee" adds value by increasing the likelihood that an organization will deliver on its project goals. "Signaling other funders" pools resources, providing capacity to support the advancement of good ideas and organizations. "Improving the performance of grant recipients," a euphemism for capacity building, adds value by strengthening the capabilities of a whole organization (more than simply one program). "Advancing the state of knowledge and practice" focuses on the potential for foundations to invest in research and develop agendas for particular fields of social policy (Porter & Kramer, 1999, p. 124). Finally, this approach suggests four additional principles to guide foundation management: "superior performance," "choosing a unique positioning," "unique activities," and "accepting trade-offs," (Porter & Kramer, 1999, pp. 126-127). The four principles emphasize the importance of strategy in ensuring foundation resources are invested for maximum effectiveness.

A third approach suggests that foundations organize their grantmaking around a specific intended impact and a well-articulated theory of change (Bailin, 2003). This business planning strategy is built on the work of the Boston-based Bridgespan Group and its collaboration with the Edna McConnell Clark Foundation (Colby, Stone & Cartarr, 2004; Grossman & Curran, 2002).

Bailin (2003) uses his experience as leader of the Edna McConnell Clark Foundation to identify four principles associated with this approach to foundation management.

1) Select strong grantees that also have clearly articulated theories of change, and be willing to give up some of the control foundations have traditionally kept for themselves.

2) Seek sustained results at the program level. For programs to make a difference, organizations need to demonstrate results over a long period of time. Only when programs can do that will government be able to distinguish between a superior program and all others with one-time evaluations that claim good results.

3) Require organizations to articulate specifically what impact they expect to have and their theory as to what activities will produce the desired change. Bailin describes this process as business planning, which he encourages as a way to ensure grantees' resources and strategies are appropriately aligned.

4) Bailin urges ongoing learning. He acknowledges that the Clark Foundation's approach is new and requires all involved to commit to learning as this new approach unfolds.

It is also important to note other approaches to foundation management strategy that emphasize adaptation to the changing relationship between nonprofits and government and the outcomes of different grantmaking strategies. Stauber (2001) describes the planning experience of the Northwest Area Foundation and its effort to redirect itself away from a research and development model to one of concentrated investment based in the foundation's commitment to addressing concerns about poverty. Rich (2005), while less prescriptive, describes differences in results for conservative foundations providing operating support to conservative think tanks than more progressive foundations giving program grants to moderate to liberal think tanks. The implications are clear: management—specifically grantmaking—strategy affects results.

c. Regulation

Regulatory debates, as well, have focused on how foundations operate. These debates have emphasized two issues: payout rates and foundation-like organizations (donor advised funds and Type III support organizations). The payout rates discussion has considered whether the current rule that private, non-operating foundations should be required to use or distribute more than 5 percent of its assets annually should be changed. Some have expressed concern that too much of the 5 percent requirement has been taken up with administrative expenses (and too little distributed to grantees); others have argued that foundations could use a higher percentage without damaging their capacity for self-perpetuation. The issue came to a head in 2003 when Congress considered a proposal that would have required an all-grant payout rate of 5 percent, prohibiting foundations from using their administrative costs to reach 5 percent. The proposal was defeated after significant lobbying by foundations. It is important to note the emphasis on the regulatory debate was on how foundations operate (that is, how much should they spend), not what they do with their money.

In 2005, The Panel on the Nonprofit Sector raised similar issues. The Panel, convened at the urging of the Chair and Ranking Members of the Senate Finance Committee, focused on two forms of charitable assistance with foundation-like qualities, donor advised funds and Type III support organizations. Both were targets of the Panel because they function like foundations but are not governed by the same regulations. Neither is subject to a required annual payout rate.

The report defines donor advised funds as “a fund maintained by a public charity, under which a donor (or an advisor designated by the donor) has the right to make recommendations about distributions. The asset belongs to the administering public charity, and it has a fiduciary obligation to ensure that donor-advised assets are used exclusively for charitable purposes (p. 39).”

The concern of the Panel members (and the concerns of the Senate Finance Committee) is that donor advised funds look like foundations (they provide both tax deductions to the donors who create them and grants to organizations) but are not subject to key regulations. The Panel report recommends (among other things) that donor advised funds be subject to the same 5 percent annual payout rule as foundations.

The report treats Type III support organizations the same way. Federal tax law recognizes several forms of organizations with supporting (financial) affiliations to other nonprofits. Types I and II have clear governance links to the organizations they support. Type III organizations operate independent of the nonprofit organizations to which they have links. The Panel report describes Type III organizations as “possible vehicles for abuse”

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for, among other things, "not making significant expenditures for charitable purposes for many years" (p. 45). Type III organizations resemble foundations; they receive charitable contributions and distribute them to nonprofit organizations. The Panel recommends, as with donor advised funds, that Type III organizations be required to distribute 5 percent of their assets annually. Again, the Panel's focus is on ensuring that donor advised funds and Type III organizations spend their resources; the purposes for which they use those resources is not addressed.

2. A New Foundations Debate

a. Background

The emphasis on how foundations operate has been a welcome development; foundations and the nonprofit sector are better for this effort. Many professionals and academics regularly express concern that there are too few resources available for nonprofits to address important social concerns. Management and regulatory reform efforts emphasize maximizing the value communities get from the resources that are available to nonprofit organizations. That's a good thing. However, it is not enough. All of the reforms described above assume that whatever foundations choose to invest in is good and of equal value to the community. All activities eligible for support from foundations are valuable activities (as long as they reflect good strategy or are managed appropriately and comply with federal law). The job for foundation leaders is simply to determine how to maximize the value foundations get for whatever eligible charitable activity they pursue.

This assumption is too broad to be left unchallenged. We should seek to get the most value from every charitable dollar. But we should also encourage a public discussion about foundation priorities. For example, there could be great value in considering whether it is more important to make foundation grants in some areas, such as improving the quality of life of low-wage workers, than others, such as university endowment campaigns. In the same way, we might consider whether it would be worthwhile to create tax incentives for foundation grantmaking in areas defined as meeting the greatest public needs.

b. The Tax Benefit to Foundations and Its Obligations

The tax benefit donors to foundations receive on their federal taxes is considerable. Donors to public charities (generally community foundations or other pooled funds) can deduct up to 50 percent of their income in a given year; donors to independent foundations can deduct 30 percent (Internal Revenue Service, 2005). A primary argument offered in support of the tax deduction is that it functions as an indirect means of government support for nonprofit organizations. Government supports individuals' efforts to create public goods by forgoing tax revenue and allowing individuals to direct their contributions to create whatever public goods they prefer. The choice to forgo taxes in this way takes resources away from democratically elected legislators (whose formal role is to define public goods and allocate resources to them) and places them in the

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hands of foundations for distribution to charities of their choosing.

Setting aside the anti-democratic criticism of distributing resources in this way, we need to know whether this approach to creating public goods is effective. Simon (in Toepler, 2004) argues that this form of government support should be evaluated based on its efficiency. He suggests the tax deduction "is efficient if the revenue losses to the treasury resulting from the exemption are equaled or exceeded by the value of the funds generated for public purposes through the exemption" (p. 736).

Porter & Kramer (1999) quantify the practical implications of this deduction. They argue that a $100 donation to a foundation is worth only $5.50 (based on a 5.5 percent payout rate) in the year in which it was given, or 14 percent of the $40 in forgone tax revenues (recent tax cuts change these numbers slightly). They further assert:

> At a 10 percent discount rate…the present value of the foundation's cumulative contributions after five years is $21. After 100 years, it is still only $55. Compare that with the $100 contributed directly to the provider of social services in year one….Regardless of the discount rate one chooses, the fact remains that we as a nation pay up front for deferred social benefits. (p. 122)

The larger point is that government pays a great deal in lost revenue for the benefits which foundations receive. A primary focus of the debate about whether the short-term loss is worth the long-term payoff has been conducted based on sufficiency: Are foundations distributing sufficient funds to merit the tax deduction donors receive? We agree that the loss in tax revenue demands government oversight and regulation. Yet the concern about the value received for the tax deduction does not extend to what foundation dollars support. If tax revenues are forgone by donations to foundations, and their present value is limited, government has the opportunity to define more narrowly the kinds of public goods it seeks to create in this way. The creation of some types of public goods may be more important than others.

c. Defining Charity and Nonprofit Status

At the heart of this debate are persistent questions about the meaning of nonprofit status. The number of nonprofit organizations nationally exceeds one million. A broadly defined charitable purpose and a non-distribution constraint are all that unites these organizations. It is difficult to compare nonprofit Harvard University to a grass-roots volunteer-run community-based organization. Lester Salamon (2002) refers to this challenge as "the distinctiveness imperative" (p. 80). The diversity of the nonprofit sector makes it difficult for the public to articulate what makes nonprofit organizations distinct from for-profit and public sector organizations. He points out that the clearest existing consensus about the purpose of the nonprofit sector is to "provide care for the poor," (p. 81) while he also expresses concerns about the limitations of such a definition. Yet many of the more than one million nonprofit organizations (including Harvard) have missions that have little to do with care for the poor.

These challenges were chronicled in the lead article in last fall's "Giving" section of the *New York Times*. In "What is Charity?" Stephanie Strom (using Giving USA figures) pointed out that in 2004, "the share of giving going to organizations most directly related to helping the poor hit a record low, accounting for less than ten percent of the $248 billion donated by Americans and their philanthropic institutions" (p. F1). She cites research that nonprofit hospitals provide less charity care than for-profit ones and the relatively minor percentage Harvard's financial aid represents as part of its overall earnings on its endowment—despite its impressive recent initiative waiving tuition for students from families with limited resources.

Analyses such as these raise questions about whether contributions to America's largest nonprofit institutions are consistent with traditional notions of charity, specifically aid to the poor. In fact, Jan Masaoka and Jeanne Bell Peters (2005), leaders of the nonprofit research and education organization CompassPoint, have urged clear distinction within the nonprofit sector "between community-based nonprofits and large institutions like hospitals and universities" (p. 5). Community-based nonprofits are more likely to have missions focused on the challenges facing low-income populations. They look like traditional charities. In contrast, large health and education institutions, while creating important community benefits, are less specifically concerned with the needs of low-income Americans.

Analyses raise questions about whether contributions to America's largest nonprofit institutions are consistent with traditional notions of charity, specifically aid to the poor. In fact, leaders of the nonprofit research and education organization CompassPoint, have urged clear distinction within the nonprofit sector 'between community-based nonprofits and large institutions like hospitals and universities.'

3. Foundations and Low-Income Americans

The debate about charity and the role of nonprofits has serious implications for foundation grantmaking. A new foundations debate should focus on the role of foundations and the kinds of public goods that foundations should create through the tax benefits they receive from the federal government.

We believe it is worth reconsidering whether "care for the poor" should be the starting point for foundation giving. At the heart of Strom's (2005) article is that contemporary philanthropy has moved away from its centuries-old first principle of care for the poor. Perhaps this development can account for what nonprofit sector researcher Paul Light describes as "continuing low levels of confidence in charities" (Light, 2005, p. 1). The public may be uncertain about the purposes of nonprofit organizations (and consequently the targets of foundation giving). Public confidence might improve if nonprofit organizations and foundations were more focused on meeting the needs of low-income Americans. In addition, our elected representatives might believe they were getting more value for the tax deductions granted to foundation donors if they placed greater emphasis on populations with limited means.

No doubt, low-income Americans face enduring challenges that foundations could play a significant role in addressing. There are many indicators of these challenges. Most notably, the federal poverty level has increased over the past five years (Historical Poverty Tables, 2006). As noted, the Community Service Society (2005) has chronicled what this challenge looks like in New York City by surveying residents living at or below 200 percent of the federal poverty level. The survey tells an important story about the work that remains to be done. Consider these statistics: More than half of those surveyed see themselves as moving downward, as less economically secure than their parents. Eighty-one percent of these families have less than $500 in savings to fall back on should they experience any kind of crisis; they are only one paycheck away from homelessness.

Further, the federal Bureau of Labor Statistics reports that 17 of the 20 fastest growing occupations between 2002 and 2012 will be those for low-wage workers (Largest Growth Occupations: 2002-2012, 2006). If the percentage of the American workforce employed in low-wage jobs grows, the challenges described in the Community Service Society survey will only be compounded and the need for additional resources to meet the needs of those families will be even greater.

A decade after federal welfare reform embraced work as the path to self-sufficiency, many low-income workers continue to struggle with making ends meet and achieving a minimally acceptable quality of life. A focus on these concerns is the contemporary equivalent of Salamon's care for the poor. In other words, given the enduring challenges facing low-income Americans, improving their quality of life should remain a primary reason for the favorable tax treatment the federal government provides to foundations.

Supporting the collaborative efforts of diverse organizations is critical. The pitfall to avoid is limiting these efforts by forcing them to fit into a pre-defined focus that is responsive to a foundation's funding priorities.

4. Questions for a New Foundations Debate

As a first step in encouraging a debate about the role of foundations, we offer several ideas and questions that we believe require more attention from community leaders, elected representatives, and foundation staff. Once considered, they should be used as the basis for determining whether changes in existing foundation regulation may be in order.

1. How can we encourage a thoughtful debate about the role of foundation giving in improving community life? There seems to be a national reluctance to engage in any debate about what foundations do. Management strategy is an easier conversation because it does not interfere with an individual's right to direct his or her charitable giving as is seen fit. Yet the tax treatment of foundations permits public input on the expenditure of foundation dollars—dollars that are available through indirect government subsidy. Elected officials should encourage foundations to reflect on their role and the relative value of their contributions to communities as a whole. We need to clarify our expectations for foundations and the basis for such expectations. We should debate the priority of the public goods which foundations seek to create; all are beneficial, but some may be more important to community sustenance and development than others.

2. Should government show a preference for some kinds of foundation giving over others? Current tax laws define charitable purpose very broadly. Any organization that meets that purpose is eligible for tax exempt status, and, if granted, is also eligible for grants from foundations. All contributions to foundations are made with significant tax benefits to the donor and negative revenue consequences to the federal government. If we believe in the creation of some public goods, such as food or job training assistance, over others, such as the purchase of art work, then public policy should reflect that prioritization. For example, in a tax system that reflected this priority, a foundation that makes grants to a museum providing free admission to low-income families would receive more favorable tax treatment than one that does not. In a similar fashion, a foundation making grants to private schools serving wealthy families would not be treated as equal to foundations providing scholarship assistance for low-income children leaving low-performing public schools.

3. How do (or should) we evaluate the public goods that foundations provide? The current definition of charitable purpose is very broad. We should consider whether all of the purposes defined in the Internal Revenue Code are equally valuable. It would be worthwhile to reconsider what public goods we seek to create through charitable organizations, whether some are more important than others and how to distinguish between them.

4. Are there reasonable regulatory mechanisms available that could be used to reflect a preference for addressing the challenges facing low-income Americans (or other priorities) in foundation giving? Foundations face two primary regulations: excise taxes and payout rates. They are also governed by rules about the deductibility

of contributions. We should consider the wisdom of adjusting these mechanisms to reflect a priority for those most in need, such as reducing the excise tax, modifying tax deductibility rates or creating new incentives.

It is time for a new conversation about foundations. Discussions about strategy have yielded important developments and, certainly, better outcomes. However, it is time for a debate about our priorities and the kinds of public goods foundations should create. No doubt, the combination of improved foundation management practices combined with a renewed focus on the challenges facing low-income Americans could be socially transformative.

Readers with questions or comments are encouraged to contact David Campbell at dcamp@binghamton.edu.

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Biographies

Kiran Ahuja is the executive director of the National Asian Pacific American Women's Forum (NAPAWF), the only national, multi-issue advocacy organization for Asian Pacific American women and girls. Kiran has been involved in NAPAWF since 1999 as a chapter leader and local and national board member. In addition, she is an adjunct faculty member at American University, Washington College of Law. She practiced as a civil rights lawyer with the U.S. Department of Justice, Civil Rights Division where she worked on desegregation, bilingual, race and national origin discrimination issues in education-related civil rights cases. She holds a B.A. from Spelman College and a jurist degree from the University of Georgia School of Law, where she was president of the student-led public interest law organization.

David Campbell is assistant professor in the Public Administration Department at Binghamton University, New York. Prior to that, he spent 15 years with nonprofits in Boston, Cleveland, and New York City. David, who holds a doctorate from Case Western Reserve University and a master's degree from Yale University, did his undergraduate work at Bates College. He has taught at Columbia University and The New School. David is interested in how nonprofit organizations affect social change, how they are accountable to the community at large, and how they can make effective use of resources. He lives outside Ithaca, New York.

Lois Gibbs, founder and executive director of the Center for Health, Environment and Justice (CHEJ), has been at the forefront of the environmental movement for over two decades. In 1978, Lois, a housewife with two young children, became concerned about chemical waste in her neighborhood in Niagara Falls, New York. Lois organized her neighbors and formed the Love Canal Homeowners Association. Her efforts led to the creation of the U.S. Environmental Protection Agency's "Superfund," which cleans up toxic sites throughout the U.S. Lois formed the Citizens Clearinghouse for Hazardous Waste in 1980 (now CHEJ). CHEJ is a grassroots environmental crisis center that has provided assistance and training to over 8,000 community groups around the nation. Among the many awards she has received are the 1990 Goldman Environmental Prize, 1998 Heinz Award, and the 1999 John Gardner Leadership Award from the Independent Sector.

Michael F. Jacobson is executive director of the Center for Science in the Public Interest (CSPI), the organization he co-founded in 1971. CSPI was the driving force behind such consumer protections as warning notices on alcoholic beverage labels, the landmark Nutrition and Labeling Education Act, which requires nutrition information on most food labels, and the removal of sugary soft drinks from schools. In addition to his scholarly work in the *New England Journal of Medicine* and the *Journal of Molecular Biology*, among others, Michael has co-authored *Restaurant Confidential* (2002), *What Are We Feeding Our Kids?* (1994), and *Nutrition Scoreboard* (1975). He holds a Ph.D. in Microbiology from the Massachusetts Institute of Technology.

David R. Jones currently serves as the board chair of the National Committee for Responsive Philanthropy. David has been president and chief executive officer of the Community Service Society of New York since 1986. Prior to joining CSS, he served as executive director of the New York City Youth Bureau, and from 1979 to 1983, as special advisor to Mayor Koch. David was a member of the transition committee of New York's mayor-elect Michael Bloomberg. He received a B.A. from Wesleyan University and a J.D. from the Yale Law School. He clerked for Judge Constance Baker Motley of the Federal District Court for the Southern District of New York and was a member of the law firm of Cravath, Swaine & Moore, where he specialized in corporate antitrust cases and contract litigation.

Jamie Katz is an assistant attorney general and chief of the Public Charities Division of the Massachusetts Office of the Attorney General. He directs the division that oversees fundraising on behalf of charities, reviews matters concerning the governance of charities, and that handles probate issues involving charities. Jamie has over 20 years of experience representing parties in civil litigation and has served as a mediator and arbitrator in numerous cases. He is a graduate of Harvard University and the University of Virginia Law School. Among other positions, he has previously been a partner in a Boston law firm and an attorney for the U.S. Environmental Protection Agency. In addition, Jamie is the author of two published mystery novels, *A Summer for Dying* and *Dead Low Tide*, and writes non-fiction essays and commentaries.

Ed Lazere became the executive director of DCFPI in November 2001. He had served as the project's policy director since January 2001. Prior to that, he had been a policy analyst for 12 years at the Center on Budget and Policy Priorities. Most recently, Ed was a member of the Center's State Low Income Initiatives Project where he focused on state spending choices under the TANF block grant and on other issues related to welfare reform implementation. Ed also worked for several years with the Center's State Fiscal Project, which focuses on the impact of state-level tax and budget policies on low- and moderate-income families and individuals, and he also has worked on issues related to affordable housing. Ed holds a Master of Public Policy from the University of Maryland.

Taylor Lincoln is research director of Public Citizen's Congress Watch. He previously was senior researcher for Congress Watch, where he produced groundbreaking projects on electioneering activities of 501(c) non-profit groups and on officials who travel through the "revolving door" between government and the K Street lobbying world. Before joining Public Citizen, Taylor worked as a reporter for three Washington, D.C., area newspapers: the *Federal Paper*, the *Potomac Tech Journal* and the *Montgomery Journal*. He holds a master's degree in journalism from the University of Maryland and a bachelor's degree in English from the University of Michigan.

Maria Mottola is the executive director of the New York Foundation where she served as a program officer from 1994 to 2002. Prior to joining the Foundation, she was executive director of the City Wide Task Force on Housing Court, a housing advocacy organization that promotes the reform of New York City's Housing Court. As the Task Force's founding director, Maria managed the group's transition from a volunteer activist campaign to a fully staffed and funded organization. Maria was also the director of Neighborhood Programs and a community organizer at Lenox Hill Neighborhood House on the Eastside of Manhattan. She has taught community organizing at New York University School of Social Work and has been an adjunct professor at the Hunter College Graduate School of Urban Affairs and Planning since 1996. She is a Co-Chair of the Neighborhood Funders Group. Maria received her undergraduate degree at the University of Toronto and holds a Master of Social Work from Fordham University.

George Penick became the first director of the RAND Gulf States Policy Institute in March 2006. Before then, he served as president of the Foundation for the Mid South since its creation in 1990, which supports education, economic development, and children's programs in Arkansas, Louisiana, and Mississippi. George has also served as the first executive director of the Jessie Ball duPont Fund in Jacksonville, FL, and as associate director of the Mary Reynolds Babcock Foundation in Winston-Salem, NC. He currently serves on the boards of the Foundation Center, the Carpathian Foundation, the Community Foundation of Greater Jackson, and the Hope Community Credit Union. George graduated from Davidson College. He received a Master of Public Administration from the John F. Kennedy School of Government at Harvard University, and a master's degree and a doctorate in education administration from the Harvard Graduate School of Education.

Adriana Rocha is a program officer at the New York Foundation. She began her career as a community health outreach worker and worked in the HIV/AIDS field as an outreach worker, case manager and trainer. She was a technical assistant for nine years, first at YouthBuild USA, on youth leadership development initiatives and then at Community Resource Exchange providing planning, fundraising and board development consulting to nonprofit organizations. Adriana received a bachelor's in politics from the University of California at Santa Cruz and earned her master's from Columbia University Teachers College's Social Organizational Psychology Program.

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Editors

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State of Philanthropy 2006

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