

Hail to Philanthropy!

Reflections on philanthropy and American culture

BY K. TIMOTHY WEIDMANN

during the past two centuries Americans have invented the term “philanthropy” and built it into a \$200-plus billion enterprise, spreading more good works than any other country on earth. But what are the ideas and ideals that have shaped philanthropy over time? What value can we find in the word itself? Fundraising can be a tricky business, but it becomes less so when one knows and appreciates philanthropy’s history more fully.

Philanthropy, in Greek, means “love of humankind.” The first use of the word is found in Greek mythology. Prometheus, after stealing fire from the gods and giving it to humankind, is accused of committing “philanthropy.” Plato also used the term, describing Socrates as “philanthropic” for withholding information from a group of questioners. But the word philanthropy did not exhibit its current meaning during the formational period of Western history. Nevertheless, philanthropy as we know it today was much in evidence not only throughout early history but also during pre-historical times.

History of Philanthropic Activities

Philanthropy’s underpinnings are most fundamentally rooted in human biology and circumstance. From the earliest civilizations until today, there has been much work whose purpose was to improve the quality of life, to diminish those elements of human existence that cause life to be “nasty,

brutish, and short.” The species naturally protects its young, maintains order as its numbers grow, and passes along knowledge and beliefs. All such activities may be called, by current definition, philanthropic.

Along the same lines, we may call religion and theology, as well as learning and the arts, philanthropy. Some might even call war philanthropy, since certainly the sacrifices that war demands measure up to the test. Nathan Hale can be said to have acted with ultimate philanthropy when he gave his life “for God, for country, and for Yale.” Philanthropy is involved whenever the question is asked: “What is to be done with widows and orphans?” Additionally, the giving of gifts appears wired into the human spirit; it is practiced throughout all cultures at almost all times, as are hospitality and other acts that benefit others and “please the gods.”

Self-interest and Philanthropy

As societies grew in wealth, it became clear that abundant prestige accompanied “grand gesture” gifts that benefited communities. So some of the wealthy developed a habit, in Rome, for example, of building temples, or, in medieval Europe, of erecting cathedrals and supporting artists. Philanthropy and self-interest become intertwined, one may say, by circumstance.

Here, then, we find a conundrum. Since wealth at times throughout history has been acquired in ways that were less than above board, there is a

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tendency among the citizenry not only to be jealous of the wealthy but also to believe that they are immoral or worse. The phrase “ill-gotten gains” is an idiom in all languages and at all moments of human history. Nevertheless, and here’s the paradox, good can and does come from wealth applied philanthropically, no matter how that wealth was secured.

Examples from early history of wealth used for philanthropic purposes are plentiful. These include: Plato’s bequest of the land on which the Academy was founded (circa 350 BC); Ptolemy I’s establishment and endowment of the library of Alexandria — one of the wonders of the ancient world (circa 280 BC); and endowments by medieval religious orders set up for social welfare. It is not surprising to note that these gifts raised the social status of the donors, making them fitting examples of self-interest and wealth applied philanthropically.

What is notable, however, is that none of those gifts at the time they were given would have been called “philanthropy.” Not even Ben Franklin’s support of struggling artisans centuries later would have been deemed philanthropic. In each instance the term “gift” would have been applied or perhaps “beneficence.” The donors might have been said to be “doing good (or charitable) works,” or giving back to God what they owed, or fulfilling their social obligations, or, in some cases, “trying to buy their way into heaven.”

America Adopts the Word

The word philanthropy as we use it today was coined during the period of Jacksonian Democracy (1829-1837), when expansive thinking and visions of greatness were becoming cemented into the American soul. In the context of “progress” and “manifest destiny,” we may imagine that the word “charity” appeared puny and inconsequential, in need of a grander expression. As the American public and media realized this problem, they auspiciously bumped up against the term philanthropy, which the Masonic community had begun to use earlier in the century. Newspapers co-opted the word from the Masons, and it entered the American vocabulary.

The expansive humanitarian vision that led the American people to espouse the idea of public education for all was contained in the term philanthropy. We can see, from this example, that charity fell short of expressing the degree of progress and improvement contained in the concept of public education. The new term philanthropy transcended the more limited sense of charity. Philanthropy embraced all that de Tocqueville referred to in the 1840s as the infinite capacity of Americans to exercise “enlightened self-interest” for the benefit of the entire community.

The Gospel of Wealth

The loudest sermon, as it were, defining philanthropy as bigger and more important than charity

was “preached” by Andrew Carnegie in the 1889 essay, *The Gospel of Wealth*. Carnegie’s book is based upon a social Darwinist point of view, which in today’s world can be rather hard on the ears and sensibilities. But what is most important about his book is the agenda for philanthropy that he recommends — an agenda that can be summed up in the proverb, “Better to teach a man to fish than to give him a fish.”

Carnegie’s vision for philanthropy (which applied directly to “improvement” philanthropists, but indirectly to all citizens) became operative immediately and remains so even today. He recommends that those with wealth “do good” for the society that produced their wealth by supporting universities, libraries, museums, hospitals, public parks, concert halls, public swimming pools, and churches.

Shortly after Carnegie published his agenda, the Income Tax Code defined the “nonprofit sector.” In this way, America ensured that philanthropy would come to be understood in a broad enough fashion to encompass all sizes of gifts. The nonprofit sector in many ways is the most American of concepts, because it embodies a “distrust of the King,” burned into the American soul by the Declaration of Independence and the Revolution. Americans simply do not trust that the government can be relied upon to provide them with all of the civilized services they need.

Through the Income Tax Code, Americans were given legislation that encouraged philanthropy. The choice was simple: Give all your tax dollars to Uncle Sam or reduce your tax bill by choosing to give to the nonprofit institutions of your choice. Americans were simply not willing to let “the government” (the King, as it were) control their tax dollars or their lives and destinies.

Populist Philanthropy Takes Root

Carnegie wrote only for those with large wealth, but his message has played out for nearly all citizens, because the Income Tax Code formalized the process of giving. It moved the U.S. beyond its “Robber Barons” stage of philanthropy into a “democratic” stage. It legislated public virtue, but it was not simply the fact of the Income Tax that caused this transformation. That legislation set the stage for what might be called “populist” or “democratized” philanthropy on a large scale.

In the late 1910s and early 1920s two institutions, the Salvation Army and the YMCA, invented techniques of broad solicitation (direct mail, especially) in which they stated their message clearly, asked for a gift, and reminded individuals that their contribution would be tax deductible. Both groups monitored these gifts and pulled out the names of the largest donors, targeting them for visits to thank them personally and discuss the value of their gift *and* the greater value a larger gift would provide.

Here begins the modern era of fund-raising. Out of the YMCA’s executive fund-raising corps

arose the first firms designed for the sole purpose of helping nonprofits raise gift dollars more productively. My firm's founder, Arnaud Marts, was one of those YMCA executives, and Marts & Lundy has for 76 years provided fund-raising counsel and services to the nonprofit sector.

A 'Culture' of Philanthropy

The "culture of philanthropy" can be defined as those strategic elements that successful institutions have evolved as the platform upon which they can raise funds most effectively. Thus, America not only invented the term philanthropy but also has, through trial and error and a finely tuned sense of marketing productivity, developed a definable culture that encourages philanthropic gifts.

This is *not* a culture of charity but something larger. How do we know for certain? Let me question those readers who have been involved with a successful fund-raising campaign. Do you believe your campaign would have reached or surpassed its goal if its message had been: "We can't balance the budget, so please give?" Rather that campaign had a Big Idea. To muster philanthropy's power, the campaign's case likely evoked images of a ladder to somewhere better and more expansive, a forward-looking, idealistic vision that marked progress and was clearly understood as important and good.

This uniquely American culture of philanthropy provides a foundation for maintaining a healthy society via the nonprofit service sector. It is always at least two-tiered in its approach: Gifts must come from top prospective donors, as well as everybody else. For the "major gifts" tier, there is a clear statistical recognition that the significant wealth in the U.S. is concentrated among 4% of the population, so there is a concerted effort to approach the wealthiest constituents. For the "everybody else" tier — seen as philanthropy's democratic face — there is an understanding that wealth is a relative term, so "all citizens must be given the opportunity to give, to vote with their dollars."

Philanthropy's Three Forms Today

There are three forms of philanthropy in operation today, as outlined by author Lilya Wagner in the book *Careers in Fund Raising* (New York: John Wiley & Sons, 2001). In many ways they show the concept of

checks and balances embedded within the American spirit:

- **Compassion (charity) philanthropy**, practiced by religious organizations and social service organizations, tends not to be proactive for social change and improvement; it partakes of the original constrained term "charity."

- **Individual improvement philanthropy** tends to be conducted through large gifts from individuals to "improvement-type" institutions, such as universities, independent schools, and cultural organizations; it can become overly selective when it comes to who receives the benefits from the philanthropic gifts.

- **Justice (social policy) philanthropy** is most often practiced by professional foundations (Ford, Carnegie, Rockefeller, MacArthur, etc.); much good is done in this sector, as in the two above, but its weakness can be called too directive.

Today's philanthropy is quantified annually by the AAFRC Trust for Philanthropy in its *Giving USA* series. The business of philanthropy in America in 2001 amounted to \$212 billion, 76% of which was received from individuals (\$161 billion), 12% from foundations (\$26 billion), 4.5% from corporations (\$9 billion), and 7.5% from "other" philanthropic agencies (\$16 billion). These gifts were used for the following purposes: religion, \$81 billion (38%); education, culture, and the arts, \$44 billion (21%); human, social, environmental, international services, \$43 billion (20%); health, \$18.5 billion (9%); and other, \$25 billion (12%).

There are still shelters and soup kitchens that work through volunteerism and small donations — and that's great. But most Americans would be surprised and even dismayed if their local soup kitchen tried launching a \$50 million capital campaign. It simply does not compute for a nonprofit to evoke the name of philanthropy when the goal clearly fills only a charitable purpose.

(continued on page 8)

At the risk of sounding overly dramatic, I would contend that philanthropy in America is as important as the Declaration of Independence.



Musings from the Field

A potpourri of findings, anecdotes, and observations about philanthropy

Fear, Minus the Loathing

Journalist Hunter Thompson may have made a nice living off his “fear and loathing” motif, but thankfully that phrase, as apt as it may be for both Las Vegas and the Campaign Trail, is only half right (fear, yes; loathing, no) in its application to the current state of philanthropy.

The fear stems from continued concerns with the economy, recent gains in the markets notwithstanding. With the Council for Aid to Education earlier this year documenting a record drop in alumni giving in 2002 — the first decline in 15 years — and with the verdict still out for 2003, anxiety continues to reign among nonprofits.

As it should, according to Marts & Lundy senior consultant Chuck Sizemore. “Though there is normal ebb and flow in development work,” he notes, “this downturn is far worse than any I’ve seen. I think institutions should be alarmed.” Those are unsettling words from a development professional whose career spans nearly 25 years.

Sizemore is especially concerned with the depth of cuts suffered throughout public higher education: “State legislatures continue their short-sighted ways and treat their state institutions as if they were the public works department. Colleges and universities are getting cut just like everyone else. There’s no sense of the need to continue to invest in young men and women, no matter what.”

Fortunately, the philanthropic spirit among individuals is alive and well, Sizemore believes. He remains convinced that people want to give and that philanthropy continues to grow as an American cultural norm. He reports that many client institutions are having banner annual giving years, with donors willing to support institutions at lower levels or with high-end annual gifts. Many are increasing their gifts from last year.

“Eight-figure gifts are still being made,” he says. “People have money. They’re just holding it closer to the vest and are reluctant to make big investments. Even when the markets improve, donors are not going to feel whole again for a while. It’s a matter of confidence and certainty.” **M & L**



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Privilege . . . and Prestige

Make no mistake, serving on the board of a nonprofit institution is a special privilege. But what are the characteristics of America’s most prestigious boards? The answer, according to *Worth* magazine, is a combination of an organization’s age, budget, and endowment — and the number of “prominent names” who serve.

The magazine in its March edition offered its list of the 100 most prestigious boards on which to serve, focusing on the nation’s 20 largest metropolitan areas. The list was dominated by arts and cultural groups, with 60 such organizations named, followed by colleges and universities with 18.

Marts & Lundy president Charlie Howland was not surprised that arts and cultural organizations were so prevalent among the listing.

“Top arts and cultural boards normally define the pinnacle of society in any city,” he says. “That’s been the case where I live, in San Francisco. There was a well-chronicled effort in the early 1900s to make this city a cultural peer to Boston and Philadelphia — and in recent decades the composition of the boards has reflected that.”

It’s no wonder that three arts and cultural organizations in the

Bay Area — the San Francisco Opera, Symphony Orchestra, and Museum of Modern Art — made the *Worth* list. To no one’s surprise, New York City had the most entries with seven arts and cultural groups and 10 institutions overall.

Any selection of outstanding boards calls into question the criteria for membership. The classic “wealth, work, and wisdom” still make the grade as drivers of board recruiting efforts, according to Howland, with the emphasis on wealth and work. Clearly, he notes, prominence and success are powerful magnets.

“When the top people in town, by any definition, join together to make something happen,” he says, “it becomes a movement that others want to join — either because it’s the right thing to do or because they want to associate with top people and the success they produce. Busy people are willing to join well-run and effective boards. A board with that reputation, almost regardless of the organization’s mission, attracts similarly effective people.”

So, what’s the ideal composition of a nonprofit board by Howland’s standards? Effective volunteer leadership, he answers, is tough to define, not just in the arts but in any nonprofit. The most compelling collection of board members he has worked with includes a mix of vision, passion, commitment, skill, and charisma. **M & L**

Keeping in Touch

As the adage goes, it's a pleasure to give advice, humiliating to need it, and normal to ignore it. That said, in the midst of a weakened philanthropic climate Ned Lees offers two words of advice for development professionals: *Stay connected.*

Lees, a senior consultant with Marts & Lundy for 16 years, in recent months has seen several instances of top donors and prospects reluctant to make new giving commitments. That's consistent with a national trend showing slowed giving by the nation's biggest donors and mirrors the results of a recent survey of America's most generous donors, conducted by *The Chronicle of Philanthropy*.

"Clients are encountering a lot of people who understandably want to pull back," Lees says. "Some don't wish to start discussions now, some don't want to continue discussions already started, and some want or need to renegotiate commitments they have already made."

"During these times," he adds, "it is essential to maintain institutional presence in a context that makes it clear to your donors and prospects that you value their continuing involve-

ment, even if the timing is not appropriate to raise discussions of gifts."

The bottom line: Anticipate more cultivation and less solicitation — but keep in touch! Lees suggest that institutions use this time to sustain and strengthen relationships with donors, prospects, and volunteers. Demonstrate continued interest in donors as persons. Take time to listen

"Through recessions, uncertainties, and crises, people keep on giving. That should buoy the faint of heart in troubling times."

to and understand their concerns. And don't shy away from asking for a gift if the timing is appropriate.

"So many institutions are going through wrenching cutbacks just when they badly need a strengthened gift stream," Lees notes. "But — and

this is a big 'but' — a lot of very substantial gifts can be made and are being made now. Encourage exploratory conversations when they are possible and follow the leads that are given."

Lastly, Lees urges nonprofit institutions to maintain the long view. "These are rough times after the golden era of fund-raising in the '90s," he acknowledges. "But at some point in the hopefully not-too-distant future we'll all be saying, 'Thank goodness things have finally turned around after those bleak years in the early 2000s. Now we're really back on track.'"

He points to giving statistics from 1969 to 2000, the latest year of complete data, showing that philanthropy in current dollars in the United States has increased every single year except for 1987, when there was a 1.3% drop. (Preliminary data indicate that 2001 was essentially flat and that 2002 was down.)

"Through recessions, uncertainties, and crises, people keep on giving," he says. "That should buoy the faint of heart in troubling times. There is obviously no guarantee of better times ahead, but there is every reason to anticipate them and plan accordingly." **M & L**

Beyond the Case Statement

When institutions think of development communications, they usually fast forward to the case statement and its role in the courtship of donors. But back up the tape, implores Ron Arena, and first consider the role of internal communications.

"An effective strategy for internal communications will not only strengthen the case but, more importantly, strengthen the institution's ability to realize its mission or, dare I say, vision," says Arena, a Marts & Lundy senior consultant for communications.

Advancing that vision means more than just raising the funds necessary to pay for buildings and new initiatives and secure endowment funds, according to Arena. Dollars aside, the support, attitude, and actions of the entire internal community — particularly the faculty if we're talking colleges, universities, or independent schools — are absolutely critical.

"These are the folks who make it happen, who live out the vision day after day," Arena notes. "That's why internal communications are so critical."

He suggests use of an internal survey, preferably done via e-mail, to test reaction among internal constituents to the institution's strategic plan. The results can influence both fund-raising strategies and key campaign messages. If there is

shaky support for the strategic plan, institutions can identify the issues as well as possible solutions.

The pushback from a strategic plan, Arena says, often centers on communications issues, such as faculty not being kept informed or feeling bypassed in the planning process, or the administration failing to articulate the roadmap for achieving the vision.

Likewise, if an internal survey shows strong support for the institution's vision — if, indeed, the vision serves as a rallying point for internal constituents — then that too has implications for development.

"Imagine how much punch you could add to the case if you were able not only to *say* but also to *document* the fact that an institution's strategic plan has galvanized its internal community," Arena says. "That's a powerful message to send to prospective donors. In short, the findings from an internal communications survey will shape the communications strategies that undergird a capital campaign."

One more pitch for getting things right on the home front. "Internal" issues quickly become "external" issues, especially when the stakes are high and the setting is politically charged. Over time, impressions of the institution on the outside will mirror those on the inside. **M & L**

Musings from the Field . . .

Responding to *Harvard Business Review*

Nonprofits would gain a \$100 billion windfall — money that could then be spent on a variety of social programs — if they cut fund-raising, administrative, and program-service costs, reduce their inefficiencies, and distribute financial assets faster.

That conclusion was proposed in a recent *Harvard Business Review* article by former Senator Bill Bradley and co-authors Les Silverman and Paul Jansen, of the management-consulting firm McKinsey & Company. By imitating management practices from the business world and adopting new notions of stewardship, they wrote, nonprofits could become more productive and more beneficial to society.

Yes . . . and no, say Marts & Lundy CEO and chair Michael Sinkus and senior consultant Darrow Zeidenstein. In a letter to *HBR*, they agree with the article's basic premise — that nonprofit organizations should become more strategic and more operationally efficient in their fund-raising efforts. "There is," they write, "perhaps much truth to be learned between the status quo and what this article proposes."

But Sinkus and Zeidenstein oppose several arguments in the article. Responding to the call for foundations to adopt a payout rate of approximately 7% over the long term and for nonprofits to spend more of their endowments, they write: "Investment and spending decisions on the endowment beyond the current 5% mandatory outlay should be tied to an organization's mission and vision, and not driven from above by a new, broad, government mandate."

Mandating that universities and medical institutions spend more endowment funds is also misguided, they note: "Individual institutions and their governing boards are in a better position to weigh the trade-offs between short-term impact from endowment yield versus long-term endowment preservation for strategic opportunity and stability."

Sinkus and Zeidenstein, however, commend the authors for "challenging institutional leaders to think carefully about the social opportunity costs of their endowment management policies."

"Where the article shows its naiveté," they write, "is in its discussion of the costs of fund-raising. . . . The root problem is the implicit assumption that fund-raising is a transactional business, not a relationship business. This assumption is in full force when they calculate costs on a yearly basis and, in particular, on a cost-per-dollar raised (CSR) metric. However, many of us know (or should know) that today's major or principal gift donors started out as lower-level annual donors — the very ones the article claims create inefficiencies.

"What this means is that we need to calculate the relationship value, expressed as overall lifetime value (LTV), the PV of total gifts divided by the PV of costs to raise these gifts. For the most mature development program in higher education, whose current CSR hovers at \$.10 or less during a campaign mode, a lifetime value calculation would bring the true cost of fund-raising to \$.05 or so, about where the for-profit sector is in its costs of raising capital." **M & L**

"Spending decisions on the endowment should be tied to an organization's mission and vision, and not driven from above by a new, broad, government mandate."



Michael Sinkus



Darrow Zeidenstein

Soft Shoulders on the Information Highway

The online population is fluid and shifting. While 42% of Americans say they don't use the Internet, nearly half of them either have been Internet users at one time or have a once-removed relationship with the Internet through family or household members.

Those findings were reported in "The Ever-Shifting Internet Population: A new look at Internet use and the digital divide," a Pew Internet and American Life Project report.

The study also documented a flattening of the overall growth of the Internet population since late 2001. Internet pen-

etration rates have hovered between 57% and 61% since October 2001, rather than pursuing the steady climb they had shown in prior years.

The majority of non-users, some 56%, do not think they will ever go online. Many simply said they do not want or need to access the Internet, that they were not interested, and did not have the time to use it. More than 43% stated concerns about online pornography, credit card theft, and fraud.

"A surprisingly large number don't want to be connected even though they have tested what online life is like or live with the Internet literally in the next room," report author, Amanda Lenhart, said in a statement. Internet use is fluid, however, with a lot of people regularly moving in and out of the online world, she said. **M & L**

Sarah Williams Joins Firm as Analyst for Digital Solutions

Sarah W. Williams has joined Marts & Lundy as an analyst in the firm's Digital Solutions group. She brings to her position extensive experience in policy research and analysis, media relations, and non-profit program development and management.

Her appointment reflects Marts & Lundy's continued expansion of Digital Solutions and its commitment to increase client services in the areas of analysis and planning, prospect research and screening, and information technology and management -- with the goal of helping non-profits optimize their advancement programs.

Sarah's previous experience includes work as a strategic communications and research consultant with Shipley & Associates, Inc. In that role she provided strategic direction for high-tech accounts and helped in the formation of a \$400 million foundation focused on bridging the "digital divide."

As a special projects consultant with the Lance Armstrong Foundation, she developed the busi-

ness plan for an Austin, Tex., community center for cancer survivors. Sarah has also served as an Americorps volunteer and a reporter/researcher for the Congressional Quarterly.

She is a resident of Austin and a graduate of Trinity University in San Antonio. She holds a master's degree from the LBJ School of Public Affairs, University of Texas, Austin. Sarah has also completed language training at the Centro Linguistico Conversa, Intensive Spanish Institute, San Jose, Costa Rica.

Already in her time with the firm she has worked with several clients, including Boston College, the National Audubon Society, Regis University, Susquehanna University, the Boston Museum of Science, and Memorial Hermann Health Foundation in Texas. **M & L**



Sarah Williams

To learn more about Sarah Williams and other Marts & Lundy consultants, log on to www.martsandlundy.com.

Marts & Lundy New Client List

The following are clients new to Marts & Lundy since January 2003. For a complete list of the firm's current clients, visit our website at www.martsandlundy.com.

Counseling/Audits

Adelphi University, NY
Big Sur Land Trust, CA
C/O Districtwide Fundraising, CA
California Institute of Technology, CA
California State U – Hayward, CA
Carnegie Foundation for the Advancement of Teaching, CA
Chadwick School, CA
Chesapeake Academy, MD
Coalition for the Homeless, NY
Colgate Rochester Crozer Divinity School, NY
College of the Holy Cross, MA
Covenant House of California, CA
Crystal Springs Uplands School, CA
Dartmouth-Hitchcock Medical Center, NH

Elizabeth Hospice, CA
Fairleigh Dickinson University, NJ
Franciscan School of Theology, CA
Friends School, CO
Geelong Grammar School, Australia
Harvard Law School Alumni Center, MA
Hathaway Brown School, OH
Heights School, The, MD
Helen Woodward Animal Center, CA
Holland Hall School, OK
Island School, WA
Ithaca College, NY
JASON Foundation for Education, MA
LaGuardia Community College, NY
Lutheran School of Theology at Chicago, IL
Memorial Hermann Health Foundation, TX
Mid-Peninsula High School, CA
Montessori School of Maui, HI
Norfolk Academy, VA
Northern Arizona University, AZ
Oak Knoll School of the Holy Child, NJ
Oberlin College, OH
Old Trail School, OH

Patriot League, PA
Peck School, NJ
Peninsula School, CA
Princeton Day School, NJ
Prospect Sierra School, CA
Queens University, Ontario, Canada
Regis University, CO
San Diego State University, CA
San Francisco Zoological Society, CA
Scots College Foundation, Australia
Seattle University, WA
Sloan School of Management, MA
St. Matthew's Parish School, CA
Temple Karem Shalom, MA
Tennessee Golf Foundation, TN
Tufts University, MA
University at Albany, NY
University of Michigan Business School, MI
University of North Carolina at Chapel Hill, NC
University of Pennsylvania, PA
University of Rhode Island, RI
University of Utah, UT
Virginia Theological Seminary, VA
Wadsworth Atheneum Museum of Art, CT

Wheelock College, MA

Digital Solutions

Adelphi University, NY
Aspen Institute, DC
Baptist Bible College, PA
Bridgewater College, VA
California State University, Dominguez Hills, CA
Colby College, ME
College of New Jersey, NJ
Covenant House California, CA
Culver Academy, IN
Florida Philharmonic, FL
Fordham Preparatory School, NY
Franciscan University of Steubenville, OH
Golden Gate University, CA
Graceland University, IA
Hendrix College, AR
Holy Angels Academy, NY
Lutheran School of Theology at Chicago, IL
Marian College, IN
Memorial/JDCH Foundation, FL
Mount Aloysius College, PA
Mount Vernon Nazarene University, OH

Northeast Bank, FSB, ME
Peck School, NJ
Pennsylvania College of Optometry, PA
Polo Training Foundation, NY
Providence Health Foundation, MI
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Rodale Institute, PA
Saint John's Health Foundation, MI
San Francisco SPCA, CA
Seton Hall University, NJ
Simmons College, MA
St. John's Health Foundation, MI
St. Louis Priory School, MO
St. Mary Hospital Foundation (St. Mary Medical Center), CA
St. Olaf College, MN
Strybing Arboretum Society, CA
Tulane University, LA
University of Southern Colorado Foundation, CO
McGeorge School of Law (University of the Pacific), CA
Walker Home and School, MA
Wheeler School, RI
World Music Institute, NY
Youngstown State University, OH

Hail to Philanthropy! . . .

(continued from page 3)

Conclusion

America invented the term philanthropy and built a culture around it — a culture based on capitalism and democracy that can be tapped into by nonprofit institutions. Those organizations that have not developed a culture of philanthropy can learn its tenets and methods.

Can philanthropy, as we know it, work without capitalism or democracy? No. How important is the term philanthropy to the soul of America? At the risk of sounding overly dramatic, I would contend that it is as important as the Declaration of Independence. In fact, philanthropy in America is an outgrowth of the principle that “All persons are created equal.”

How might the term philanthropy evolve in the future? I equate philanthropy to a goddess, a member of the Pantheon — she would be dethroned before she could change. Philanthropy represents a spirit of doing good for humankind as a whole. It contains embedded within it the concepts of progress and enlightened self-interest for the benefit of all, and a clear distinction as something greater than charity. These aspects will not change,

nor will philanthropy’s symbol, the ladder.

What may change is philanthropy’s agenda. Carnegie’s vision for philanthropy persists, almost irresistibly. Nevertheless, social evolution happens. America is no longer viewed as a melting pot but a constellation of diverse communities. There has been a continual effort over the past 40 years for institutions to raise more money, while at the same time many more nonprofits have come into existence. These and other trends, from the coming “transfer of wealth” to the concept of “venture philanthropy,” will surely exert changes upon philanthropy’s agenda.

But philanthropy will continue to prosper. If one wished to speak biblically, one might say that philanthropy was created, became fruitful, and multiplied. I for one believe that is very good. Hail to philanthropy! **M & L**

Tim Weidmann, a senior consultant with Marts & Lundy, joined the firm in 2001 following 14 years as associate vice president of university development at Northwestern University. He can be reached at weidmann@martsandlundy.com.

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Fund-raising fundamentals don't change, but today the effective application of those fundamentals is specialized, diverse, and often complex. Marts & Lundy combines decades of experience with new ideas to meet these challenges and serve the full spectrum of nonprofit organizations.

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