

Philanthropy in Central Florida
What Every Concerned Citizen Should Know

Financial Luncheon Group
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Philanthropy
“The Love of Mankind”

Philanthropy
“The Art of Giving and the Art of Receiving”

Philanthropy
“The Allocation of Scarce Resources to Alleviate a Human Condition”

It is indeed an honor to be the annual philanthropy speaker for the Financial Luncheon Group. As a former Chair of the Financial Luncheon Group, I know the amount of time and effort it takes to develop the curriculum for both semesters of the Financial Luncheon Group. I want to recognize the University Club, its President - Elizabeth Brothers, and the Financial Luncheon Group and its Co-Chairs, Bob Crouse and Elizabeth Brothers, for this outstanding community service as well as the best darn lunch in Winter Park at any price.

There is an important lesson in this weekly financial education series — in fact the first lesson in life and in philanthropy. It lies in the history of the Financial Luncheon Group.

The Financial Luncheon Group was created two decades ago. Its purpose back then was to educate widows on their financial matters in a non-threatening and non-commercial manner. You see it is the women of this world who end up with most of the money. I am happy to see that the men's rights movement has taken hold here in Winter Park and at the University Club, to where men are now allowed to participate.

The lesson that is taught and learned at the Financial Luncheon Group is simply this:

You must first take care of yourself before you take care of others — you must make money before you can give it away; you must be in control of your schedule before you can give of your time to others.

This is the first lesson in life and of philanthropy. You practice that lesson every Wednesday here at the Financial Luncheon Group, and you should be applauded for including the topic of philanthropy in your examination, because Suze Oran, author of the best selling book The 9 Steps to Financial Freedom says that “True financial freedom can only be achieved when generosity towards others is a part of every breath you take.”

“Philanthropy in Center Florida: What Every Concerned Citizen Should Know” is a wonderfully broad topic from which I am able to draw upon my eighteen years of experience in philanthropy. Often people ask me, “What is it like to be the President of the Edyth Bush Charitable Foundation?” I have to tell you that it is a little like the Jimmy Stewart character, George Bailey, in the movie, It's a Wonderful Life. Through the work of the Edyth Bush Charitable Foundation and it's Board of Directors, together we play a leadership role in Central Florida, quietly making a difference in the lives of people and earning our reputation grant by grant. The foundation has a great professional staff; we have an outstanding Board of Directors; but our real bedrock was the work that two very able and ethical lawyers, David R. Roberts and H. Clifford Lee, who zealously represented their client Edyth Bush and her intention to create the Edyth Bush Charitable Foundation. David R. Roberts passed away earlier this year and is missed by all of us. Many of you know Cliff Lee, a long time member of the University Club. He is the Chairman of the Foundation and mentor to me and our entire staff! He is affectionately known around Florida as the Dean of Florida Philanthropy. In the remaining time that we have today, let me focus in on three topics of interest:

1. The breath and depth of the nonprofit sector in general, and some of the exciting things that are happening right here in Central Florida;
2. What you need to know about being an inspired yet careful donor; and

3. Some suggestions on how you can become more involved in the philanthropic activities of Central Florida.

THE BREATH AND DEPTH OF THE NONPROFIT SECTOR IN GENERAL, AND SOME OF THE EXCITING THINGS THAT ARE HAPPENING RIGHT HERE IN CENTRAL FLORIDA

The nonprofit sector is the collective name used to describe institutions or organizations in the American society that are neither government nor business. Other names often used include the nonprofit sector, the third sector, the independent sector, the philanthropic sector, the voluntary sector or the social sector. Outside the United States, nonprofits are also called non-governmental organizations (NGO) or civil society organizations. Let's have a little fun this afternoon — close your eyes! Think of your own favorite charity. Think of that good eleemosynary feeling of people being helpful with their time and money. Now think of your own favorite charity run by the government. It gets worse! Think of your own favorite charity run by a Fortune 500 company. Think about what corporate moguls have done to healthcare. Where will they stop? Nonprofit organizations provide the social goods and services that government or businesses cannot or will not provide. Businesses need markets. Governments need the will of the majority. It's a good thing that we have nonprofit organizations, because as we like to say in the foundation business, nonprofits succeed where governments and businesses fail.

The nonprofit sector is:

- 1.6 million nonprofits — only 600,000 charitable nonprofits
- 1 Trillion - "T" Trillion dollars in assets
- The annual revenues of nonprofits is \$500 Billion - "B" Billion. More than the gross domestic product of Brasil, Russia or Australia.
- 12.4% of the Nations GDP is generated by nonprofits
- 1 out of every 15 members of the labor force is employed in the nonprofit sector

In fact, Peter Drucker says "The third sector is actually the country's largest employer, though neither its workforce nor its output shows up in the statistics. One out of two adult Americans - a total of 90 million people are estimated to work as volunteers.. Who put in the equivalent of 7.5 million full-time workers."

Americans did not invent philanthropy but we surely perfected it! 1997 Reported figures:

\$150 Billion
Sources of Contributions

•	Individuals	\$134.84	77.3%
•	Corporations	\$ 8.97	5.6%
•	Bequests	\$ 13.62	9.8%
•	Foundations	\$ 17.09	7.8%

Uses of Contributions

•	Religion	\$76.06	43.6%
•	Education	\$24.56	14.1%
•	Health	\$16.89	9.7%
•	Human Services	\$16.08	9.2% (1988 11.9%)
•	Art & culture	<\$10.53	6.0%
•	Gifts Foundations	\$ 4.79	4.5%
•	Public Benefit	\$10.86	6.2%
•	Environment	\$ 5.25	3.0%
•	International	\$ 2.14	1.2%

Number of Nonprofits in Central Florida (4 Counties)

•	Total number charitable nonprofit orgs	2,005
•	Total number reporting to IRS	848
•	Arts & Cultural	69
•	Educational	114
•	Health	136
•	Human Services	298
•	Others	231

So if you thought your mailbox, voice mail, or e-mail were full of solicitations, you're right! If you have a feeling that you need a personal secretary to sometimes keep track of all those donor cocktail parties or galas, you're right! Central Florida's philanthropic tradition is being developed as we speak. Our nonprofit sector is relatively young. The grandmothers and grandfathers of nonprofit organizations are little more than a quarter century old. Many of our nonprofits are considerably younger. The anecdotal evidence, however, is overwhelming that we have a vital nonprofit sector.

Let me mention a few highlights involving our not-for-profit sector. In the past nine years, our United Way has gone from 12 million to \$19,410,000. I was congratulating John Lord, the President of NationsBank and Campaign Chair of Heart of Florida United Way (many of you know John as a local Winter Park banker made good), upon achieving the mark of \$19,400,000. He shot right back and said "Don't sell me short. \$19,410,000." It's good aggressive leadership that will move the United Way to be a \$25 and \$35 MM United Way within the next ten years.

United Arts' campaign to raise awareness and resources for the arts has grown to a campaign achieving a \$7 MM goal last year, a 20% increase. United Arts clearly proved to be a value added organization in its critical leadership involving the financial condition the Orlando Science Center. Our Science Center is one of the very best in the whole country. I hope you will invite the new President to speak to you about her vision! Remember! Pet Fair this weekend!

Our Community Foundation, one of the fastest growing in the country, has gone from zero

to \$30 MM in five years. It's the finalist for a major challenge grant from the Kresge Foundation of Troy, Michigan. This grant, if awarded, and I would be shocked if Orlando was not awarded the grant, will challenge our community to raise a total of \$10 MM to be added to the Community Foundation.

And what about the wonderful success of our Park Avenue neighbor to the south, that dear old Rollins College, has had with its campaign, *Rollins on the Move*. The campaign has already achieved \$100 MM; George Cornell, the foremost benefactor of Rollins College, has recently contributed an additional \$10 MM in memory of his wife; and the campaign still has two more years to go. The University of Central Florida will be going public with a capital campaign next year and I hope that it has an ambitious goal. And what about the Florida Performing Arts and Education Center for downtown Orlando. Where's all this money going to come from?

The Edyth Bush Charitable Foundation is seeking to expand the donor base in Central Florida through a major 1 MM dollar initiative, "New Philanthropy for the Millennium". This initiative seeks to challenge the Heart of Florida United Way, United Arts of Central Florida and the Community Foundation of Central Florida, to raise new or increased contributions from minority donors, young donors – donors under 40, and for a special initiatives selected separately by each of the three organizations. Why? The research tells us that the #1 reason why people don't give is because they are not asked.

It's not all about contributed income either! Ten nonprofits just completed an 18 month training and consultantship on making money the old fashion way – earning it! Nonprofit is a tax status, not a management style. If a nonprofit can earn income and be true to its mission and not violate the tax law, more power to them!

Finally, with all of this activity and excitement, the Edyth Bush Charitable Foundation along with other funders and Rollins College have created The Philanthropy and Nonprofit Leadership Center. The Philanthropy Center will be one of a handful of academic centers devoted to the study, research and application of best practices in nonprofit management and philanthropy. We are also waiting to hear from a national foundation on a very significant six figure gift to the center. This says a lot about a community that only 26 years ago was the sleepy citrus capital of Florida, a way station, so to speak, from the orange groves to your breakfast table.

The activity and creativity of the nonprofit sector here in Central Florida has attracted the attention of many national foundations. The Kellogg Foundation, the Mary Reynolds Babcock Foundation, the Kresge Foundation, the Robert R. McCormick Tribune Foundation, the Kauffman Foundation, and the Robert Wood Johnson have all made sizeable investments here in Central Florida over the past several years. Most recently the Dr. P. Phillips foundation under the leadership of Jim Hinson and Dr. Ann Manley aggressively sought a major commitment from the Robert Wood Johnson foundation, the nation's largest healthcare philanthropy, to help create a center for sexually and physically abused children. It's a dirty, little secret here in Central Florida that all is not perfect in the land of make believe. In a community where so many dreams come true for children throughout the country, we have children and families right here in Central Florida that are suffering.

WHAT YOU NEED TO KNOW ABOUT BEING AN INSPIRED YET CAREFUL DONOR

John D. Rockefeller said that giving should be entered into in just the same careful manner as investing. Giving is investing. Investing in a nonprofit is no different from investing in the stock market. You need a plan to define your charitable investment goals, you need to identify opportunities and you need to learn from your successes and failures. Renata J. Rafferty in her book, Don't Just Give It Away: How to Make the Most of Your Charitable Giving, talks about how substantial "charitable giving" is done quite casually. Much of it is heartfelt and there is nothing wrong with that. Go to your mailbox this afternoon and I'm sure you'll find a solicitation for animals, heart, cancer or children. And who can turn them down? Many philanthropic donations today range from less than \$100 to well over \$1 MM with very little attention to the real outcomes. If we think about the \$150 Billion in charitable contributions that Americans make each year, did the donors get their money's worth? To put it more personally, did **you** get your money's worth? And how would you know whether you did or whether you didn't?

Philanthropy is the art of giving and the art of receiving and it's hard to remember that God loves the joyful giver while so many nonprofits solicit you through the mail, through print and electronic media, and especially at dinnertime. We all have investment plans, we all have or have had plans for our children in their education, we plan for our weekend sports and recreational activities. Why don't we have a giving plan? I'm sure many of you had a discussion at your table this afternoon about the travel plans that you have for the future with the holidays soon upon us, but what about a giving plan? With our New Year's resolutions fast approaching, you might consider developing a giving plan for next year, for the year 2000.

A simple five-step giving plan might look something like this:

1. What do you hope to accomplish through your charitable giving and volunteerism? Remember, it's not only treasure, but talent. Take some time to discuss this idea with your spouse, your children, even write it down - commit it to paper. Look back on your childhood experiences. Who influenced your values and success? What institutions made a difference in your life or a difference in your community?
2. Figure out what amount of cash, marketable securities or marketable assets, along with your volunteer hours you wish to contribute. Many of your financial planners will soon be giving you the advice to be a little more charitable this year. You need the deduction.
3. How will your giving plan happen? Will it be with your heart or with your head? Your giving plan might call for many small gifts distributed to many different organizations or a small number of gifts concentrated to a few organizations. Your giving plan might call for putting all those mail solicitations in a file to be reviewed, quarterly. If they still have the same appeal at that time as they did when you first opened the envelope, maybe it is a good idea. Maybe it's not. Your giving plan could indicate that you will not make contributions to solicitations over the phone. Will you involve your spouse, family, children, friends?
4. How will you know you've made a difference? How will you evaluate the impact of the contribution you have made? Is a mere thank you enough? Would you like a brief letter from the Executive Director of the agency? Should you go visit the nonprofit organization?
5. How will you find the organization that's doing the kind of work that you hope to become involved with? And believe you me, if you can think of a cause, chances are that there's a charity to support it. Finding the groups to give to can be a great deal of fun.
 - How many people have a favorite charity? Raise your hands. That's a great

place to start.

- How many people sit on Boards of Directors of charitable nonprofit organizations in this community? Raise your hands. There's another great place to start. If your friends and neighbors and colleagues here at the Financial Luncheon Group are interested enough to sit on the Board of Directors of a local nonprofit organization, that would be a very important endorsement.
- How many people here are either the Chief Executive Officer or have a senior position in one of Central Florida's nonprofit organization. Why don't we have those people stand up. Now if these people had taken the time to come to the Financial Luncheon Group to take part in the activities at the University Club, that to me would be an important endorsement of nonprofits to look for.
- Other ways to find the right charity with the right fit maybe to ask someone in the business of philanthropy. Community Foundations are a great resource for identifying charities and promoting philanthropic interests. Grantmaking organizations, such as the Edyth Bush Charitable Foundation, the Dr. P. Phillips Foundation, and others, can also can be of assistance. Our United Way and United Arts can offer you some very specific recommendations on their member agencies. And the Philanthropy Center at Rollins College will soon be the foremost knowledgeable source in our local community's nonprofit sector, serving the needs of nonprofit organizations and donors.

SOME SUGGESTIONS ON HOW YOU CAN BECOME MORE INVOLVED IN THE PHILANTHROPIC ACTIVITIES OF CENTRAL FLORIDA

I know what you may be thinking. David, you've taken all the fun out of philanthropy. It really sounds like work. What difference can a few individuals with even modest contributions can make in a community with so many needs.

Philanthropy can be fun. There should be as much joy in giving as in receiving. Here's a few ideas you might want to try out next year in the year 2000, the beginning of our next millennium.

1. We have investment clubs, why not start a philanthropy club? Use these two books that I have mentioned as the basis for discussion, development of a giving plan, the evaluation of your charitable contributions.
2. Join in the annual campaign for United Arts or United Way or work with the Community Foundation. Wouldn't it be grand if we had all of the performing arts organizations in the United Arts present themselves to the University Club, to the Winter Park community, with the University Club being the catalyst?
3. Businesses are always seeking the attention of consumers. Governments are now having Government Awareness Day, what if someone wrote a grant to the Community Foundation or a local private foundation to increase the awareness of citizens in Central Florida about the work of the nonprofit sector. A Nonprofit Awareness Day? A Nonprofit Expo! In the Winter Park Civic Center. Or how about a bus trip for concerned citizens like yourself, or for business people, or for elected public officials, or for caring communities such as the various houses of worship; to go out and see first hand the dynamic nature of Central Florida's

nonprofit organizations and all the good that they do for so many. ... just some thought!

In conclusion if you only take away one thought about entire discussion today, let it be this:

- Do your giving — do your giving!
- and your planned giving
- when you're living
- so that you'll be knowing
- where it's going!!

God Bless! Happy Holidays!!