

The State of Philanthropy in our Community and in Florida

Tax Wise Giving Advisory Board, Rollins College

Winter Park, Florida

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Good Morning!

Thank you for the invitation and thank you for the advice and counsel you provide Rollins College---and does the President know your using her dining room? What if she stops by for a fruit medley, pastry, or a cup of Starbucks?

With our intimate surroundings, and familiar group I hope this is a conversation and dialog, not merely a speech and monologue. In the brief time we have I want to touch on three main points:

1. The State of Philanthropy in our Community, State, and Nation.
2. Changes that have occurred in Philanthropy since September 11th.
3. Increased Importance of Philanthropy in the 21st Century.

The State of Philanthropy in our Community, State, and Nation.

The State of Philanthropy in our community, state and nation is a ship that is sailing through the ‘perfect storm’ of economic downturn, corporate corruption, leadership scandals in business, government and nonprofits, and the long shadow of war---with the possible use of weapons of mass destruction. To borrow literary license, it is the best of times and it the worst of times. We have just gone through the halcyon days of philanthropy, with 20-30-50% or more returns only to see them vanish even more quickly than they came. And good thing that Rollins had good leadership, management and governance, and advisory boards to capture the philanthropic bounty that was to be had in the past 5 to 7 years.

Locally, institutional philanthropy has seen three years worth of asset declines, with the needs of a community and county escalating. Individuals, who give mostly out of income are lacking confidence to make the \$50,000 gift, are now slowly deliberating over gifts in the low five figures. Nonprofits that have become reliant upon foundation and corporate largesse are finding the big grant elusive, and are rediscovering the individual donor. But this is the second straight year of declines in charitable giving, 212 billion to 211 billion. The good news for this group and for the college is that gifts need to mature, and you hope that when they do the economy has turned the corner.

Nationally, Paul Schervish, now a Senior Fellow at the Indiana University Center on Philanthropy---who delighted the planned giving profession with his 1999 research

entitled “Millionaires and the Millennium: estimates on the intergenerational transfer of wealth, has just re-examined his research in the January 2003, The Gift Planning Journal. The 41 trillion dollar transfer of wealth continues to be realistic; 25 to the heirs, 8 trillion in estate taxes, 2 in estate fees, and 6 to charity.

Taxes will continue to be important impact on the size and timing of gifts, but the motivation to give is different. 89% of Americas give because it makes them feel good, with feeling of:

1. Happiness
2. Gratitude
3. Identification with others—school, church, communities
4. Hyper-agency---make an impact on others lives and communities
5. Aspiration---to care or meet the needs of others
6. Spiritual Secret of Wealth---recognize ones fortune and others misfortune

They are like charms on a charm bracelet, different for each person.

Changes that have occurred in Philanthropy since September 11th.

September 11th was a “tipping point “of economic and ethical decline. It represented for the power of democracy, the power of capitalism and the power of the human heart and all it frailties. People are more centered about what is important I their lives.

Planned gifts and major gifts need to be open to real estate, vacation homes, and insurance policies---that we’ve read about in the WSJ, undeveloped land, Jewelry, art, boats, planes, and trains! Noncash assets that don’t generate income---now. Rising all sorts of issues for this board and for the College

Increased Importance of Philanthropy in the 21st Century.

George Kirstein once said that apart form the ballot box, philanthropy represents the single most direct way an individuals can make a difference in their community. With our distrust in politics, philanthropy remains one of our only hopes for a better world.

Influences include woman philanthropist, less institutional, more nurturing, and less inclined to acquiesce to attorneys, and accountants of the husband...Jessie Dray local example.

1% of all Americans are sitting on 30% of the wealth---the wealthy will need to be more philanthropic or Americans and the Government will not stand for it.

Philanthropy is more complex...simple 22 years ago...today, donor advised funds, venture philanthropist, social entrepreneurship, social venture partners,

Therefore, what is a tax advisory board to do?

Focus on the individuals who have a relationship to you and the college. Diversify the requests---non income producing assets.

Cultivate new relationships...keep working the annual fund and gifts---the annual fund donor of today is the planned gift of tomorrow. Have a strategy for cultivating and engaging, Baldwin Park, Windsong, Country Club, Lake Nona, and new resident campaign—they become planned gifts

Build awareness of the college.

Persevere!

Or as Randy Jone, Publish of WORTH magazine said about philanthropy and charitable giving...LOVE YOUR PASSION (for this college and community). But watch your ASSETS!!

THANK YOU.