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**FACE TO FACE: A CONVERSATION WITH . . .
JOANNE CHESTER BANDER
SOUTH FLORIDA EXPERT DISCUSSES CHARITABLE GIVING IN SLOW ECONOMY AND
POST-SEPT. 11 WORLD**

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INTERVIEW PROFILE JO ANNE CHESTER BANDER

Q&A

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Q. It's a brand new year, the resolutions have been made. What's the outlook for philanthropy in the coming year?

A. Challenging, I think, on several levels. Part of the challenge is the relationship between the needs and the donor community. The second level is the unknown, but not looking wonderful, corporate scene. There's a much higher unemployment rate as we begin the new year than what it has been in a long time. What does that mean for collections for the United Ways, which would have a significant aspect on philanthropy in this community, particularly in addressing human service needs?

Q. Well, we're starting the new year with a recession. What's the impact of a lackluster economy, and how do you think it will play out for corporate donors?

A. I think the impact will be a great deal of reluctance from companies to make significant commitments. What you're going to see is a holding back. Most corporations lock in their philanthropy budget sometime between August and the end of the year. They're locking in at lower levels pretty much across the board. There could be exceptions to that, but certainly not in an expansion.

Q. Are there alternatives to grants from corporate foundations? Could other private foundations pick up the slack?

A. No, not in a significant way, because individual donors, private foundations and corporations all have different giving styles. I think there is some possibility, but I don't know yet. It's too early to tell.

I think the answer overall is that we don't know yet. We're in untested times.

I would like to feel that foundations will choose to be more long-term and strategic in their thinking, to take time to

step back and say is this the moment to do what we've done and fund innovation, or is this the time that we should go back to what feels more like core operating support to those institutions that day-in and day-out deliver against the kinds of needs that are perhaps different than those of a year and a half ago.

Q. Are there any encouraging signs that the gap between private foundation largesse and struggling human service programs might soon close?

A. There's going to be a gap. The reality is that foundation grants will never be the equivalent of federal and state money for direct services. They were never intended to be, and they're never going to be. The issue becomes how you leverage what you're doing in private grant making to assure that there is a connection to those bigger streams [of government money].

We are starting this year to work with our members, by their choice, in learning how they, as private foundations and corporate givers, can be more strategic in writing grants that they give to help those agencies access increased government funds.

Q. What has been the pattern of giving in South Florida?

A. I'll focus on private foundations and in South Florida those private foundations are predominantly family foundations. There are some that are large that have passed through a family and are now independently operated, like the John S. and James L. Knight Foundation or the MacArthur Foundation.

When you get past those, you're talking at some level about individuals and their passions and interests. Our own study in South Florida Gives shows a much higher percentage of foundation grants go to organized religion here than in other parts of the country. Now why is that? It's because some foundations have that as their focus.

What you have in Palm Beach with the Arthur De Moss Foundation, its whole focus is religion, and it's huge. They gave out roughly \$104 million last year. In Broward County, you have the family of Festus Stacy. The focus of that foundation is religion; a high percentage [of donations] goes offshore and it is focused on evangelical mission work. That's what the parents wanted and that is what the family is perpetuating. Those are examples of why the religious giving is so high.

Now, [the donations to] human services is lower. Some of that is because so much is going toward religion. Education and human services aren't way out of line with national statistics, but they aren't as high as we would like to see in terms of where the gaps lie in the community. When I say "we," I mean we as a civil society, respecting that it is a world of individual choice -- of donor choice -- but at the same time our communities are seeing a lot of disenfranchised, immigrants and now an increasing number of unemployed.

It's challenging. On the private foundation side, we all have to understand that this money was earned by people, and it didn't come out of the air. They have the right to choose the strategic direction [for donations]. The challenge is how to engage them with the deepest needs of the community.

Q. Is the hope that new foundations will come on line to take on new challenges, or is the solution in somehow changing the patterns of giving in those existing foundations?

A. It's a little of both. Remember, there's always opportunity, no matter what the mission statement says, because the interpretation is always in the hands of those who administer it.

I'll give you an example. The Jessie Ball duPont Fund, which is at \$400 million out of Jacksonville. The way that foundation was created was that it can only give to the institutions that Jessie DuPont funded. The fund has been very creative in connecting to community needs and changing trends in communities. The fact that the University of Miami is involved as a recipient does not necessarily mean that it is going to endow a chair; it could go toward a community health clinic run by the nursing school.

Q. Sept. 11 seems to have produced a mixed bag. One hand, we've seen a tremendous outpouring of giving to the victims of New York and to a lesser degree in Washington, D.C., and Pennsylvania. On the other hand, it's come at the expense of local needs

A. Are we seeing that or just hearing that?

Q. Well -- that's a good question. What's the reality?

A. Here's my sense. Yes, there was an outpouring from individuals whose heartstrings were touched. Many of them were not traditional donors, and that's an opportunity for discussion that I want to come back to.

Many of the foundations did make grants. But, very honestly, from what I saw from local foundation giving, it wasn't huge. The large multinational corporations did give huge amounts in response. There could be some impact there.

I don't honestly think that the issue is the money that was given on Sept. 11. I think the issues are the downturn in South Florida, the increased human needs, the escalating unemployment and the tourism spinoffs, and the fact that people who have been coming out for United Way campaigns, or have been traditional donors, aren't feeling so economically secure.

I want to come back to heartstrings being tugged. There is an increased consciousness of community, which cuts across age, economic, gender and racial lines. I came of age in the '50s. I graduated high school in 1961; Kennedy was elected president in the fall of my senior year and that shaped my future. I got that call to service. I majored in political science and I went off to Washington to work because I had been called. Well, I think there is that opportunity again, but it requires leadership, not just at the national level, but at the community level.

Q. That's a good segue to my next question. What lessons were learned from the American Red Cross Liberty Fund controversy?

A. I happen to think that part of the reaction shows how much education needs to be done about the nonprofit sector. You can't give away money to victims of disaster if you don't have staff, if you don't have space, if you don't have computers, if you don't have systems and if you don't have experience. Why could the American Red Cross, the United Way and New York Community Trust jump in immediately and create a mechanism for gifts to come? Why? Because it's their business. They have to have been there to be healthy and strong, to be prepared for an emergency before Sept. 11 to be able to jump in on Sept. 11.

This anger against using money that is needed to administer the process is a very naive anger, and it comes from people who really don't understand that a nonprofit is a business for the public good. They don't expect a corporation not to have operating expenses, do they?

I had to get that out. That's my mantra, but it's really sad because it is a turnoff to people who were aroused to write a check who don't normally do that.

There is real wrath out there, and I don't know how one overcomes it except by education. I think there's an opportunity for nonprofits to have conversations with their donors, with their leaders in their communities. Begin to explain better. Do we really want the Red Cross not to have reserves? What about the next disaster?

Q. Are there changes agencies that rely on donor funding can make to put them in a better position to either attract or retain funding?

A. Let me correct one thing: the concept of relying on foundations. Most foundations are driven by issues and they don't want any one agency over time depending on them. That's a United Way function.

Now where's the exception to that? There are many foundations, particularly among the newer ones, where that foundation represents the family's charitable checkbook. They have institutions that they are interested in. They give to the institutions they know, where their friends are.

No one has to give money away. The challenge is how do you connect with that person and get them to the point of passion.

Q. Palm Beach County traditionally leads the area in the number of private foundations. Is this the region's bellwether county we should watch to see how the year progresses for philanthropy?

A. I think this year is too soon. The real money that connects is the money that is made right here. What's coming into Palm Beach County from those moving into the area later in life, if we're really lucky some of that money will come out in South Florida.

I think the real opportunity will come from those individuals already making the money, who are now in their 50s, 60s, and 70s and who realize that their money came out of this community and it's time to plan to give back in perpetuity. It's working with those families, and it's happening.

Q. Given the amount of wealth here, it sounds like there is reason to be optimistic about South Florida philanthropy in the long-term.

A. I'm optimistic, but that doesn't mean there won't be pain in the short run. There is a lot of education to do.

We have a philanthropy promotion project. We're working with Hispanic businesses, which are family businesses and that's where philanthropy comes from, family businesses. We just did some surveys to see what was happening inside some of these companies, and we're beginning to see some movement toward creating foundations, a little more connected giving, a little more being thought about in terms of percentage of revenue and profits just the very beginning of that.

In Miami-Dade County, I'm optimistic that within 10 years, maybe five but more likely 10, you'll see family foundations with Hispanic names in increasing numbers because real money is being made here and these are generous people.

What you're seeing in Palm Beach County is very wealthy Latin Americans jump over Dade and move into Palm Beach and bring their money with them. But, they are like the others in that their money is made elsewhere, and the real money that helps communities is made in those communities.

Interviewed by Editorial Writer Douglas C. Lyons

Caption:

Staff photos/Susan Stocker

JoAnne Chester Bander is president of the Donors Forum.

BOX: BACKGROUND

Jo Anne Chester Bander is the executive director of the Donors Forum of South Florida, a nonprofit organization.

The Donors Forum recently released South Florida Gives, a study of the region's charitable giving habits. The current study found that South Florida taxpayers gave an average of \$4,000, 15 percent above the national average, and that South Florida is home to 1,225 foundations, holding \$1.5 billion in assets.

PHOTOS 2

Memo:

Informational box at end of text.

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