EXECUTIVE SUMMARY

The Donors Forum of Wisconsin (DFW) is proud to present this premier report on Wisconsin giving. The 2014 Wisconsin Gives Report provides a detailed look at charitable giving in Wisconsin and the United States.

The purpose of this publication is to deepen the public’s understanding of Wisconsin philanthropy by capturing trends in giving while framing the vast scope of the philanthropic community. Collecting and disseminating relevant information on the sector is an ongoing process and DFW strives to provide our members and community leadership with effective informational resources and tools for their respective needs.

Our vision for this report is to create a dynamic, updated knowledge base of current and detailed information on national, regional and local foundations. Through this research, we have produced a report that strengthens Wisconsin grantmakers’ abilities to tell their stories, highlights the impact of the grantmaking community, and accurately depicts the scope, diversity, and depth of Wisconsin philanthropy.

KEY FINDINGS

♦ Overall U.S. giving increased 4.4% in 2013. However, giving to foundations declined 15.5% in the same year.

♦ Looking at the Midwest, Wisconsin grants a higher percent of total assets than Michigan, Minnesota, Iowa, and Ohio; however, Wisconsin lags behind Indiana and Illinois.

♦ Social media fundraising now accounts for 6.4% of all giving.

♦ It is estimated that the baby boomer cohort will control as much as 70% of American disposable income by 2017.

♦ There is a strong correlation between changes in total giving and values on the Standard & Poor’s 500 Index (i.e. when the market is up, giving increases).

♦ The marketplace for impact investing is expected to reach one trillion dollars by 2020.

♦ Two particularly important public policy issues relate to tax reform and government-nonprofit contracting.

♦ The majority of nonprofit leaders reported that they could use foundations’ help in meeting their organization’s demand for services and programs, improving technology, and supporting the development of their leadership skills.

TABLE OF CONTENTS

1 Introduction

2-3 National Giving Trends

4-5 Social Innovation

6 Midwest Giving Statistics

7 Regional Giving Trends & Statistics

8-9 Corporate Foundation Giving

10-11 Corporate Giving Programs

12-13 Community Foundation Giving

14-15 Family Foundation Giving

16 Independent & Operating Foundation Giving

17 Donor-Advised Fund Giving

18-19 Individual Giving

20-21 Nonprofit Sector Overview

22-23 Impact Investing

24 Nonprofit Sector Policy

25 About Donors Forum of Wisconsin
PLEASE HELP US WELCOME THE FOLLOWING 2014 NEW DFW MEMBERS:

- Corporate Giving Program Members:
  - The Northern Trust Company
  - UW Health
  - Potawatomi Hotel & Casino
- Community Foundation Member:
  - Madison Community Foundation
- Family Foundation Members:
  - Prairies Springs: The Paul Fleckenstein Trust
  - R.A. Stevens Family Foundation
- Independent Foundation Member:
  - Brightstar Wisconsin Foundation
- Operating Foundation Member:
  - Brookhill Institute of Mathematics
- Donor-Advised Fund Member:
  - Cindy Tang Charitable Trust
- Supporting Organization Member:
  - Wisconsin Community Health Fund, Inc.

Look inside this report for featured articles on Social Innovation and Impact Investing

**Social Innovation** is a novel solution to a social problem that is more effective, efficient, sustainable, or just than present solutions for which the value created accrues primarily to society as a whole rather than private individuals.

Social innovation is the belief that no single sector—business, education, philanthropy or government—has the capacity to solve society’s most pressing problems.

Refer to pages 4-5 to read more on Social Innovation at work in Wisconsin. Two Wisconsin nonprofits are engaging in exciting entrepreneurial social enterprises. Riverview Gardens in the heart of the Fox Valley flipped a bankrupt private golf course into a “financially self-sustaining job training program for people in need using urban farming in a park-like setting” and a collaborative effort between Harbor House and Christine Ann Domestic Abuse Services is underway to create a program to break the cycle of domestic violence.

**Impact Investing** is the practice of investing assets to achieve both social and financial returns. Also called social investing or mission investing, this practice can include many different types of investment strategies, from investing in socially responsible companies, to social venture capital, community investing, or even simply screening investment portfolios with an eye toward mission.

The impact investment industry will continue to grow as more foundations, family offices, high-net-worth individuals, and for-profit organizations make impact investments.

Refer to pages 22-23 to read more on Impact Investing and why the Community Foundation for the Fox Valley Region provided a $5 million impact investment in support of the proposed Fox Cities Exhibition Center.
All signs point to continued ambiguity in the U.S. economy for at least another few years. Strong stock market performance has boosted the assets of many foundations and will undoubtedly encourage more individuals to create foundations. But some endowments are still recovering from the Great Recession, and not all foundations have achieved the rates of return suggested by market averages. Nonetheless, overall giving by the nation’s private and community foundations reached $54.7 billion in 2013, surpassing previous record levels even after adjusting for inflation.


According to the Foundation Center’s annual Foundation Giving Forecast Survey, overall foundation giving will continue to grow a few points ahead of inflation in 2014. Independent and family foundations will likely show an even higher rate of growth.

The stock market is an indicator of financial and economic security; corporations are more likely to give when the stock market is up.

Source: Giving USA 2014, Giving USA Foundation™

Giving to foundations is typically volatile from year to year, reflecting both the economic climate and contributions of exceptionally large gifts by both living donors and estates.

Source: Giving USA 2014, Giving USA Foundation™

### TOP 10 NATIONAL FOUNDATIONS AWARDED GRANTS TO RECIPIENTS IN WISCONSIN

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Grants Paid to WI (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tosa Foundation</td>
<td>$17.3</td>
</tr>
<tr>
<td>The Robert Wood Johnson Foundation</td>
<td>$7.0</td>
</tr>
<tr>
<td>Walton Family Foundation, Inc.</td>
<td>$5.3</td>
</tr>
<tr>
<td>The Joyce Foundation</td>
<td>$4.2</td>
</tr>
<tr>
<td>The Wal-Mart Foundation, Inc.</td>
<td>$3.8</td>
</tr>
<tr>
<td>Otto Bremer Foundation</td>
<td>$3.2</td>
</tr>
<tr>
<td>Ford Foundation</td>
<td>$2.9</td>
</tr>
<tr>
<td>The Valhalla Charitable Foundation</td>
<td>$2.0</td>
</tr>
<tr>
<td>Bill &amp; Melinda Gates Foundation</td>
<td>$1.8</td>
</tr>
<tr>
<td>The Andrew W. Mellon Foundation</td>
<td>$1.7</td>
</tr>
</tbody>
</table>

Source: Foundation Center, 2012 Data

The stock market is an indicator of financial and economic security; corporations are more likely to give when the stock market is up.

Source: Giving USA 2014, Giving USA Foundation™

Giving to foundations is typically volatile from year to year, reflecting both the economic climate and contributions of exceptionally large gifts by both living donors and estates.

Source: Giving USA 2014, Giving USA Foundation™

### SMARTER PHILANTHROPY FOR GREATER IMPACT

Growing impact is less about growing the size of a program or organization than it is about leveraging resources and relationships to achieve better results. According to the Grantmakers for Effective Organizations, there are four pathways in which an organization can grow impact:

1. Program
2. Idea or Innovation
3. Technology or Skill
4. Policy

A program approach increases the reach of a program that research has shown to be effective. The idea or innovation pathway spreads a new way of thinking or a new solution to a problem to different contexts or places. Utilizing technology or skill as a pathway for growing impact involves increasing the number of people who have a skill or a number of organizations that use a technology, practice, or approach. A policy approach ensures that ideas expressed as policy are transformed into behavior throughout a place or jurisdiction.

No matter which approach is used, the same four fundamental grantmaker practices are crucial. First, grantmakers can make available flexible funding in appropriate amounts over the long term. Second, grantmakers can help build a nonprofit’s capacity by investing in its data collection and performance management systems. Third, grantmakers can invest in capacity building and leadership development. Lastly, grantmakers can consider supporting movements as well as organizations.


Giving to education is estimated to have increased by 8.9% to $52.7 billion.

Alumni giving is important; however, gifts from non-alumni generate more than 18% of giving to higher education.

STEM—science, technology, engineering, and math - has become a focus for funds with some foundations and corporations focusing almost exclusively on STEM.

Source: Giving USA 2014, Giving USA Foundation™

Giving by foundations, the largest contributor to higher education, also showed a strong increase in 2013 (9.3%, an increase of $850 million).

Source: Giving USA 2014, Giving USA Foundation™
WISCONSIN’S EMERGING SOCIAL INNOVATION ECOSYSTEM

Described as a field dedicated to solving social problems, Social Innovation (SI) is growing statewide. This comes as no surprise to fans of SI who’ve watched largely coastal ecosystems raise up social entrepreneurs – the actors in the field of SI – to implement novel, impactful models of enterprise.

These models, often called social enterprises, break from conventional charity or business and represent a “blurring of the sectors” because of their double-bottom-line approach. It starts with a social entrepreneur digging down to a root cause of a persistent social problem. Then they design an innovative, sustainable solution-model that drives positive systemic change. The benefit or value of their work – the result of their social enterprise – accrues not to the individual entrepreneur, as is the case with laudable private value capture via conventional business models, but to society. “Social + entrepreneurship.”

For social entrepreneurs it’s the preeminence of the second-bottom-line – such as reducing recidivism among ex-offenders, eliminating barriers to accessing generation-changing education, or solving a negative environmental problem – that drives the need to figure out a sustainable first-bottom-line. “Financial success = greater social impact.”

As a leading figure notes, SI is not just teaching a man to fish, it’s building new fishing industries.

What are the contributing factors to SI’s growth? Many, but to name a few: the replication of successful models (Appleton’s Riverview Gardens, the largest social enterprise in NE Wisconsin, was inspired in part by Milwaukee’s Growing Power); a significant surge in interest among college-age students (national gatherings of schools using SI in community engagement, service learning and scholarships, such as the Changemaker Campus consortium, are doubling in size every few years, drawing representatives from hundreds of colleges and dozens of countries); the robust growth of affinity groups among practitioners and funders/investors (Ashoka, Skoll World Forum, Social Enterprise Alliance, program, mission, and impact related investment networks); and a jump in national media coverage (Forbes, Wall Street Journal, and New York Times, among others).

Additionally, there seems to be a widespread belief that no single sector – business, education, philanthropy or government – has the capacity to solve society’s most pressing problems. Each plays an important role; often there’s interdependence underlying sustainable solutions. And, given the proliferation of successful sector-blurring, boundary-spanning models, it’s understandable that Wisconsin’s emerging SI ecosystem is growing in line with the appetite for cross-sector solutions.

For example, consider the cross-sector solution-model Riverview Gardens, located in the heart of the Fox Valley’s growing SI ecosystem. It flipped a bankrupt private golf course into “a financially self-sustaining job-training program for people in need using urban farming in a park-like setting.” It’s one of several social enterprises with layers of social value, spun out of an executive education program called the Social Innovation Leadership Experience (SILE). Thanks in large part to the leadership of its co-founders J. J. Keller Foundation and the U. S. Venture Fund for Basic Needs (with collaborations from Green Bay, Fox Valley and Oshkosh), SILE is benefiting a third cohort of executives and accounts for multiple social enterprises. As one executive summarized after weighing how SI had changed his worldview and organizational leadership, “I could no longer treat ‘em and street ‘em.” Challenged by unacceptably high recidivism, he confronted failed systems, leaving them behind to pursue a solutions-minded approach that meant he’d be trying to work himself out of a job.

For those interested in growing Wisconsin’s SI ecosystem, here’s wisdom gleaned from practitioners and researchers in the field. SI embraces a kind of intellectual honesty in the head and moral courage of the heart: a mindshift that pivots away from the view that success is owning market share of a social problem, and a humble self-resilience that fuels a no-quit persistence when the inevitable failures occur (and support is scarce). That said, it’s a good bet that Wisconsin’s boot-strapping, problem-solving DNA will contribute to a robust SI ecosystem with numerous successful models positively impacting thousands of lives.

“Design an innovative, sustainable solution-model that drives positive systemic change”

Are you in?!
SOCIAL INNOVATION AT WORK IN WISCONSIN TO BREAK THE CYCLE OF DOMESTIC VIOLENCE

By: Christine Ann Domestic Abuse Services, Inc. and Harbor House

Imagine for a moment you don’t have a car in the parking lot today. How would you have gotten to work? How long would it have taken you? Did you have to drop your kids off someplace first? Do you have to go someplace after you leave work today? What’s the best way to get there?

Now imagine you do have a car in the parking lot. But the car you have may not start when you leave for the day, and you have 20 minutes before you have to pick up your kids. Or you have a job interview and a car that won’t start. The repair shop said it would be a $500 fix so you pieced your car together hoping it would get you through a few more days, weeks or if you’re lucky, months.

This collaboration between Christine Ann and Harbor House is called Driven to Empower. *Raising women up, showing their true worth, increasing their confidence.*

The idea for Driven to Empower came as a result of these scenarios. At these organizations, women are served every day who are unable to maintain jobs or even get to the first interview because they don’t have a reliable vehicle. If she’s lucky enough that she could take the bus, it will take her close to two hours just to drop her kids off and get to work on time.

Now imagine she is enrolled in the automotive repair program at Fox Valley Technical College; a new career opportunity is now open to her. Now imagine she has the opportunity to take her car to an auto repair shop that she can afford, and she can trust that her car will be fixed at a reasonable rate. Now imagine that one day she is working in that shop, fixing cars for others who are in her former situation. In these last few minutes we have transformed a woman with little hope of getting her family out of poverty and possibly considering going back to her abusive partner, to someone who has learned a trade and obtained sustainable employment.

The added bonus is that the community also benefits from an auto repair shop that provides affordable services to all. Families in shelters need affordable car repairs; the working poor need affordable car repairs. Those that can afford the full fee for services are helping those who cannot. *As a true community effort, we rise by lifting others.*

80-90% of clients have transportation issues. 70% of clients don’t have a car because of maintenance costs.
“How wonderful that no one need wait a single moment to improve the world.”

- Anne Frank
### Member Spotlight

**The Alliant Energy Foundation** works to improve the lives of people in the communities that Alliant Energy serves.

The Alliant Energy Foundation focuses on being a catalyst to meet human needs, bolster youth development, support volunteer efforts and encourage environmental stewardship, among many worthy endeavors.

Through partnerships with nonprofits such as Second Harvest, the Boys and Girls Clubs, Habitat for Humanity and Junior Achievement, Alliant Energy Foundation has a real impact and multiply results on the ground.

The Alliant Energy Foundation and Alliant Energy have given more than $43 million to community efforts since the Foundation’s inception.

The Alliant Energy Foundation is a philanthropic organization created by Alliant Energy Corporation and is operated as a separate entity led by its own board of directors. The Foundation is funded solely by Alliant Energy shareowners, and its expenses and programs are not included in rates charged to utility customers.

To learn more about the Alliant Energy Foundation, visit: [alliantenergy.com/foundation](http://alliantenergy.com/foundation)

---

### Top 10 Wisconsin Counties by Grants Paid

<table>
<thead>
<tr>
<th>Counties</th>
<th>Total Foundations</th>
<th>Total Grants Paid</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milwaukee</td>
<td>301</td>
<td>$234,059,729</td>
<td>$3,022,159,202</td>
</tr>
<tr>
<td>Waukesha</td>
<td>115</td>
<td>$55,768,088</td>
<td>$1,141,402,858</td>
</tr>
<tr>
<td>Dane</td>
<td>140</td>
<td>$44,450,475</td>
<td>$676,491,905</td>
</tr>
<tr>
<td>Outagamie</td>
<td>31</td>
<td>$36,119,949</td>
<td>$389,167,954</td>
</tr>
<tr>
<td>Brown</td>
<td>80</td>
<td>$19,824,144</td>
<td>$339,241,835</td>
</tr>
<tr>
<td>La Crosse</td>
<td>29</td>
<td>$18,593,188</td>
<td>$144,252,481</td>
</tr>
<tr>
<td>Rock</td>
<td>31</td>
<td>$13,061,575</td>
<td>$166,325,761</td>
</tr>
<tr>
<td>Sheboygan</td>
<td>43</td>
<td>$12,081,011</td>
<td>$262,726,808</td>
</tr>
<tr>
<td>Winnebago</td>
<td>27</td>
<td>$11,185,670</td>
<td>$220,825,028</td>
</tr>
<tr>
<td>Racine</td>
<td>27</td>
<td>$9,905,309</td>
<td>$113,396,015</td>
</tr>
</tbody>
</table>

---

Source: Foundation Information Center
A Corporate Foundation is a private foundation that derives its grantmaking funds primarily from the contributions of a profit-making business.

The company-sponsored foundation often maintains close ties with the donor company, but it is a legally separate organization, sometimes with its own endowment, and is subject to the same rules and regulations as other private foundations.

### TOP 10 WISCONSIN CORPORATE FOUNDATIONS BY GRANTS PAID, 2012 (IN MILLIONS)

<table>
<thead>
<tr>
<th>Foundation Name</th>
<th>Grants Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwestern Mutual Foundation</td>
<td>$16.5</td>
</tr>
<tr>
<td>Thrivent Financial for Lutherans Foundation</td>
<td>$15.0</td>
</tr>
<tr>
<td>Johnson Controls Foundation, Inc.</td>
<td>$8.0</td>
</tr>
<tr>
<td>Wisconsin Energy Corporation Foundation</td>
<td>$7.8</td>
</tr>
<tr>
<td>SC Johnson Fund, Inc.</td>
<td>$7.1</td>
</tr>
<tr>
<td>Rockwell Automation Charitable Corp.</td>
<td>$5.0</td>
</tr>
<tr>
<td>Windhover Foundation, Inc.</td>
<td>$4.8</td>
</tr>
<tr>
<td>Sentry Insurance Foundation, Inc.</td>
<td>$3.3</td>
</tr>
<tr>
<td>Alliant Energy Foundation, Inc.</td>
<td>$3.2</td>
</tr>
<tr>
<td>Bemis Company Foundation</td>
<td>$2.7</td>
</tr>
</tbody>
</table>

Source: Foundation Center

Corporations’ headquarters and foundations are integral in giving decisions. Corporations are more likely to give to nonprofits with U.S. ties.

Source: Giving USA 2014, Giving USA Foundation™

In 2013, the U.S. Gross Domestic Product (GDP) increased 3.4% year over year compared to 2012. Corporate pretax profits also rose 3.4%. The rates of change for these economic factors were much lower in 2013 than in 2012, causing corporate giving to fall.

**REASONS CITED BY CORPORATE FUNDERS FOR CHANGING GIVING LEVELS:**

- Improved business performance and projections
- One time strategic societal investments – launching a new societal initiative or building a new nonprofit relationship
- Increased non-cash giving – 50% offer pro-bono services
- Companies that decreased giving from 2012 to 2013 cited stagnating sales as a main reason for lower giving levels.

When dividing total giving by source in five-year spans, giving by corporations has remained relatively consistent over the last four decades. However, giving by foundations has steadily increased.

Source: Giving USA 2014, Giving USA Foundation™
“Creating a strong business and building a better world are not conflicting goals—they are both essential ingredients for long-term success.”
- William Clay Ford, Jr.

The Harley-Davidson Foundation’s mission is to meet the basic needs of the communities they work in, improve the lives of their stakeholders, and encourage social responsibility. The foundation pursues partnerships with charitable organizations that help Harley-Davidson invest in education, health, and the environment.

The Harley-Davidson Foundation partners with community-based organizations, like Habitat for Humanity, Hunger Task Force/The Farm, Boys and Girls Clubs, and YMCA/Black Achievers Program and Black College Tour. These partnerships not only promote diversity, but also make a lasting impression on the future.

To learn more, visit: www.harley-davidson.com

Mary Anne Martiny helped establish The Harley-Davidson Foundation in 1991. In addition to her role at The Harley-Davidson Foundation, she’s been leading the Diversity Council and Employee Resource Groups at Harley-Davidson since 2013 and is currently the DFW Board Chair. Mary Anne has served on the Board of Directors for Donors Forum of Wisconsin since 2008.
A **Corporate Giving Program** is a grantmaking program established and administered within a profit-making company. Gifts or grants go directly to charitable organizations from the corporation.

Corporate giving programs do not have a separate endowment; their expense is planned as part of the company’s annual budgeting process and usually is funded with pre-tax income. Because it is a separate organization, a corporate foundation is typically a more flexible charitable vehicle than a corporate giving program.

---

### INDUSTRY BREAKDOWN OF TOTAL GIVING BY FUNDING TYPE, 2012

<table>
<thead>
<tr>
<th>Industry</th>
<th>Foundation Cash</th>
<th>Direct Cash</th>
<th>Non-Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Companies</td>
<td>18%</td>
<td>47%</td>
<td>35%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>23%</td>
<td>44%</td>
<td>33%</td>
</tr>
<tr>
<td>Service</td>
<td>14%</td>
<td>49%</td>
<td>37%</td>
</tr>
<tr>
<td>Utilities</td>
<td>4%</td>
<td>61%</td>
<td>35%</td>
</tr>
<tr>
<td>Materials</td>
<td>4%</td>
<td>48%</td>
<td>48%</td>
</tr>
<tr>
<td>Information Tech.</td>
<td>8%</td>
<td>45%</td>
<td>50%</td>
</tr>
<tr>
<td>Industrials</td>
<td>22%</td>
<td>42%</td>
<td>38%</td>
</tr>
<tr>
<td>Health Care</td>
<td>8%</td>
<td>49%</td>
<td>48%</td>
</tr>
<tr>
<td>Financials</td>
<td>3%</td>
<td>78%</td>
<td>36%</td>
</tr>
<tr>
<td>Energy</td>
<td>9%</td>
<td>36%</td>
<td>43%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>3%</td>
<td>13%</td>
<td>24%</td>
</tr>
<tr>
<td>Consumer Discret.</td>
<td>3%</td>
<td>21%</td>
<td>21%</td>
</tr>
</tbody>
</table>


---

### GIVING INCREASED SINCE 2007, DESPITE SLOW ECONOMIC RECOVERY

Business performance has gradually recovered since the global recession began, but in 2012 companies did not earn as much as they did in 2007. Despite the slow upturn, 59% of companies have increased overall giving from 2007 to 2012. The largest increase in total giving came between 2009 and 2010, as revenues and profits began to pick up for the majority of companies. In aggregate, giving increased by 42% ($4.48 billion) from 2007 to 2012.

### NON-CASH GIVING DEFINED POST-RECESSION GIVING ERA

With declining revenues in 2008 and 2009, companies tightened cash budgets and began exploring new ways to invest in communities strategically with non-cash resources such as medicine, merchandise, or professional volunteer services. Non-cash giving accounted for more than 95% of the total aggregate giving increase from 2007 to 2012, as companies provided robust product and pro bono commitments to community partners. Companies cited increased non-cash offerings as a main reason for giving increases from 2011 to 2012.

“Effective philanthropy requires a lot of time and creativity—the same kind of focus and skills that building a business requires.”
- Bill Gates

Most corporations give in geographically dispersed ways. Corporate giving is mostly influenced by a community’s need. Corporations generally favor education and disaster relief, but give broadly.

Disaster giving data collected by the Indiana University Lilly Family School of Philanthropy reveals that gifts by corporations made directly to overseas organizations serving international recipients (compared with US-based organizations), have become more prominent in recent years for disaster relief efforts outside the United States. Corporate donors are more likely to contribute directly to overseas disaster relief and human services organizations than in past years. While the companies reported gauging their disaster response by a number of factors, the overall scale of the crisis and its impact on companies’ employees ranked the highest as motivation for giving in support of disaster relief. This pattern, of giving to overseas organizations, also reflects corporations increased operations in international communities.

Source: Giving USA 2014, Giving USA Foundation™

<table>
<thead>
<tr>
<th>Benchmarking Tables by Industry</th>
<th>Average Giving as a % of Pre-Tax Profit</th>
<th>Median Giving/Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Companies</td>
<td>1.00%</td>
<td>$620</td>
</tr>
<tr>
<td>Largest U.S. Companies</td>
<td>.96%</td>
<td>$542</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>2.17%</td>
<td>$410</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>1.16%</td>
<td>$673</td>
</tr>
<tr>
<td>Energy</td>
<td>.45%</td>
<td>$2,766</td>
</tr>
<tr>
<td>Financials</td>
<td>1.11%</td>
<td>$826</td>
</tr>
<tr>
<td>Health Care</td>
<td>1.04%</td>
<td>$542</td>
</tr>
<tr>
<td>Industrials</td>
<td>.71%</td>
<td>$255</td>
</tr>
<tr>
<td>Information Technology</td>
<td>.78%</td>
<td>$702</td>
</tr>
<tr>
<td>Materials</td>
<td>1.09%</td>
<td>$579</td>
</tr>
<tr>
<td>Utilities</td>
<td>1.05%</td>
<td>$1,027</td>
</tr>
</tbody>
</table>

Source: CECP, Giving In Numbers, 2013 Edition

Higher education has the power to change lives for the better, yet it remains out of reach for far too many students. To change that, Madison-based Great Lakes Higher Education Corporation & Affiliates has committed more than $125 million since 2006 to help students from low-income households, students of color, and students who are first in their families to attend college. Traditionally, they have the most to gain from higher education, yet have the least support in getting there.

Great Lakes recently announced its largest grant award, an $8.8 million investment in programs that serve nearly 13,000 students at 56 colleges and community-based organizations. More than $4.3 million, or 49% of the overall grant, will directly benefit Wisconsin high school and college students. Grant recipients have outlined a comprehensive set of activities and services designed to prepare more high school students to succeed in college-level work – and keep more college students on track for college completion, even when they struggle. By improving college readiness, increasing college access, and boosting college success for these traditionally underserved populations, Great Lakes is helping more students benefit from their investment in higher education, and graduate ready to reach their full potential.

To learn more, visit: community.mygreatlakes.org
A Community Foundation is a tax-exempt charitable organization that provides support - primarily for the needs of the geographic community or region where it is based - from funds that it maintains and administers on behalf of multiple donors.

Like a public charity, community foundations seek support from the general public, but like private foundations, they also provide grants. Due to their broad public support, however, the IRS does not consider community foundations to be private foundations.

### TOP 10 WISCONSIN COMMUNITY FOUNDATIONS BY GRANTS PAID, 2012 (IN MILLIONS)

<table>
<thead>
<tr>
<th>Foundation Name</th>
<th>Grants Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Milwaukee Foundation</td>
<td>$30.1</td>
</tr>
<tr>
<td>Community Foundation for the Fox Valley Region</td>
<td>$12.0</td>
</tr>
<tr>
<td>Madison Community Foundation</td>
<td>$9.6</td>
</tr>
<tr>
<td>Oshkosh Area Community Foundation</td>
<td>$4.1</td>
</tr>
<tr>
<td>Greater Green Bay Community Foundation</td>
<td>$4.0</td>
</tr>
<tr>
<td>La Crosse Community Foundation</td>
<td>$2.8</td>
</tr>
<tr>
<td>Community Foundation of Southern Wisconsin</td>
<td>$1.9</td>
</tr>
<tr>
<td>Community Foundation of North Central Wisconsin</td>
<td>$1.6</td>
</tr>
<tr>
<td>Waukesha County Community Foundation</td>
<td>$1.5</td>
</tr>
<tr>
<td>Racine Community Foundation</td>
<td>$1.4</td>
</tr>
</tbody>
</table>

Source: Foundation Center

### ROLES THAT COMMUNITY PHILANTHROPY ORGANIZATIONS CAN PLAY

1) **Expanding Financial Capital** — Increasing assets to support community change efforts
2) **Deploying Financial Capital** — Using monetary assets to support organizations, programs, and people
3) **Financial & Donor Services** — Providing financial and philanthropic assistance to individuals and institutional donors
4) **Building Capacity** — Strengthening the skills and capabilities of people, organizations, and communities
5) **Engaging the Community** — Helping residents connect and get involved in addressing local issues
6) **Sharing Community Information** — Generating and providing access to information related to the community
7) **Aligning Action** — Coordinating efforts across multiple organizations to increase social impact
8) **Advocating** — Publicly supporting or promoting a particular cause, program, or policy
9) **Community Planning** — Helping to guide the future development of various aspects of the community
10) **Direct Service & Programming** — Designing, incubating, or managing services and programs in the community

Source: Monitor Institute, a part of Deloitte Consulting LLP
COMMUNITY FOUNDATIONS CELEBRATING 100 YEARS

One hundred years ago, in 1914, the community foundation concept was born in the Midwest, giving rise to a new philanthropy, a new way of participating in community, and a new vision for the future. 2014 marked the 100th anniversary of the nation’s first community foundation, the Cleveland Foundation. In the past 100 years, the concept of community foundations has emigrated. Today, approximately 1,700 community foundations now exist worldwide.

The Council on Foundations estimates that the community foundation sector manages approximately $58 billion of charitable assets and serves an estimated 86% of the U.S. population.

While grants from independent foundations comprise the largest share of overall grantmaking each year, the increase in grantmaking by community foundations has far surpassed the increase in grantmaking by other types of foundations in the past few years. Overall, 72% of community foundations responding to the Foundation Center’s annual Foundation Giving Forecast Survey indicated that they had increased their giving in 2013.

Source: Giving USA 2014, Giving USA Foundation™

TREND TO WATCH—URBANIZATION

Today, 80.7% of Americans live in urban areas, compared to only 56.5% in 1940, a trend that is expected to continue. As population centers shift to cities, urban leaders often struggle to ensure equitable housing, transportation, and other services, while many rural areas experience depopulation and struggle to maintain a sustainable community.

Source: Monitor Institute, a part of Deloitte Consulting LLP
The Globalization of Family Philanthropy

In today’s increasingly mobile, global world, fewer people are spending their lives or focusing their philanthropy in a single location. Since people are much more nomadic than they were a generation or two ago, there is concern that people will move away from community-based giving toward a more national or international giving agenda. On the other hand, there is a growing recognition that we’re all connected, and helping refugees halfway around the world has as much value as supporting local institutions. For America’s affluent immigrants, the desire to give to their native countries—as well as support causes in their new communities—is particularly strong.

Aligning Investments With a Mission

Family philanthropists are increasingly dedicating a larger portion of their endowments to activities that align their investments with their grantmaking mission and objectives — and the marketplace for “impact investing” is expected to reach more than $1 trillion by 2020. Family foundations and funds use impact investing to align their values with investment philosophy and foster sustainable growth in their communities. Younger generations of donors use impact investing to address areas such as climate change, building sustainable cities, and advancing sustainable agriculture.

Source: National Center for Family Philanthropy

A Family Foundation is a private foundation that is usually created by a single individual or family and is governed at least in part by the donor or the donor’s family, descendants, or close associates. The foundation generally supports the donor(s)’ personal charitable interests. Family foundations make up the largest proportion of grantmaking organizations, by far.

---


<table>
<thead>
<tr>
<th>Foundation Name</th>
<th>Grants Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Kern Family Foundation, Inc.</td>
<td>$24.9</td>
</tr>
<tr>
<td>Pleasant T. Rowland Foundation, Inc.</td>
<td>$10.8</td>
</tr>
<tr>
<td>Helen Bader Foundation</td>
<td>$10.2</td>
</tr>
<tr>
<td>Fund for Wisconsin Scholarship, Inc.</td>
<td>$6.5</td>
</tr>
<tr>
<td>Joseph J. &amp; Vera Zilber Family Foundation, Inc.</td>
<td>$5.3</td>
</tr>
<tr>
<td>The Kellogg Family Foundation, Inc.</td>
<td>$5.0</td>
</tr>
<tr>
<td>Pat and Jay Baker Foundation, Inc.</td>
<td>$4.8</td>
</tr>
<tr>
<td>Reiman Foundation, Inc.</td>
<td>$4.4</td>
</tr>
<tr>
<td>The Argosy Foundation</td>
<td>$4.4</td>
</tr>
<tr>
<td>The Nelson Family Foundation, Inc.</td>
<td>$4.3</td>
</tr>
</tbody>
</table>

Source: Foundation Center

### Wisconsin Family Foundations

**Granted:** 7.4% of Assets

**Assets:** $2,904,887,647

**Grants Paid:** $215,104,852

Source: Foundation Center, 2012 Data
The Daniel Hoan Foundation was established by Milwaukee's long-term Mayor Daniel Hoan to improve the quality of life of the citizens of Milwaukee. Mayor Hoan has been ranked as the eighth best mayor in American history; and appeared on the cover of *Time* magazine in 1939 as the mayor of the best run city in America: Milwaukee.

Dan Steininger not only administers the Daniel Hoan Foundation, but also is the President of BizStarts. Currently the foundation has been focusing on job creation as the number one solution to poverty. The Daniel Hoan Foundation has given generously to BizStarts because BizStarts is a 501(c)(3) that gives opportunities to all entrepreneurs who are willing to start companies that create jobs.

**MEMBER SPOTLIGHT**

The Daniel Hoan Foundation was established by Milwaukee's long-term Mayor Daniel Hoan to improve the quality of life of the citizens of Milwaukee.

Mayor Hoan has been ranked as the eighth best mayor in American history; and appeared on the cover of *Time* magazine in 1939 as the mayor of the best run city in America: Milwaukee.

Dan Steininger not only administers the Daniel Hoan Foundation, but also is the President of BizStarts.

Currently the foundation has been focusing on job creation as the number one solution to poverty. The Daniel Hoan Foundation has given generously to BizStarts because BizStarts is a 501(c)(3) that gives opportunities to all entrepreneurs who are willing to start companies that create jobs.

BizStarts provides mentoring and connections to equity capital as well as lending institutions; and coordinates help from the universities on product assessment and a variety of other critical services.

To learn more, visit www.bizstartsmilwaukee.org/

---

“Over time, family members change and program priorities change; what holds the family and its philanthropy together is the legacy of its values. This legacy provides continuity and [a] donor family believes it is the continuity—the family values—that gives the family philanthropy its special character.”

- Bruce Sievers,
  former Executive Director of the Walter and Elise Haas Fund

On average, giving by family foundations comprises 63% of giving by independent foundations each year.

In 2013, this was $23.36 billion or 48% of total giving.

Source: Giving USA 2014, Giving USA Foundation™

**THE SHIFT TO MULTI-GENERATIONAL**

Perhaps the most significant trend affecting family philanthropy is the generational transition, which will continue to play out over the next few decades. Shaped by a different set of social, economic, and cultural experiences, each generation brings its own worldview to the table. Family foundations have also seen a steady influx of new leadership from younger family members and community leaders. More creative options are being developed to allow participation from a broad range of perspectives and ages, with a particular focus on how to retain the experience, energy, and commitment of the elder generation. Many family foundations are creating and refining new approaches to board terms and limits as well as ideas for committees, advisory boards and mentorship.

Source: National Center for Family Philanthropy
Independent Foundations are private foundations that often begin as a family foundation but are later no longer controlled by the benefactor or the benefactor’s family. Most of the country’s largest foundations fall into this category.

### TOP 10 WISCONSIN INDEPENDENT FOUNDATIONS BY GRANTS PAID (EXCLUDING TOP 10 FAMILY FOUNDATIONS), 2012 (IN MILLIONS)

<table>
<thead>
<tr>
<th>Foundation Name</th>
<th>Grants Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Lynde and Harry Bradley Foundation</td>
<td>$35.0</td>
</tr>
<tr>
<td>Kohler Foundation, Inc.</td>
<td>$14.1</td>
</tr>
<tr>
<td>Stewardship Trust</td>
<td>$5.9</td>
</tr>
<tr>
<td>Rath Foundation, Inc.</td>
<td>$4.2</td>
</tr>
<tr>
<td>Theodore W. Batterman Family Foundation</td>
<td>$3.8</td>
</tr>
<tr>
<td>Siebert Lutheran Foundation, Inc.</td>
<td>$3.7</td>
</tr>
<tr>
<td>J. J. Keller Foundation, Inc.</td>
<td>$3.5</td>
</tr>
<tr>
<td>Pollybill Foundation, Inc.</td>
<td>$3.5</td>
</tr>
<tr>
<td>Brookbank Foundation, Inc.</td>
<td>$3.3</td>
</tr>
<tr>
<td>Surgical Science Foundation for Research</td>
<td>$3.2</td>
</tr>
</tbody>
</table>

Source: Foundation Center

Nationally, grantmaking by independent foundations increased by 4.8%.

Source: Giving USA 2014, Giving USA Foundation™

“The truth is, you leave this world with nothing. What you are is a temporary administrator, and you must administer well... the wealth in your care, and generate more. The surplus can be used to do many things for people.”

*Carlos Slim Helú, Carlos Slim Foundation*

### OPERATING FOUNDATIONS

Operating foundations use their funds to operate their own programs rather than make outside grants. They are classified as private foundations, however, because they generally do not raise enough funds from the public to qualify as public charities, they are a relatively small part of the foundation universe.

Giving by operating foundations increased 6.6%.

Source: Giving USA 2014, Giving USA Foundation™

### TOP 10 OPERATING FOUNDATIONS BY GRANTS PAID IN WISCONSIN, 2012 (IN THOUSANDS)

<table>
<thead>
<tr>
<th>Foundation Name</th>
<th>Grants Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>William S. Fairfield Public Gallery Foundation</td>
<td>$534.6</td>
</tr>
<tr>
<td>David V. Uihlein Foundation</td>
<td>$415.0</td>
</tr>
<tr>
<td>Sand County Foundation</td>
<td>$311.0</td>
</tr>
<tr>
<td>Ralph J. Huiras Foundation</td>
<td>$281.0</td>
</tr>
<tr>
<td>The Salvation Poem Foundation</td>
<td>$275.0</td>
</tr>
<tr>
<td>The J. Vernon Steinle &amp; Elmyra L. Steinle Foundation</td>
<td>$275.0</td>
</tr>
<tr>
<td>Chipstone Foundation</td>
<td>$243.3</td>
</tr>
<tr>
<td>Global Christian Interaction, Inc.</td>
<td>$174.2</td>
</tr>
<tr>
<td>Friendship House of Milwaukee, Inc.</td>
<td>$172.5</td>
</tr>
<tr>
<td>Noel Compass Foundation, Inc.</td>
<td>$135.6</td>
</tr>
</tbody>
</table>

Source: Foundation Center
DONOR-ADVISED FUNDS

Donor-Advised Funds (“DAFs”) are arrangements where a sponsoring organization (such as a community foundation) establishes a fund or account to receive contributions from a donor, where the donor has advisory privileges over the distribution or investments of the assets.

DAFs have been a part of charity for nearly a century, and have long been a staple of community foundations. In general, contributions to DAFs are treated as contributions to a public charity, thus providing donors some advantages over private foundations.

Source: 2013 Donor – Advised Fund Report, National Philanthropic Trust

In a survey completed by the National Philanthropic Trust, 603 community foundations had more than 60,000 donor-advised fund accounts with assets totaling $18.26 billion. The number of donor-advised fund accounts at community foundations increased to 60,051 in 2012, an increase of 3.3% when compared with 2011. This follows 4.8% growth in 2011 and 4.5% growth in 2010. From 2011 to 2012, total assets in donor-advised fund accounts at community foundations increased by 16.9%, from $15.62 billion to $18.26 billion. Grants from donor-advised fund accounts at community foundations totaled $2.78 billion in 2012, up from $2.29 billion granted in 2011. The 2012 grant total reflects a 21.3% increase in grantmaking compared with 2011. The total payout rate from donor-advised fund accounts at community foundations was 13.2% in 2012, an increase from 12.8% in 2011.

Source: 2013 Donor – Advised Fund Report, National Philanthropic Trust

TRENDS TO WATCH

Since 2007, Donor-Advised Funds show rapid growth in number, assets, grants, and contributions at national charities that sponsor donor-advised funds. Donor-advised funds sponsored by community foundations stayed fairly stable through 2011 then rose dramatically in 2012, driven in part by very large contributions to a small number. Donor-advised funds at single-issue charities, which include Jewish federations, universities, international giving programs, and women’s foundations, among others, have grown steadily, without dramatic increases or decreases.

Donor-advised funds are a popular tool for donors, allowing them to allocate assets to philanthropic giving when they are available, yet make decisions about specific beneficiaries over time. If the economy continues to rebound and charitable giving continues its slow climb back to pre-recession levels, be assured that donor-advised funds will account for a significant and active portion of U.S. giving.

Fiscal year 2012 marked the second year in a row of double-digit growth rates for assets and contributions to donor-advised fund accounts. It was also a strong year of growth in the number of donor-advised fund accounts. These increases are consistent with broader economic trends, as the nation came out of the recession that ended in mid-2009 and experienced somewhat more robust growth in 2012 than it did in 2011. The growth in assets presumes there will be increased grantmaking in years to come. The growth in the number of accounts suggests that more donors are turning to donor-advised funds, thereby solidifying them as the fastest growing philanthropic vehicle in the U.S.

Source: 2013 Donor – Advised Fund Report, National Philanthropic Trust

DONOR-ADVISED FUNDS NATIONALLY

- **Number of DAFs**: 201,631
- **Contributions To DAFs**: $13.71 Billion
- **Assets**: $45.35 Billion
- **Average Account Size**: $224,921
- **Payout Rate**: 16.0%
- **Percent of All Charitable Giving**: 4.3%
- **Grants Paid**: $8.62 Billion

Source: 2013 Donor – Advised Fund Report, National Philanthropic Trust
Household income and assets are linked with charitable giving, as is an individual’s sense of financial security. As economic factors link with household income and assets rise, so do contributions from individuals.

The total amount estimated for giving by individuals in 2013 includes itemized and non-itemized charitable contributions. Contributions include gifts of cash, securities and property.

Source: Giving USA 2014, Giving USA Foundation™

Disposable personal income is tied to a household’s total income, which is a key determinant in how much a household gives. Individual giving as a percentage of disposable personal income stood at 1.9% in 2013. Individual giving as a percentage of disposable personal income was at its highest in 2000, when it reached 2.4%.

Source: Giving USA 2014, Giving USA Foundation™

International organizations responding to natural disasters and humanitarian crises tend to see episodic spikes in donations. Individual giving constitutes 75% of global private giving to humanitarian nonprofits. North Americans place education at the root of solving international poverty.

Source: Giving USA 2014, Giving USA Foundation™

“A decade ago, Facebook didn’t exist; Twitter was a sound; the cloud was in the sky; 4G was a parking place; LinkedIn was a prison; applications were what you sent to college; and Skype for most people was a typo.” - Thomas Friedman

SOCIAL MEDIA

Overall, 73% of U.S. adults use one or more social media sites today, compared to 8% in 2005. While the demographics skew younger, the fastest-growing population for these sites is 65+. The number of internet-connected devices will grow at an exponential pace and is expected to reach 50 billion by 2020. Every 60 seconds there are 168 million emails sent, 694,445 Google searches conducted, and 98,000 tweets made.

Source: Monitor Institute, a part of Deloitte Consulting LLP

Social media fundraising now accounts for 6.4% of all giving. Human services agencies that use social media to reach existing donors should see more gifts through these methods in the years ahead, although the average gift is $125 or less. Text giving appears to be driven by urgency of need.

DOES YOUR ORGANIZATION NEED AN APP?

Unless an organization has the capacity to manage the app, experts said that nonprofits are better off focusing on mobile-compatible websites. In deciding to invest in a mobile app, one expert stated, one should determine the percentage of users using a mobile application to access the nonprofit’s website. If it is higher than 10%, the organization should consider creating an app.

Source: Giving USA 2014, Giving USA Foundation™
Since 1978, giving by individuals in the U.S. has declined 11% from 83% to 72% of total giving.

### Wisconsin Metro Area Average Contribution Average Discretionary Percent of Income Given

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Contribution</th>
<th>Discretionary</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appleton</td>
<td>$1,721</td>
<td>$52,672</td>
<td>3.3%</td>
</tr>
<tr>
<td>Eau Claire</td>
<td>$1,696</td>
<td>$50,597</td>
<td>3.4%</td>
</tr>
<tr>
<td>Fond du Lac</td>
<td>$1,599</td>
<td>$49,350</td>
<td>3.2%</td>
</tr>
<tr>
<td>Green Bay</td>
<td>$1,507</td>
<td>$49,918</td>
<td>3.0%</td>
</tr>
<tr>
<td>La Crosse</td>
<td>$1,798</td>
<td>$51,784</td>
<td>3.3%</td>
</tr>
<tr>
<td>Madison</td>
<td>$1,733</td>
<td>$57,542</td>
<td>3.0%</td>
</tr>
<tr>
<td>Milwaukee</td>
<td>$2,062</td>
<td>$53,504</td>
<td>3.9%</td>
</tr>
<tr>
<td>Racine</td>
<td>$1,731</td>
<td>$51,226</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

Source: The Chronicle on Philanthropy

### TRENDS TO WATCH

#### Rise of Women

Today, women earn the majority of associate, bachelor’s, master’s, and doctoral degrees. And in 40% of households with children under the age of 18, women are the primary providers. Yet women still face systemic challenges, earn less than men, and are underrepresented in corporate and political leadership positions. As women’s economic power grows, look for successful institutions to adapt and for traditional power structures to realign.

Source: Monitor Institute, a part of Deloitte Consulting LLP

### Religion

While a record 20% of Americans were unaffiliated with a religion in 2012, the importance of religion for certain populations remains very high. Approximately 61% of both Hispanic Catholics and Black Protestants indicated that “belonging to a community of people who share your values and beliefs” is very important. This is the highest of any group, compared to only 28% for those unaffiliated with a religion. When low-income African-American parents were asked which groups were the most “influential, trustworthy, and effective” at helping their children do well at school, “churches and church groups” ranked number one, beating both “parents” and “teachers”. For foundations and nonprofits looking to connect with these groups, working with religious leaders and organizations may hold tremendous value.

Source: Monitor Institute, a part of Deloitte Consulting LLP

### GENERATIONAL DIFFERENCES

While all Americans, regardless of age, are charitable people, generations differ in their style and approach to philanthropy and the charities they support. Millennials are the least likely group to give more than once per year. Two-thirds gave less than $100 to charity. Younger donors preferred to give to causes rather than institutions. If a capital campaign is done, the case for support should demonstrate how the facility enables the organization’s over-arching cause.

Source: Giving USA 2014, Giving USA Foundation™

Boomers hold much of the economic power in this country: it is estimated that this cohort will control as much as 70% of American disposable income by 2017, and through their estates, they are expected to transfer trillions to their families and favorite causes over the coming decades. More than 25% of the U.S. population will be older than 60 by 2050. Social programs designed in the 1940s and 1950s, when senior citizens made up only 10%–12% of the population, may struggle to keep up with demand. The upcoming intergenerational transfer of wealth from baby boomers to their heirs is expected to be $30 trillion. One study, looking only at the $15.4 trillion that baby boomers invest in retail investment products, found that boomers with investments of $500K-$5M controlled the largest amount of wealth.

Source: Monitor Institute, a part of Deloitte Consulting LLP
Most of what is commonly thought of as \textbf{Nonprofits organizations} are legally classified as public charities, whether they are ballet companies, universities, or homeless shelters.

<table>
<thead>
<tr>
<th>TOP 10 WISCONSIN PUBLIC CHARITIES BY ASSETS, 2012 (IN BILLIONS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aurora Health Care—Group</td>
</tr>
<tr>
<td>University of Wisconsin Foundation</td>
</tr>
<tr>
<td>Wisconsin Alumni Research Foundation</td>
</tr>
<tr>
<td>Aurora Health Care Inc.</td>
</tr>
<tr>
<td>Froedtert Memorial Lutheran Hospital</td>
</tr>
<tr>
<td>The Medical College of Wisconsin</td>
</tr>
<tr>
<td>Children’s Hospital of Wisconsin</td>
</tr>
<tr>
<td>Marquette University</td>
</tr>
<tr>
<td>Ministry Health Care</td>
</tr>
<tr>
<td>Gunderson Lutheran Administrative Services</td>
</tr>
</tbody>
</table>

Source: National Center for Charitable Statistics

\textit{“You may never know what results come from your action. But if you do nothing, there will be no result.”}  
- Mahatma Gandhi

Out of 26 National Taxonomy of Exempt Entities (NTEE) Categories, 4 (Health, Education, Human Services, and Philanthropy) made up 90% of revenue generated and 86% of assets held by nonprofits in Wisconsin.

<table>
<thead>
<tr>
<th>NTEE Category</th>
<th>Revenue (In Billions)</th>
<th>Percent of Total</th>
<th>Assets (In Billions)</th>
<th>Percent of Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>$25.97</td>
<td>69%</td>
<td>$32.12</td>
<td>53%</td>
</tr>
<tr>
<td>Education</td>
<td>$4.47</td>
<td>12%</td>
<td>$12.92</td>
<td>21%</td>
</tr>
<tr>
<td>Human Services</td>
<td>$3.11</td>
<td>8%</td>
<td>$4.89</td>
<td>8%</td>
</tr>
<tr>
<td>Philanthropy</td>
<td>$0.54</td>
<td>1%</td>
<td>$2.56</td>
<td>4%</td>
</tr>
<tr>
<td>Total</td>
<td>$37.75</td>
<td>—</td>
<td>$61.12</td>
<td>—</td>
</tr>
</tbody>
</table>

Source: National Center for Charitable Statistics

The majority of nonprofit leaders reported that they could use foundations’ help in meeting their organization’s demand for services and programs (55%), improving technology (55%), and supporting the development of their leadership skills (52%).

Source: Giving USA 2014, Giving USA Foundation™

The Wisconsin nonprofit sector as a whole has grown 1.7% over the past ten years. The number of public charities has grown 17.6%.

Source: National Center for Charitable Statistics
The Wisconsin Nonprofits Association (WNA) is a statewide organization representing the large and diverse nonprofit sector in the state. Started in 2007, WNA’s mission is to help Wisconsin nonprofits thrive.

It provides public policy and advocacy information and representation; technical assistance education and training; networking opportunities; and significant cost-saving programs for nonprofits.

Eight out of ten nonprofit leaders report that they want foundations to be more transparent about how they select grantees and make funding decisions.

Nonprofit leaders felt their foundation funders were aware of the challenges the organizations face in meeting their mission.

**SOURCE OF REVENUE, 2012**

- Program service revenue, 73%
- Contributions, gifts, & government grants, 21%
- Other - Rental income, special event, etc., 6%

**TOP 5 FOCUS AREAS BY # OF GRANTS RECEIVED IN WI**

<table>
<thead>
<tr>
<th>Focus Area</th>
<th># of Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religion Related &amp; Spiritual Development</td>
<td>4,061</td>
</tr>
<tr>
<td>Education</td>
<td>2,565</td>
</tr>
<tr>
<td>Recreation, Sports, Leisure, Athletics</td>
<td>2,245</td>
</tr>
<tr>
<td>Arts, Culture, and Humanities</td>
<td>1,819</td>
</tr>
<tr>
<td>Human Services</td>
<td>1,452</td>
</tr>
</tbody>
</table>

**FOCUS AREAS WITH FEWEST # OF GRANTS RECEIVED IN WI**

<table>
<thead>
<tr>
<th>Focus Area</th>
<th># of Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Science Research</td>
<td>29</td>
</tr>
<tr>
<td>Medical Research</td>
<td>56</td>
</tr>
<tr>
<td>Science &amp; Technology Research Institutes</td>
<td>88</td>
</tr>
<tr>
<td>Civil Rights, Social Action, Advocacy</td>
<td>105</td>
</tr>
<tr>
<td>Employment, Job Related</td>
<td>144</td>
</tr>
</tbody>
</table>

Source: National Center for Charitable Statistics

John Keckhaver is the Executive Director of the Wisconsin Nonprofits Association. John is an attorney and lobbyist with 14 years of government relations experience, including in the State Capital and with two of the state’s premier public policy organizations: the Center on Wisconsin Strategy at UW-Madison and the Wisconsin Council on Children and Families.

Read his article on page 24.

For more information contact:
Wisconsin Nonprofits Association
2830 Agriculture Dr.
Madison, WI 53727
Phone: (608) 772-5962
www.wisconsinnonprofits.org
info@wisconsinnonprofits.org
ENTREPRENEURIAL GRANTMAKING THROUGH IMPACT INVESTING

First coined in 2007 by the Rockefeller Foundation, impact investing is essentially an umbrella term used to describe investments that create positive social impact beyond financial returns, or an investment strategy that intentionally aligns the investments held by an organization—or in its portfolio—with the mission of that organization. In other words, impact investors seek to create social benefits such as alleviating poverty and improving the environment, in addition to financial profits.

“Socially responsible investing (SRI) is an investment strategy that considers environmental, social and corporate governance criteria to generate competitive and long term financial returns while having a positive societal impact.”

Proponents of impact investing maintain that private foundations are uniquely positioned to employ impact strategies because these entities have access to pools of investment capital that are earmarked for social purposes by law. Indeed, along with the socially responsible investment and corporate social responsibility movements of the 1980s and 1990s, private foundations have played, and will continue to play, a vitally important role in building the impact investing market. Impact investing will continue to increase as more foundations, family offices, high-net-worth individuals, and for-profit organizations make impact investments.

The field of impact investing has been significantly fueled by new and innovative business models and legal structures referred to, respectively, as “social enterprises” and “hybrid organizations,” that are enabling for-profit companies, nonprofit organizations, social entrepreneurs and social investors to achieve financial returns while prioritizing social benefit objectives. Social entrepreneurs have recognized the limitations of the “not-for-profit” legal form and are increasingly deciding to organize and conduct business through these new structures.

As the field of impact investing continues to evolve, as new and innovative impact strategies continue to be headline-grabbing news, and as social benefit programs that are supported by impact investments begin to show results, the extent to which economic, environmental and social challenges are addressed will likely influence how stakeholders—philanthropists, governmental entities, nonprofit and for-profit organizations, private investors, and the capital investment markets—remain engaged. The Millennial generation of wealth inheritors (born from 1981-1995), in particular, expect to “do well” and “do good.” They believe that funding a social enterprise rather than making a charitable contribution may be a more effective way to achieve social benefits. They are showing great interest in incorporating socially responsible investments in their personal investment portfolios and customizing the portfolios of their families’ charitable foundations to be environmentally and socially impactful.

Philanthropy historically has been an essential catalyst and the primary tool by which individuals and institutions have addressed economic, environmental and social challenges. Arguably, impact investing is one of the most innovative solutions to address these challenges in the 21st century and beyond. As private, public and philanthropic assets continue to flow into impact strategies and socially responsible investments, and as the number of social enterprises and hybrid organizations continues to increase, there will be even more opportunities for philanthropists and large and modest investors to “do well” while “doing good.”
IMPACT INVESTING AT WORK IN WISCONSIN
FOX CITIES PROPOSED EXHIBITION CENTER

The Community Foundation for the Fox Valley Region (CFFVR) is using the power of endowment to make a difference in a new way. Historically, they would do so by making grants to charitable organizations as recommended by the families, individuals, businesses, and organizations who establish funds with them. In April 2014, the CFFVR Board of Directors approved making a $5 million mission-related investment from the Foundation’s endowment portfolio in bonds that will support the proposed Fox Cities Exhibition Center. The Foundation’s investment will be repaid with revenue generated by the dedicated room tax paid by visitors to the Fox Cities hotels and motels.

THE ECONOMIC IMPACT:

A convention center acts as an economic generator and a public resource for a local community, hosting conventions, conferences, civic events, etc. An important goal of a convention center is to attract non-local events to the local area that otherwise cannot be accommodated by existing facilities. The proposed Fox Cities Exhibition Center remains feasible from market, financial and economic perspectives, particularly given advantages (in terms of return-on-investment for both the parties—public sector and private sector) provided by the proposed public/private partnership with the Radisson Hotel Corporation.

Impact investing offers innovative philanthropic benefits. Unlike grants, program-related investments (PRIs) are fund transfers expected to be repaid (financially and/or socially). Between 1990 – 2009 the total amount in PRIs provided by US Foundations rose from $153 million to $389 million. The average PRI dollar amount invested rose from $666,000 in 2000 to $1.6 million in 2009.

Less than one percent of all U.S. foundations have utilized impact investing over the past two decades.

Source: Giving USA 2014, Giving USA Foundation™

Marguerite H. Griffin is a Senior Vice President at the Northern Trust Company, Chicago, IL.

As National Director of Philanthropic Services, Marguerite is responsible for the delivery and growth of Northern Trust’s philanthropic services to wealth management clients. She specializes in administering charitable trusts, private foundations, and other tax exempt entities, and counsels clients regarding charitable giving strategies, nonprofit compliance and risk management, family succession planning, microfinance, and international philanthropy.

Marguerite received her B.A. degree from Washington University and her J.D. degree from Northwestern University School of Law. She is a member of the Chicago Bar Association and the Chicago Estate Planning Council.

For more information, go to:
www.cffoxvalley.org/exhibitioncenterinvestment
NONPROFIT SECTOR POLICY AND REGULATORY LANDSCAPE

Nonprofits in Wisconsin and throughout the nation face a rapidly changing environment in which they operate. These developments will bring both challenges and opportunities in the months and years to come, both for Wisconsin’s nonprofits and for those who support them. Two particularly important issues relate to tax reform and government-nonprofit contracting.

TAX REFORM

At the end of 2013, a list of sixty federal tax provisions expired, many of which impact nonprofits, the people that many of them serve and private foundations. On several occasions in previous years Congress would simply wrap together all of these provisions once they expired – which included everything from the Earned Income Tax Credit to whether donations to food inventories are tax deductible – into one bill and vote to extend them. This year, however, as a handful of legislators are considering more sweeping tax reform options, the House of Representatives has instead chosen to parse out that list and take up the provisions a few at a time. This has led to an unprecedented level of political maneuvering around these important tax provisions – important not only to nonprofits and those who donate to them in one fashion or another, but to the countless Americans who are assisted by those nonprofits every day.

As this report goes to print, Congress has yet to act on most of these crucial tax provisions, making it likely they will not be dealt with until next year.

GOVERNMENT-NONPROFIT CONTRACTING

In late 2013, the Office of Management and Budget issued sweeping changes to the way nonprofits and government agencies may contract with one another. This development stems from a desire on the part of the Obama administration to both assist nonprofits and to ensure greater accountability and transparency in the spending of public funds. As an example, all federal agencies and pass-throughs (which include state and local governments administering federal funds) must pay indirect costs to the nonprofits they contract with, either by negotiating a rate or paying a rate of at least ten percent. While this provision may, on its face, appear to help many nonprofits who over the years have been unable to recoup any of their indirect costs or were limited in the rate they could charge, it is unclear at this time how state and local governments are going to respond to this directive.

The Wisconsin Nonprofits Association (WNA) has begun holding small-group discussions with nonprofit leaders throughout the state to better understand their actual experience with government contracts, and has already heard many examples of how this change – even though the new guidance does not go into effect until 2015 – has resulted in lower payments as the pass-throughs had been paying more than ten percent and are now using ten percent as a ceiling. Once these meetings conclude, WNA plans to share this information with state officials. Much work clearly needs to be done in explaining and educating both nonprofits and government officials on this guidance.

These and several other developments are sure to have a significant impact on the financial strength of nonprofits in Wisconsin for years to come and will also reshape to some extent the relationship between those nonprofits and government as well as between those nonprofits and the philanthropic community.
ABOUT DONORS FORUM OF WISCONSIN

Donors Forum of Wisconsin (DFW) is a 501(c)(3) nonprofit professional membership association of grantmakers working together to support and promote effective philanthropy in Wisconsin. DFW is one of 34 regional grantmaker associations across the country which collectively have more than 5,500 participating foundations, funders, nonprofits, and other philanthropic affiliates as members.

For 36 years, DFW has been Wisconsin’s premier and only resource for philanthropists. DFW’s membership represents a diverse group of individual donors; independent, family, and operating foundations; corporate foundations and giving programs; and community foundations throughout Wisconsin. The three core services DFW provides to its members are Research, Quality Programming, and Networking Opportunities.

DFW TEAM

**Jill Van Calster, MS, President and CEO** - Jill brings to DFW more than two decades of experience serving high profile Wisconsin nonprofit organizations. Most recently, Jill was the Executive Vice President and Chief Operating Officer (EVP/COO) for Curative Care Network. She has a true passion for and proven track record of developing and leading high performing teams with a focus on exceptional quality service and outcomes. Jill holds her M.S. degree in Nonprofit Management and Leadership from UW-Milwaukee and her B.A. degree in Public Relations from Mount Mary.

**Amanda Buckley, MBA, Director of Program Development and Evaluation** - Amanda is skilled at program development, speaker vetting, adult learning techniques and program evaluation. Amanda holds her M.B.A. degree from Cardinal Stritch University and her B.A. degree in Community Leadership and Development from Alverno College.

**Caty Bulgrin, MS, Research & Operations Analyst** - Caty excels at data collection and management, research and analysis, and quality and performance improvement initiatives. Caty earned her M.S. degree in Educational Psychology from UW-Milwaukee and her B.A. degree in Psychology from UW-Eau Claire.

**Melinda VerDuin, Communications & Marketing Manager** - Melinda oversees the development and dissemination of all communications & marketing materials. She holds a Graduate Certificate in Nonprofit Management and Leadership from UW-Milwaukee and her B.S. degree in Business Administration from Winona State University.

For more information on membership and DFW services, please call 414-270-1978 or email admin@dfwonline.org

DFW BOARD OFFICERS

**Mary Anne Martiny**, Chair
The Harley-Davidson Foundation

**Karen Wilken**, Vice Chair
Kern Family Foundation

**Steve Goldberg**, Secretary
CUNA Mutual Group Foundation

**Karl M. Dickson**, Treasurer
Brico Fund, LLC

**Lisa Hiller**, Past Chair
Helen Bader Foundation

DFW BOARD DIRECTORS

**Julie Bauer**
Alliant Energy Foundation

**Curt Detjen**
Community Foundation for the Fox Valley Region

**Kathryn Dunn**
Greater Milwaukee Foundation

**Lynn Heimbruch**
Northwestern Mutual Foundation

**Amy Kerwin**
Great Lakes Higher Education Corporation

**Kathryn Leverenz**
Waukesha County Community Foundation

**Jeffrey Snell, Ph.D.**
Brady Corporation Foundation

The DFW Board of Directors consists of a representation of several metro areas in Wisconsin.
The 2014 Wisconsin Gives Report was generously sponsored by: