



The Changing Face of Philanthropy

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“Philanthropy is involved with basic innovations that transform society, not simply maintaining the status quo or filling basic social needs that were formerly the province of the public sector.”
-- David Rockefeller

Many people think Rochester is more philanthropic than other Upstate New York communities, and, in fact, that reputation is well-deserved. However, the tradition of philanthropy in this community is not only founded on private foundations established with private wealth.

For most of the twentieth century, it was our large manufacturing corporations that led the way. These companies and their founders gave generously, encouraging and organizing their employees to support community-based

institutions like United Way and to volunteer with the 2,000 plus nonprofit charities that make up the nonprofit sector in our area. In recent years, it is individuals who have taken the philanthropic lead -- individuals who don't think of themselves as philanthropists, but who give generously to the causes and institutions that make our community a better place to live and work. It is individual donations that fuel vital services for those in need and create cultural and social connections for our residents.

The trend today is for donors to have higher expectations of the investment they make in nonprofits. They want to see community improvement and systemic change. Our citizens give charitably in many ways. They give money directly to local charities, many of whom are listed in this directory. They give through organizations like United Way, Rochester Area Community Foundation, the Women's Foundation of Genesee Valley or the Jewish Community Federation which, in turn, distribute money for community improvement.

Some families and individuals choose to establish their own giving vehicle in the form of a private foundation, through which they make grants. Groups of individuals can band together to pool their donations and focus their philanthropy. The Rochester Women's Giving Circle is an example where 31 women with common goals for the economic self-sufficiency of women and girls pooled their resources and have begun to distribute the money to local charities through the community foundation. Others choose to give not only their money, but their time, volunteering with local nonprofits to provide management, governance and program support that increase an organization's capacity to improve our quality of life.

Many people extend their community concern beyond their lifetimes by establishing charitable trusts or legacies that benefit nonprofits after they themselves are gone. The WILLpowerSM collaborative surveyed older homeowners in the counties around Rochester over a six-year period and discovered that over 80% of them had wills (the national average is 62%), and that almost 25% of those wills include bequests to nonprofits.

Organized philanthropies like the Greater Rochester Health Foundation are addressing important issues like childhood obesity. Private funders unite with local government and concerned citizens to collaborate for community improvement – Rochester Community Development Collaborative to strengthen neighborhood development, the coalition to prevent lead poisoning which has resulted in local legislation to improve child health, the Rochester Early Childhood Initiative to improve daycare and early education for our children. Foundations, corporations and local government cooperated for the Rochester Effectiveness Partnership, an intensive training opportunity for nonprofits to evaluate and increase the quality of their programs. All of these projects have focused blended resources on community problems and resulted in improved conditions and stronger nonprofits. Howard Rheingold at Stanford calls this “cooperative studies” where interdependencies and collective action are creating new solutions to old problems in science, commerce, and society.

As Robert Putnam indicated in *Bowling Alone*, the decreasing emphasis on fraternal and civic organizations means that young adults, particularly after they leave college, have a narrower choice of civic affiliations that might bring them into a giving tradition.

Many of the opportunities for young donors are national or virtual, appealing to their grasp of electronic communication. New technology is revolutionizing giving and young professionals are increasingly engaged through the Internet. 75% of the top 200 US charities are using some form of social media to engage potential supporters according to the Center for Marketing Research. Social media specifically refers to blogging, podcasting, using message boards, social networking, video blogging and wikis.

Successful nonprofits utilize all of these new giving vehicles and technologies to engage their supporters. They develop the ability to appeal to all ages by offering diverse ways to give. Choices range from writing checks and using credit cards to planned giving and clicking a link on a website. The American Cancer Society is organizing its second annual "Relay for Life" virtual walk in Second Life; so far they have raised more than \$80,000.

Whatever the giving style, today's contributors want to know that the money they give is helping the organizations they give to. By selecting those organizations that provide information about the effect of their programs and share their results with their donors, charitable givers become partners in community improvement.

According to Lucy Bernholz, President of Blueprint Research & Design, Inc. a strategy consulting firm for philanthropic institutions, nonprofits that work comfortably in this environment adhere to the following practices:

- they facilitate adaptation, not hinder it;
- they explain clearly that they are doing work around practices and principles that lead to success;
- they design for interoperability; creating products and services that integrate in their community;
- they adapt for local implementation, referencing proven models, but clearly defining what they will do to make change happen in locally;
- they network and share solutions – staying open and working together to address and solve problems

Diversity is essential – open systems rely on diversity for survival, e.g. biodiversity. Complex problems require hybrid solutions – philanthropy and the nonprofit sector are building social innovations and finance systems that are hybrids of the public, private and community sectors.

These are the hallmarks of a successful nonprofit sector today and the environment in which our region continues to give generously to support the institutions that make the Rochester area a better place to live and work.

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Grantmakers Forum of New York unites and empowers funders to achieve their philanthropic aspirations. Through Grantmakers Forum, individuals of diverse backgrounds and experience connect to share and increase their knowledge, improve their practice, and address philanthropic opportunities that make a positive social, economic and environmental impact.

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