

## **Investing in Our Communities**

Rich or poor, each of us can invest in one of two ways into our community. For those of us whom are income challenged, we can give our time as volunteers, helping to clean up the park or the local Boys and Girls Club. We can be mentors, as communities develop one person at a time more than one building at a time. We can all do our part to enhance our neighborhoods and communities.

For the wealthy, legacies are in the form of bricks and mortar and efforts to help people, such as scholarships for youth or health initiatives. The richest American, Bill Gates, had established a legacy in Microsoft, but in forming the world's largest private foundation with nearly \$30 Billion in assets before the massive donation of \$31 Billion by Warren Buffet, the second wealthiest American, he has surpassed that legacy. Let's hope others follow their lead, because if the majority instead of the too small minority of wealthy Americans took this path, quality of life for all would dramatically increase.

The primary focus of The Bill and Melinda Gates Foundation, The Rockefeller Foundation, and many of the largest private foundations is in third world countries, addressing issues such as hunger, shelter and basic health needs. Recently, this author researched the grants given by our country's 50 largest private foundations, and while many focus on the needs of children and education, few have attempted to make an impact in our communities for these same basic needs that are critical to improving the human condition.

Even though the substantial majority of wealthy Americans have not made commitments like Buffet, Gates or many others like the Casey family and the legacy of the UPS founder in two foundations, each with over a billion in assets, the wealth in these foundations is astounding. This year for the first time, the Forbes Magazine List of the 400 Richest Americans had no millionaires, only billionaires. That much money is hard to fathom for the average person who makes TV shows with million dollar prizes into big hits. I won high school math contests, but still have to do double takes with all those zeros in billions, with a billion being a thousand million for those that are counting.

While "Private Foundations" are just that, foundations established with private or personal funds for the public good, there are also public foundations, which include "Community Foundations." Community foundations are restricted to a specific geographic area, sometimes an entire state, but most often a specific city or metropolitan area, like the Cleveland Foundation, the first community foundation in the United States. A community foundation is a permanent charitable public benefit organization supported by local donors and governed by a board of private citizens who speak for the needs and well being of the community.

For those that are not among the wealthy, but of means and wanting to leave a legacy with a specific purpose within their community, they can establish a fund with assets managed by a third party that they select, with the giving in perpetuity managed by their local community foundation. They can also donate to support the foundation as well,

where professionals oversee the process of giving to local charities. Most foundations have Web sites that define their mission, program areas and list all the charities they have helped fund year to year. More and more Americans are choosing to donate to community foundations, with endowments growing along with their ability to support their communities. When giving, we want the maximum amount of funds to reach the needy, to limit high overhead or salaries, and there are resources to determine those parameters, such as the ratings for many organizations at [www.charitynavigator.org](http://www.charitynavigator.org).

Private foundations have substantially more assets than community foundations. To demonstrate that difference, The Foundation Center study listed total assets as of the end of 2003 of almost 400 billion dollars for private foundations, while community foundations had assets of slightly more than 34 billion dollars. That is a lot of money, but after Mr. Buffet's gift to the Gate's Foundation, all of the 699 community foundations in the country have far less assets than The Bill and Melinda Gates Foundation alone.

As an advocate for the elderly, in addition to the research on the 50 largest private foundations, I recently analyzed giving by the 80 largest community foundations in the country to assess their efforts for senior housing and to improve long term care for poor and low-income Americans. Approximately twenty percent had substantial programs and initiatives for the elderly, but most had no programs or direct funding for elderly at all. With so many sectors of society needing help, few had sufficient resources to support the need for affordable housing or major healthcare initiatives. All made substantial efforts for children and education, and most supported human service charities.

The missions of all foundations vary substantially, and community foundations are no different. Prioritizing the needs of many must be as agonizing as it is rewarding for senior staff at community foundations, particularly in many of our cities with greater percentages of poor and underprivileged citizens falling short in those basic needs of shelter, food and healthcare. With so much wealth in private foundations, and the potential for growth, the old saying of "charity begins at home" needs to be a reminder to many foundations that do such wonderful work worldwide for them to do more in our communities, and to utilize local charities and community foundations as a conduit to address the different issues that exist from region to region.

Our parents and grandparents repeated messages that have been passed down for generations for righteous reasons, like "better to give than receive" and "time is money." Volunteer your time for others, your brawn or brain, and think of your Nana while doing it. Giving back is a must, as God intends us to do, for the many Americans that have "made it" to local longstanding charities, many that are church sponsored or to you local community foundation.