

GIVING

Power of the Purse

Self-made women are making their mark on philanthropy

By Holly Hall

WHEN DARLA MOORE gave the University of South Carolina \$25-million in 1998 and then pledged another \$45-million last year, she became one of a small group of donors who are smashing stereotypes about female philanthropists.

Fund raisers have long complained that most women take a long time to decide whether to give, refuse to give significant portions of their wealth while they are alive, and rarely allow their names to be emblazoned on institutions they have financed. But Ms. Moore, a 50-year-old investment guru who runs a \$2-billion investment company with her husband, has steadily been making multimillion-dollar charitable gifts, and decided over the course of a single lunch with fund raisers from the University of South Carolina, her alma mater, that she would make the \$25-million gift and accept their offer to rename the business school after her.

"The very idea that a bastion of capitalism would be named for a woman appealed to me," she recalls, "and the fact that this is Strom Thurmond country, well, it was just a home run."

Charities Urged to Do More

Few charities are doing all they can to cultivate donors like Ms. Moore, experts say, but as more women are earning big sums and reaching the stage in their careers when they have achieved significant success, they have the potential to make a far-reaching impact on philanthropy. Already, several female executives have made their mark. Among them:

- Oprah Winfrey, 51, the entertainment magnate, gave more than \$50-million in 2003 to create a private foundation bearing her name and last year gave another \$50-million to the foundation and another project to create a girls' academy in South Africa.

- Meg Whitman, 49, president of eBay, pledged \$30-million to her alma mater, Princeton University.

- Rosie O'Donnell, 42, the entertainer and activist, has made multiple donations of \$1-million or more to her Rosie's For All Kids Foundation, which supports charities that help needy children. In addition, Ms. O'Donnell has asked companies that would pay her promotional fees for her appearances to instead support her foundation, which has raised \$58-million since it was founded in 1997.

They are among the first wave of women who are

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ANNE MIESLE, FOR THE CHRONICLE

Anne Miesle, president of the Washington Area Women's Foundation, says charities of all kinds need to "get more savvy about approaching this generation of women."



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Businesswoman Pamela York Klainer does not allow female donors to a group she founded to remain anonymous: "To be responsible, we have to acknowledge we have wealth."

Women Philanthropists Take Charge

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earning fortunes in professions and businesses that have long been dominated by men. While many of them were pathbreakers after graduating from college in the 1960s and 1970s, today nearly half the students in law and medical schools are female. What's more, the number of privately held U.S. businesses owned by women has grown by 17 percent since 1997, nearly double the rate of growth for all businesses, according to the Center for Women's Business Research.

Women who inherited family wealth—or married affluent men—have increasingly shown their clout in philanthropy in recent decades. But fund raisers say they notice a difference between those women and women who make their own money.

"This is a generation of women who don't have to ask anyone's permission to make philanthropic decisions," says Kam Kelly, director of planned giving at Smith College, which has an all-female student body.

The changing demographics of wealth in the United States mean

that fund raisers should think more about how to reach out to successful women, experts say. Anne Mosle, president of the Washington Area Women's Foundation, says nonprofit causes of all kinds need to "get more savvy about approaching this generation of women."

"This is a historic-shift moment," she says. "Pressing needs and thousands of powerful women are converging."

"In the next 5 to 10 years, anything is possible," adds Ms. Mosle. "For every Oprah Winfrey or Meg Whitman, there are a hundred other women we don't yet know about."

In the new book *Millionaire Women Next Door*, Thomas J. Stanley, a scholar who studies the wealthy, says that in interviews with 233 self-made female millionaires, he found that very few of them had been asked to serve on the boards of prominent nonprofit groups. Yet, he says, those women are more likely than self-made male millionaires to take a leading role in community activities and to give a larger share of their income to charities.

Some charities that have sought out such women, however, are meeting with success. Among the efforts:

■ Since 1998, nearly 100 United Ways have created giving clubs for female donors, many of whom give \$10,000 or more annually. The first club was started in 1998 by Bonnie McElveen-Hunter, founder of a magazine-publishing business, who persuaded 42 other women in Greensboro, N.C., to each donate at least \$10,000. In 2003, the most recent year for which data are available, such giving clubs raised more than \$62-million, an increase of 5 percent over 2002. United Way estimates that in 2004, giving through such clubs grew at about that same rate.

Mary Ann Milner, who heads an advisory committee that works with the women's clubs, says that the groups have thrived because they hold regular meetings and events such as volunteer projects and lectures that give women opportunities to learn and interact with one another and the community at large. "It is about more than giving," she says.

■ The Women's Funding Net-

Fund Raisers Fail to Tap Self-Made Wealthy Women, Author Finds

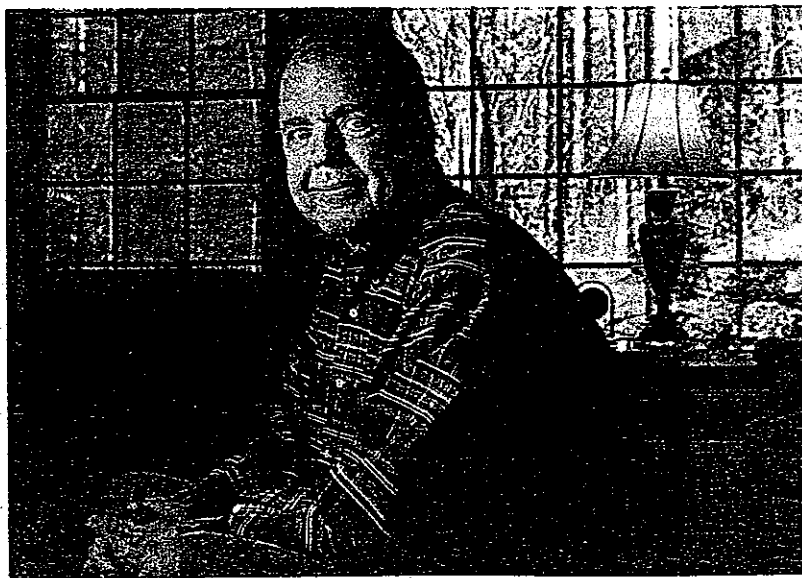
WOMEN WHO HAVE a net worth of \$1-million or more, earned from careers in business or the professions, are often ignored by charities, according to Thomas J. Stanley, whose book *Millionaire Women Next Door* was published last spring. Such women say they frequently decide which charities to support by choosing worthy causes they read about in the newspaper or otherwise hear about by happenstance, he says.

A best-selling author, researcher, and consultant who advises companies on how to attract affluent customers, Mr. Stanley bases his conclusions on detailed questionnaires completed by 233 self-made wealthy women, most of whom had a net worth of \$1-million to \$25-million. He says that charities do a poor job of identifying and soliciting self-made millionaires of both sexes—but they may be missing more by overlooking women.

Mr. Stanley has found that, on average, self-made female millionaires—those who didn't inherit or marry into money—give away 7 percent of their income a year. That is nearly two percentage points more than self-made male millionaires and more than three times what the average American gives to charity. The women in the survey said they donated \$28,000, on average, to charities each year.

Raising Money

Nearly 70 percent of the women studied by Mr. Stanley say they have helped raise money for their church or another cause, and 77 percent say they have been a leader in com-



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Thomas J. Stanley says fund raisers often "lose sight of the real purpose: recruiting people who have the wealth—and the business experience—to really contribute."

munity activities. But despite such involvement, none of the women had ever been asked to serve on the board of a well-known charity like the American Cancer Society or the American Red Cross, even the local chapter of such organizations. Some of the women told Mr. Stanley that they felt such organizations were elitist and did not regard them as board material, even though the charities were happy to take the women's donations.

But self-made female millionaires, Mr. Stanley wrote in his book, "are among the very best

candidates for such positions, having become millionaires purely by their own intellect and hard work. They are by definition capable leaders, proven generators of revenue, great money managers, and wise investors."

Most important, he added, such women have a demonstrated desire to contribute to charity and the means to do so.

Hard to Find

One reason fund raisers at even the largest charities do not pursue wealthy female businesswomen and entrepreneurs is

that such women—like their male counterparts—do not show up in the references that fund raisers use to identify wealthy people, says Mr. Stanley. Fund raisers often find wealthy potential donors based on publicly available information, such as stock trades in public companies, real-estate values, and membership in exclusive organizations. But women who have made their own wealth, by starting a business, for example, tend to live frugally and have privately held stock, Mr. Stanley says. What's more, they seldom are members

of country clubs or other elite institutions.

"The problem is that we want people who are wealthy to be beautiful people who live in beautiful houses," says Mr. Stanley, who has found that half of all millionaires live in blue-collar neighborhoods. "Wealth in America, about 80 percent of it, has always been first-generation, and it comes from people in less prestigious jobs," he says. Millionaire women who create their wealth, he adds, are often found in businesses such as real-estate management, sales, child or home health care, and consulting companies.

That's why Mr. Stanley advises fund raisers to learn about privately owned businesses in their geographic region, read professional journals, and attend professional meetings and trade shows. But, he says, few charities have taken his advice.

"Fund raisers want to go to meetings with other fund raisers and hang around beautiful people who go to balls," he says. "They lose sight of the real purpose: recruiting people who have the wealth—and the business experience—to really contribute."

Women are increasingly in that category, says Mr. Stanley. Even though a gender gap in pay persists and few women are the heads of Fortune 500 companies, he says, women are bypassing those remaining economic barriers, often by creating successful companies. "What amazes me is that the economy of America has historically ignored women," he says. "But they are right up there with men in terms of accumulating wealth."

—HOLLY HALL

work, a San Francisco umbrella organization for more than 100 foundations that raise money to help women and girls, is collaborating on a national fund-raising campaign with the Association of Women's Business Centers, a Camden, Me., group of nearly 200 local centers that provide training and other services to more than 100,000 female business owners and entrepreneurs each year. The three-to-five-year drive is expected to begin in the fall and raise \$50-million to \$100-million for projects that help women achieve financial stability and independence.

The two organizations have held meetings with members of the business centers and other potential donors and are now determining the size of gifts they will seek.

"We've had to conduct these conversations to see if our market is ready and interested," says Ann Marie Almeida, the association's chief executive officer. "All preliminary signs are yes, yes, yes. Our women are ready to write checks and make a multiyear commitment. They just haven't been asked before."

■ The Dallas Women's Foundation created the Women of Texas Instruments Fund, with the help of Melendy Lovett, the first female to become a president at Texas Instruments, who contributed \$5,000 to the fund. More than two dozen female executives have now made donations of at least \$5,000 to the fund, which supports projects that encourage girls to enter science and technology professions. The Dallas Women's Foundation gives the donors a chance to influence which charities get grants from the fund.

"We've had inquiries from other companies that want to start something like this," says Ms. Lovett.

■ Big Brothers Big Sisters of America received \$2.2-million from a gala held by 100 Women in Hedge Funds, a New York membership organization that distributes the proceeds of its annual event each year to charities involved in women's health, early-childhood education, or providing mentors. The gift was the result of an 18-month effort by the charity's president, Judy Vredenburg, to meet leaders of the organization and convince them that the charity's emphasis on providing mentors and achieving measurable results would fit well with the trade association's philanthropic goals.

Successful Techniques

Fund raisers at charities that have attracted large gifts from successful women in business and the professions say they have taken an array of approaches. For instance, they are offering more opportunities for women to gain recognition for their donations and to inspire others to follow their example.

Christine Grumm, chief executive officer of the Women's Fund Network, says that in the past decade she has seen more willingness among women to make record-breaking gifts publicly.

"I have seen fewer and fewer anonymous gifts," she says. "These women have found their own voice."

Beth Sawi, who retired in 2001

from Charles Schwab, where she served as chief administrative officer, says she has become less reluctant to attach her name to gifts. "Putting your name on something is a way of influencing things," she says. "You can stand for something and attract others. It bothers me when women give anonymously."

It also bothered Pamela York Klainer, a consultant who works with corporate and nonprofit executives on leadership development and personal financial matters. Five years ago, she created Rainmakers, a group of female donors to the Women's Foundation of Genesee Valley, in Rochester, N.Y. Members of the group are each required to give \$25,000 or more, publicly announce their donations,

and recruit at least one other woman to give \$25,000 or more. So far, 30 women have met the requirement. "To be responsible, we have to acknowledge we have wealth," Ms. Klainer says. "With Rainmakers, I wanted to encourage the giver to understand her power and be a first-line example to others."

Charities are focusing on several characteristics successful women have in common. Among them:

■ A desire to help others advance. Successful businesswomen understand the importance of economic self-sufficiency and share an interest in helping others achieve financial independence, says Rosemary Mitchell, executive director of the Women's Foundation of Genesee Valley.

Some charities have recruited local businesswomen to teach financial-literacy courses, sponsor related educational activities, or serve as role models for girls. For example, Girls Incorporated holds events to honor women who have achieved distinction in politics, entertainment, and business; at the events, the women are paired with female students who have received scholarships from the group for studies in those same fields. At the Washington Area Women's Foundation, donors to its new Financial Literacy and Wealth Creation Fund can earmark their money for projects that promote financial skills among low-income women and increase their economic resources.

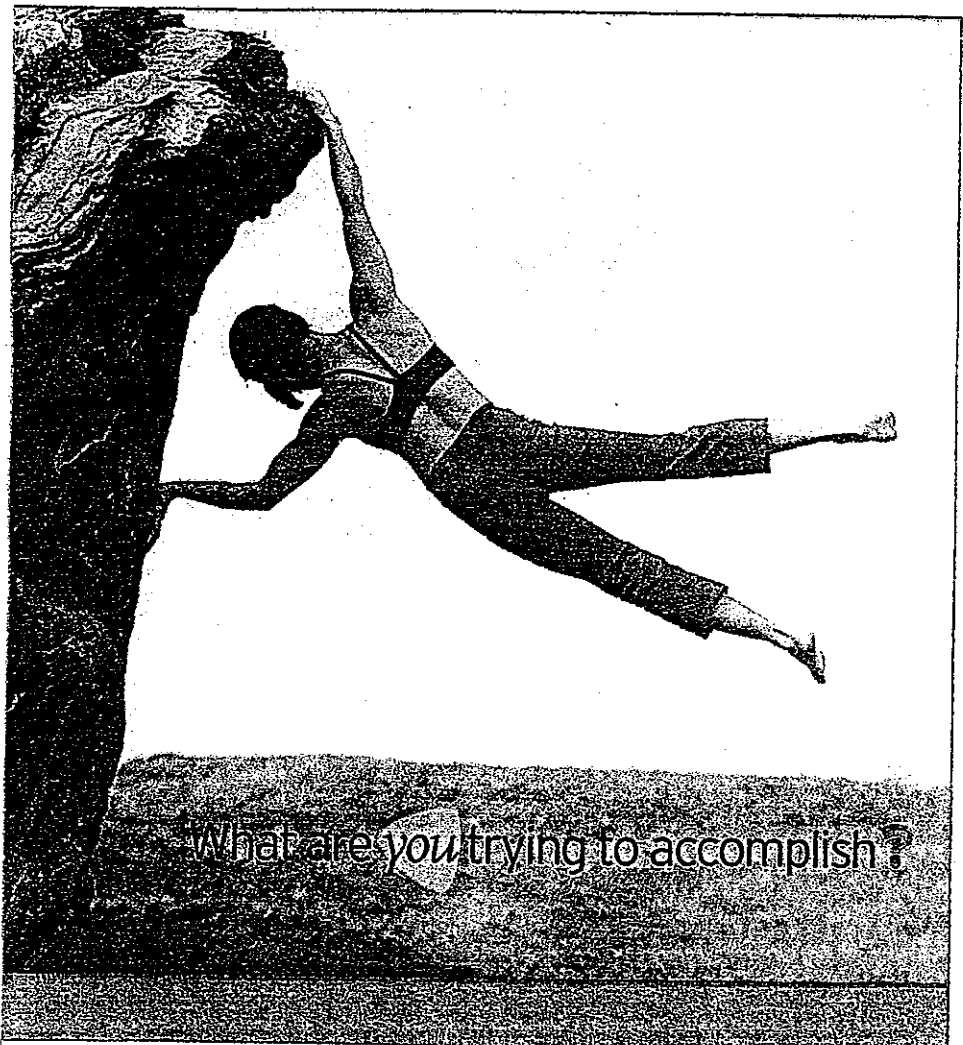
Many of the donors to the foun-

datation, Ms. Mosle, its president, says, "had to overcome discrimination, pay inequity, and the old-boy network." She adds: "When they think about using their wealth and position, the strongest motivator is helping the next generation. If you've been breaking the glass ceiling, you appreciate the ability to make change."

■ An appreciation of philanthropy's business benefits. In addition to helping others, successful businesswomen increasingly offer the same reason men do when they explain why they give: Philanthropy is good for the bottom line.

"It has made my business much more successful—this was a byproduct I never expected," says

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Oprah Winfrey, who has donated more than \$100-million to charity, visits patients recovering at the Addis Ababa Fistula Hospital, in Ethiopia.

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Few Charities Court Wealthy Women

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Nancy Richards of her philanthropy. Ms. Richards, founder of First Preston Management, a real-estate management company in Dallas, says she gives hundreds of thousands of dollars each year through her company, which has 400 employees. "I've had charities and community stakeholders write fabulous letters on our behalf that were unsolicited," Ms. Richards says. "They tell people what a great company we have."

Some charities that help women attract new business receive donations in return. The Girl Scout Council of Cumberland Valley, in Nashville, started "An Income of Her Own," a daylong event during which high-school girls learn financial and entrepreneurial skills from local businesswomen.

One recent participant who owns a pest-control business met a new client through the event. She was so pleased that she offered to donate 10 percent of money she earned from that client's contract to the Girl Scouts, says Shelley Liles McBurnay, the council's vice president of development.

The ability to demand impact and control. Ms. Kelly, the Smith College fund raiser, says that she sees a difference not just in professional women versus those who inherited their money but also in younger women, who are more likely than older generations to have work experience.

"Older women trust us implicitly, but younger women want a say in how their money is used," says Ms. Kelly. "They really want to make an impact."

As a result, such women—like younger donors in general—often want to be hands-on contributors who expect to be actively involved in shaping the projects and organizations they support, fund raisers say. They tend to put most of their donations into a single cause or a limited number of charities to achieve the most significant results possible, and to do more for their causes than simply write checks.

Dina Dublon, who made \$10.3-million a year as chief executive officer of J.P. Morgan Chase before stepping down in September, turned her corporate farewell party into a fund-raising event for a cause she supports: the Global Fund for Women, in San Francisco. The dinner at the American Museum of Natural History, in New York, drew more than 400 executives—mostly male bankers, lawyers, and accountants. At the event, Ms. Dublon urged her colleagues to contribute, and they gave more than \$1-million.

Other women provide considerable professional expertise in addition to their multimillion-dollar donations. For example, after Ms. Moore made her gift to the University of South Carolina, she re-established legal residence in the

state where she was born, and is taking an active role in reshaping the operations and staff of the business school.

She also founded the Palmetto Institute in 2001, an organization that commissions independent research on South Carolina's economy and recommends public policies to spur economic growth. In addition to providing money to start the institute, which has an annual budget of \$750,000, Ms. Moore handpicked its board.

Women like Ms. Moore can be challenging for charities to work with. "I'm a plain speaker, and it doesn't sit well with some people," Ms. Moore admits.

In addition, many women with successful careers are unable to spend a lot of time with charity officials. Nevertheless, their hard-charging work ethic keeps many fund raisers scrambling.

"Most of our self-made women board members and donors are in corporate finance and banking," says Nicky McIntyre, vice president for development and communications at the Global Fund for Women. "They are impatient to get things done, and there's never any downtime," says Ms. McIntyre. "I have to check my e-mail five times more often than I would normally. If I don't respond immediately, I am out of the decision."

"But I've learned a lot," she says. "It's a very different way of working."

Women's Funds Step Up Efforts to Win Support From Female Donors

AS WOMEN'S economic influence and power grows, the dozens of foundations that raise money to help women and girls are changing their approach.

Most of the funds were created in the past 30 years, and have spent much of their time focusing on the share of foundation and corporate grants aimed specifically at women and girls—and demanding that grant makers give more to such projects. But now many women's funds are modifying their solicitations to foundations and increasing efforts to raise money from wealthy women.

"Rather than saying 'women are victims, they should be supported,' we're now talking about what women bring to the table," says Christine Grumm, chief executive officer of the Women's Funding Network, a San Francisco umbrella organization for more than 100 women's funds. "Women have the answers. It's not about handouts, it's about building assets and investing in your community."

To that end, the network last month announced an aggressive goal to increase the assets of the nation's women's funds to \$450-million by 2008, up from the \$260-million they now hold. To reach its goal, the network is collaborating with the Association of Women's Business Centers, in Camden, Me., to raise \$50-million to \$100-million. The association's nearly 200 centers provide services annually to more than 100,000 female business owners and entrepreneurs who will be asked to give money. Some women's funds have also

begun to hire fund raisers to actively solicit bequests and other planned gifts for the first time. Although the funds have long received unsolicited bequests, most of them had previously made no investment in seeking them. "This is an attitude shift," says Nicky McIntyre, the Global Fund for Women's vice president for development and communications. "We have shied away from asking for big gifts from other women."

Emphasis on Results

One reason women's funds are changing their approach is that their leaders realize women are increasingly capable of making large gifts, so the funds don't have to rely so heavily on foundations and corporations for support.

But some officials at women's groups say the organizations need to do more than simply say that projects benefiting women get fewer dollars than those that benefit men.

"While the fairness argument was an appropriate way to make the case for funding women and girls in the early days of the modern women's movement, the appeal for equity is no longer enough," says a new report from Women & Philanthropy, a Washington group of grant makers.

Foundations have become increasingly interested in measuring results and the effectiveness of their grants, the report notes. That is why charities that seek money from grant makers for projects to fight social ills such as poverty, disease, or lack of educa-



Women's Funding Network's Christine Grumm: "Rather than saying 'women are victims, they should be supported,' we're now talking about what women bring to the table."

tion should determine whether women are more or less affected by such problems and if they are affected in different ways, the report says.

Grant proposals by organizations working to help poor people find jobs, for example, might cite statistics showing that single mothers with children are the most likely victims of poverty, and their lack of access to low-cost

child care hampers their ability to find and hold a job, the report says. That way, the organizations can argue that child care is essential to ensuring that a job-hunting program will work, and that foundations should support those services for women, the report says.

Armed with research that shows what works and what does not, women's organizations can bring new vitality to the women's move-

ment while at the same time helping grant makers achieve their goals, says Anne Mosle, a Woman & Philanthropy board member and president of the Washington Area Women's Foundation. By approaching grant makers with a solution rather than a problem, she says, "we are no longer coming from a position of weakness; we are coming from a position of strength." —HOLLY HALL