



When Lilly Endowment unveiled its GIFT initiative to expand Indiana's fledgling network of community foundations, two cities within a dozen miles of each other scrambled to launch competing organizations. The year was 1990, and "thinking 'countywide' was a new concept for Michigan City and La Porte," recalls Maggi Spartz, who advocated for a collaborative approach to philanthropy. "We had two of everything back then – two United Ways, two Realtor Associations, two Red Crosses." The eventual decision to join forces resulted in the Unity Foundation of La Porte County with Spartz as president. The name and its catchphrase, "Friends Helping Friends," say it all. "The foundation helped bring us together," explains Spartz.

Five phases of the GIFT initiative – Giving Indiana Funds for Tomorrow – have served as catalysts for communities like Michigan City and La Porte to come together, reduce rivalries, build assets and generate local solutions to local problems. In the span of 24 years, the number of community foundations in Indiana has grown from fewer than 12 to more than 90. The challenge of raising local dollars to qualify for matching Endowment dollars has helped foundations that have regularly participated in GIFT increase their assets from about \$30 million to

approximately \$2 billion by the end of 2014. This has enabled them to return more than \$915 million in grants to the communities they serve. Each of Indiana's 92 counties now is served by at least one community foundation or affiliate fund.

Gene Tempel, the founding dean emeritus of the Lilly Family School of Philanthropy at Indiana University, is a supporter of community foundations as vehicles of philanthropy. Noting that 2014 marked the 100th anniversary of the establishment of the country's first community foundation, The Cleveland Foundation, Tempel is impressed by the many roles a community foundation can play to improve the quality of life of the people it serves.

"Community foundations inspire and mobilize giving and volunteering. They convene stakeholders to identify critical community issues and marshal resources to address them now and in the future," says Tempel. "I have observed Lilly Endowment's GIFT initiative since its beginning in 1990, and it's clear to me that the quality of life in Indiana communities has been dramatically improved because of the impact GIFT has had on the development of Indiana's community foundations. GIFT has truly helped unleash the generosity of countless Indiana residents, and the endowed funds created by their philanthropy will benefit their communities for generations to come."

In July 2014 the Endowment announced the \$66 million GIFT Phase VI. It offers two basic types of grant support, each with incentives for community foundations to raise additional matching dollars from donors: 1) funds to build unrestricted endow-



.....
Giving Indiana Funds for Tomorrow (GIFT) allows local communities to invest in programs that matter most to them, including the Boys and Girls Club of Elkhart (opposite top and above) and the Wellfield Botanic Gardens in Elkhart (opposite lower and right).

ments and 2) funds to be used for any charitable purpose chosen by the community foundation, such as operating expenses, community programs and capital projects, and endowments for such purposes. The matching incentives are designed to encourage board engagement and giving of unrestricted endowment funds.

Unlike funds that are designated for specific uses, unrestricted gifts are "no-strings" dollars that give a foundation's governing board the flexibility to respond strategically to opportunities or needs that arise unexpectedly. As an example, Spartz cites "Preserve Pine Lake Vista," a project currently under way in La Porte County that

involves a highly visible two-acre waterfront tract that was in dire need of cleanup and restoration.

“When the property suddenly came up for sale, we were able to use our unrestricted funds to purchase it,” says Spartz. The community embraced the effort and contributed time and money to demolish sheds, remove rubble and repair a seawall.

Unity Foundation served as quarterback for the project, a role that “put us in touch with people we otherwise wouldn’t have met,” notes Spartz. The plan is to donate the property to La Porte Parks and Recreation Department within the next two years, and an endowment fund will ensure its upkeep. “We’re not there yet,” she says of the \$1.2 million endeavor, “but we’re getting close.”

Welcome to Columbus

Unlike Unity Foundation, Heritage Fund – the Community Foundation of Bartholomew County – was up and running several years before the introduction of the GIFT initiative. Money left over from America’s bicentennial celebration of 1976, coupled with local

donations, created the Heritage Fund’s initial pool of \$1.2 million. The community enthusiastically endorsed the concept, and by 1982 the Heritage board set an ambitious goal to build the organization’s assets to \$10 million by the end of the century. The number proved to be conservative. “Thanks to the GIFT program, the assets on Dec. 31, 1999, were \$25.6 million,” says Tracy Hamilton Souza, president and chief executive officer. “We estimate that participating in GIFT and other Lilly Endowment opportunities has leveraged about \$19 million in total contributions.”

Responding to GIFT VI, Heritage Fund plans to raise \$600,000 in unrestricted funds by March 2016, the end of the challenge period. This will help support a second phase of the “Welcoming Community” initiative to promote understanding between native Hoosiers and newcomers assigned to work at the global headquarters of Cummins Inc. in Columbus, Indiana. Called “Engage Columbus,” the new phase will launch early in 2015 from a small building close to Heritage Fund headquarters on the city’s historic Franklin Square.

“In the surveys that we conducted, we

kept hearing people say, ‘Gee, Columbus is a hard place to get connected,’” says Souza. “This was especially true for folks who didn’t grow up here or folks whose first language was not English or who brought religious or cultural diversity to the city.” She envisions the “Engage Columbus” office to become the go-to place for anyone who wants help understanding and becoming part of the community. She describes it as “a kind of concierge service” where staff members and volunteers will welcome newcomers, answer questions and provide opportunities to connect with a range of organizations.

“We’re going to offer everything from information on how to enroll your kids in kindergarten to what kinds of activities you can plan when out-of-town guests come to visit,” says Souza. She explained the motivation for the “Welcoming Community” initiative in an October 2014 blog-post published by the Council on Foundations. Acknowledging the link between economic development and an environment that embraces diversity, she wrote: “The payoff for this work is a more tolerant, friendly, creative and vibrant community.” She anticipates the initiative will make the “recruiting and retention of employees an easier job for our business and industry base.”

Leading from behind

Similar to its counterparts in La Porte and Bartholomew counties, the Elkhart County Community Foundation is well on its way to meeting the GIFT VI challenge that will expand its already sizable unrestricted fund. Local donors learned the importance of “no strings” dollars in 2012 when a single gift swelled the foundation’s assets by \$150 million overnight. A former resident, David



Gundlach, died unexpectedly at age 56, leaving the bulk of his estate to the foundation with no restrictions on the money's use. Gundlach had visited with foundation leaders and indicated plans to make a bequest, but no one knew the amount. The gift made headlines across the country and created a sweet dilemma at home. Requests for funds poured in from area nonprofit organizations. But where were the greatest needs? What guidelines should govern grant allocations? Who should prioritize the projects that the windfall would support? The foundation turned to the community for answers.

"We hosted more than 80 round-table discussions," says Pete McCown, president of the foundation. "We called it our listening tour." Week after week he and his leadership team sat down with small groups of residents and invited them to weigh in on the county's problems, priorities, strengths and struggles. The goal was to hear from every segment of the population. They brought sandwiches to the



firehouse and sat down with the firefighters; went to schools to meet with teachers and administrators; visited members of the nearby Amish community; and, with the help of a translator, sought input from Latino immigrants – documented and undocumented. The conversations were recorded and then clustered by

topics. Dominant themes emerged. "The communication really identified the issues the community wanted us to focus on," he says. "The data shaped our thinking." Equally important, "we made a thousand new friends."

As the listening tour unfolded, the foundation wrestled with another question: Was the foundation going to dictate the projects that the community would take on or was it going to respond to projects that the community would propose?

"We decided to take the latter approach," says McCown. "We didn't want to play the godfather role or be the social engineers of Elkhart County. Some people say we should drive the agenda, but we prefer to lead from behind. We want the community to own its ideas and present those ideas to the foundation for funding."

The Gundlach gift and the foundation's thoughtful response to the largesse have had a ripple effect throughout the state. It has piqued interest in community foundations, illustrated the power of local philanthropy and built a case for contributions unhampered by restrictions. McCown reports "a momentum is occurring" that has resulted in donations almost doubling this year over last. He attributes the momentum to the gift and to GIFT.

"During the past quarter century, Lilly Endowment's GIFT initiative has helped create the assets that have enabled us to do our discretionary grantmaking," he says. "If we hadn't had the Endowment's seed investment, we wouldn't have had the opportunity to talk with David Gundlach when he was deciding how he could make a difference in his hometown. We couldn't have told him the foundation's story or explained how his contribution would allow us to expand our grantmaking. So, without Lilly Endowment's GIFT, the Gundlach gift probably wouldn't have happened."



Employees with Church Community Services in Elkhart (opposite) prepare food baskets, which include soup mixes made locally (left). The Humane Society of Elkhart County (below) represents the diversity of programs supported by GIFT through local community foundations across Indiana.

