

# **“Vitalization of Community-Bases Civil Societies”**

Cleveland Foundation

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# The Cleveland Foundation: History and Role in Society

- The Cleveland Foundation was born on January 2, 1914 – and with it, the community foundation field.
- The Cleveland Foundation sprang from the vision of Frederick Harris Goff, a wealthy lawyer turned banker.
- His vision: to create a community foundation, where gifts from people of immense wealth, and people of very moderate means, could be pooled.

# The Cleveland Foundation: History and Role in Society

- Goff revolutionized philanthropy in America
- The Chronicle of Philanthropy has cited the invention of the Cleveland Foundation as one of 10 seminal events that shaped the nonprofit world in the 20<sup>th</sup> century
- Today, more than 1,700 community foundations exists worldwide.

# The Cleveland Foundation: History and Role in Society

- Besides being the oldest, the Cleveland Foundation is one of the largest community foundations in the world, with assets of \$1.8 billion and 2011 grants of \$80 million.
- To date, we have authorized an estimated total of more than \$1.7 billion in grants.
- While maintaining our traditional role as a grantmaker responsive to community requests, we have in recent years invested more time and effort in self-initiated work:
  - Developing new partnerships
  - Leveraging additional money to support more complex initiatives
  - And working to inform and influence public policy

# The Cleveland Foundation: History and Role in Society

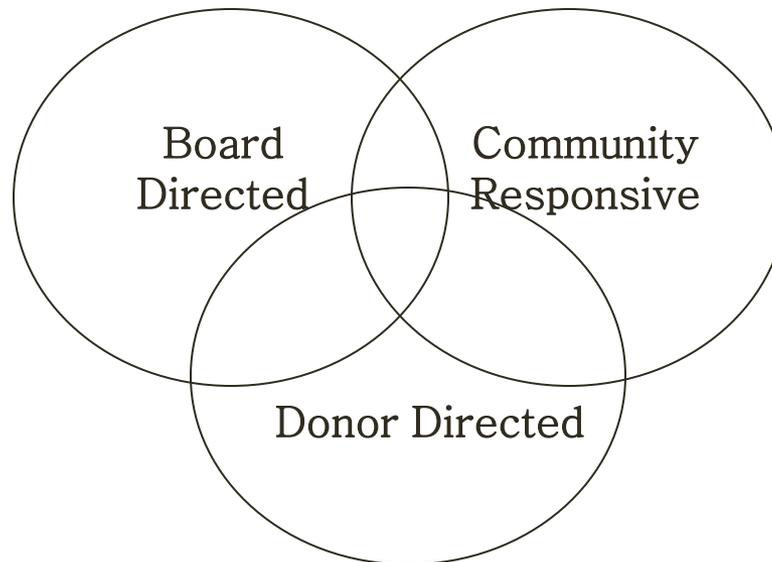
- This money funds a wide array of programs we have helped create to address what we have defined as Cleveland's vital needs:
- Economic development, where we have become more active in recent years
  - Public education reform
  - Neighborhood and housing revitalization
  - Youth development
  - And arts advancement
- Our Greater University Circle Initiative, integrates within a defined location every one of those vital issues

# CURRENT GRANTMAKING FRAMEWORK

## MISSION

The Cleveland Foundation's mission is to enhance the lives of all residents of Greater Cleveland, now and for generations to come, by working together with our donors to build community endowment, address needs through grantmaking, and provide leadership on key community issues.

## GRANTMAKING ROLES



# Fundraising Strategy: Public Support Test

To classify as a public charity under IRS rules, TCF must:

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- Receive a substantial proportion of contributions from more than a few related donors and not from investment income
- 1/3 of support must come from the general public

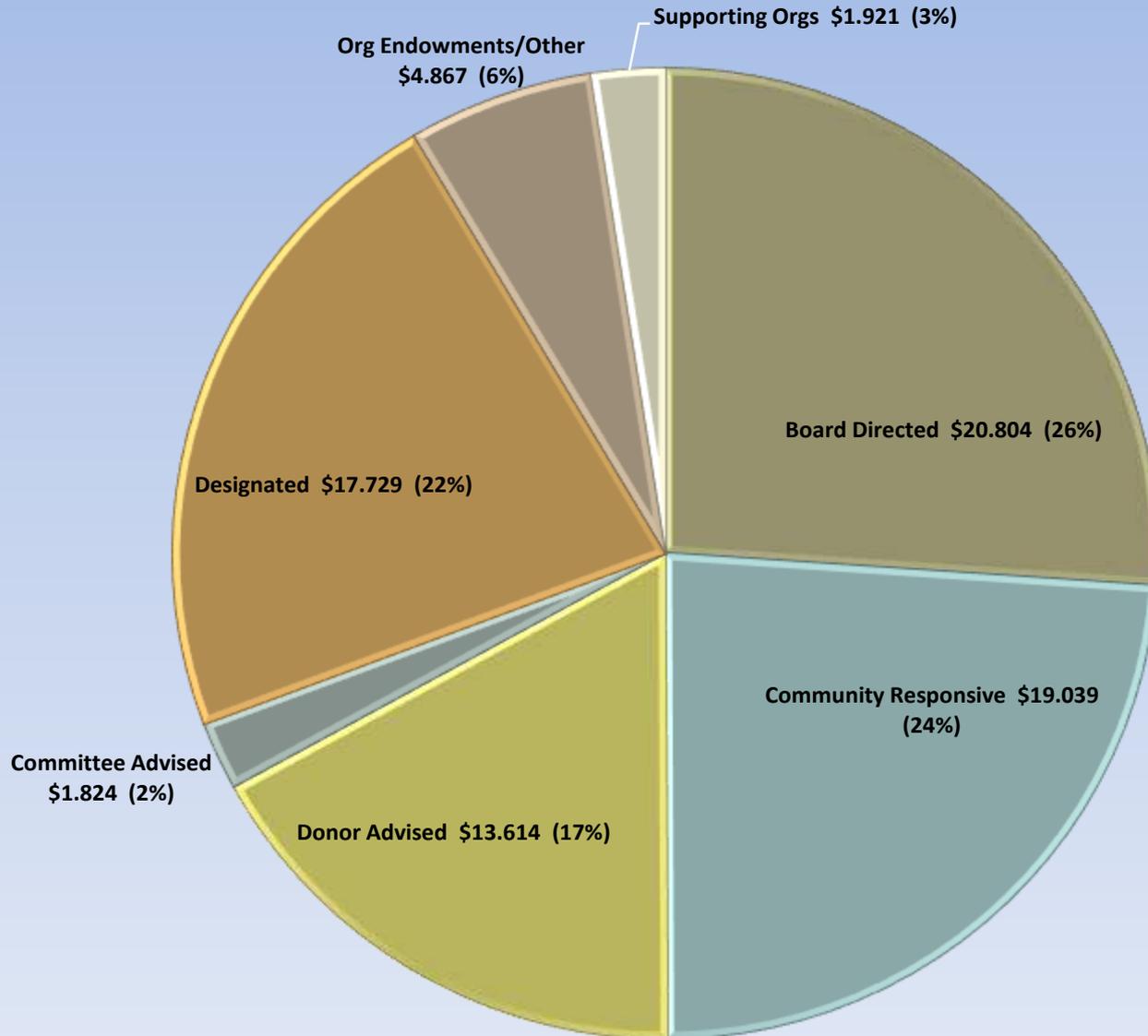
Why does it matter?

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- More favorable tax advantage for donors
- Flexibility for advocacy/lobbying
- Grants from private foundations
- Relief from excise tax and other requirements

# 2011 Grantmaking *(in millions)*

Final - \$79.798



# Fundraising Strategy: Brief History Lesson

## **ERA 1: 1914 - 1976**

- Distribution Committees
- Few paid professional staff
- "Money over the transom" from banks
- Ended with 1977 Regulations for the Tax Reform Act of 1969 (Public Support Test)

## **ERA 2: 1977 - 1996**

- Significant changes for Public Support Test
- Donor advised funds; planned giving programs
- Development staff
- Recognition of living donors (repeat gifts; bequest at death)

## **ERA 3: 1997 - 2008**

- Board participation in development
- Expansion of development staff
- Growth of commercial funds and competition for charitable dollars
- Field-wide strategies developed

## **ERA 4: 2009 - Present**

- Intense donor advised competition
- Technology and advent of new products ("Donors Choose," etc...)

# Non-Profit Sector in The U.S.

- In 2008 there were over 1.5 million non-profits registered with the Internal Revenue Service (IRS)
- The largest single category—501(c)(3) public charities—included over 950,000 organizations
- In 2009, total private giving was \$303.8 billion, down 3.6 percent from 2008

# Non-Profit Sector in U.S.

- In 2009, 26.8 percent of U.S. adults said they volunteered through an organization.
- Volunteers contributed a total of 15 billion hours during the year, worth \$279 billion at average wages.
- The number of registered non-profits grew 31 percent from 1998-2008

Source: Urban Institute 2010

# Greater University Circle Initiative

## Example of Multi-Institutional Collaboration

- Collaboration with Anchor-Based organization Case Western Reserve University, Cleveland Clinic, University Hospitals, City of Cleveland, Regional Transit Authority, Community Development Corporations and Foundations
- Focused on transportation, housing, education and economic inclusion
- “Action Oriented” planning: Implementation in 3-5 years
- Programs for the People and Neighborhood Agenda
  - Employer Assisted Housing - Greater Circle Living
  - Community Wealth and Economic Inclusion- Evergreen Cooperatives
  - Community Building and Engagement Strategies
  - Procurement and Supply Chain Business Attraction



Nutrient Film Technique (NFT) Growing System

