Philanthropy

A New Breed

Meet a few of the many who are profoundly changing the face of philanthropy today.

By Joanna L. Krotz

Wherever you go, whomever you talk to, the path of today's philanthropy starts with a story—a personal moment when heartrending need meets an outstretched hand. For Jeff Swartz, the third generation of his family to lead the Timberland Company in Stratham, New Hampshire, it began in 1988. He casually agreed to volunteer for a few hours at a local youth organization. Recounting the experience later, he says, "I found myself, not a mile from our headquarters, face to face with the stories you read about in the newspaper. I spent four hours with young recovering drug addicts in a group home. I painted some walls—and felt the world shaking under my feet." Today Timberland, which has grown from a $156 million company in 1989 to one worth $1.5 billion in 2004, has developed an exceptional and profound commitment to service. In the pages that follow, *Town & Country* reports on Swartz and seven other representatives of this new breed of inspiring and ambitious donors and their agents: givers who are engaged, hands-on and interested in making a difference now rather than in leaving a legacy for a future they won't see.

One Person Makes a Global Difference

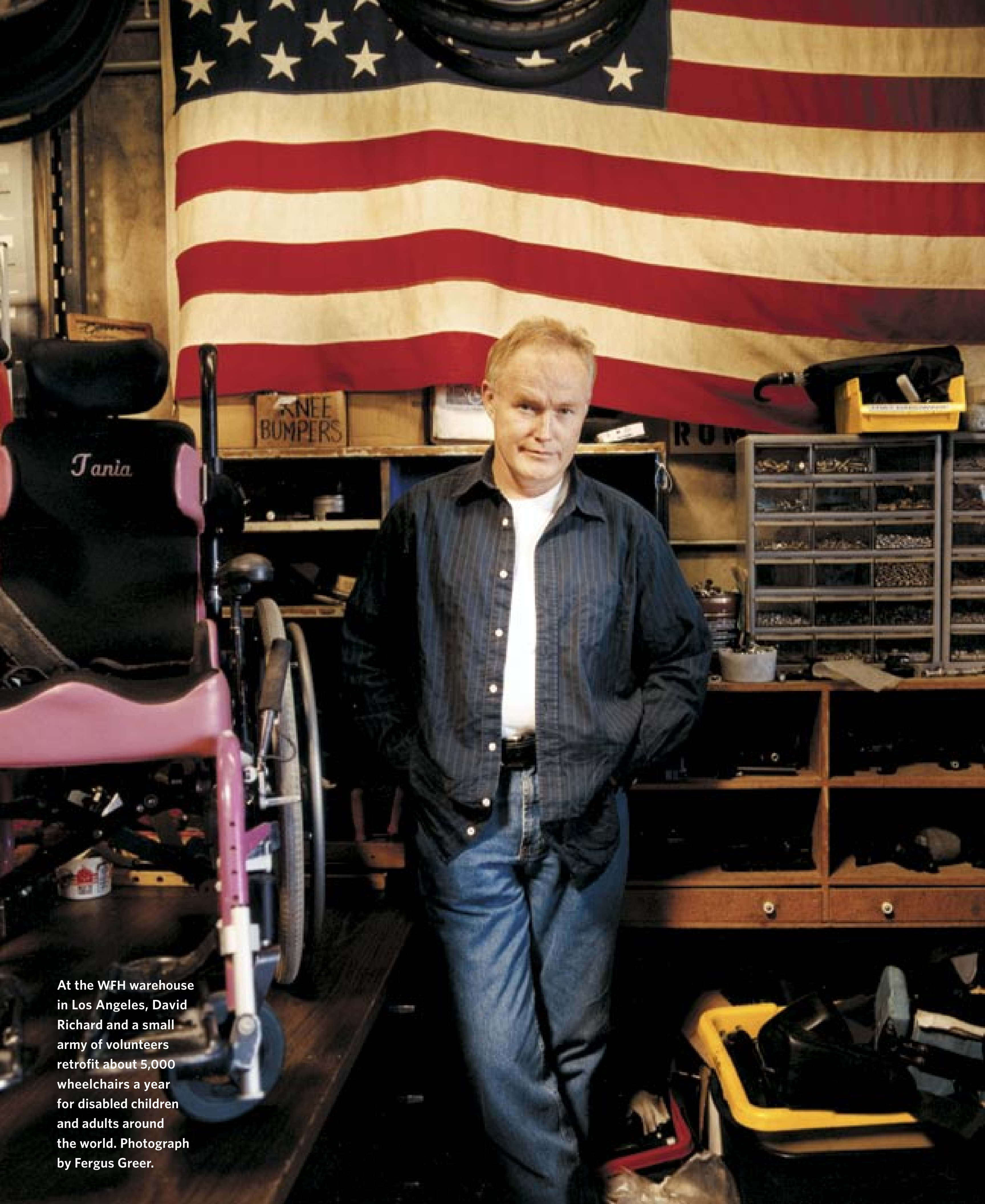
DAVID RICHARD, FOUNDER
Wheels for Humanity, Los Angeles

Headquartered in a 10,800-square-foot warehouse in North Hollywood, Wheels for Humanity (wheelsforhumanity.org) refurbishes wheelchairs to ship overseas to people who can't afford one. Volunteers do most of the work. "I'm good at getting wheelchairs to people, but I never learned to ask for money," says David Richard, forty-nine, the founder of the grassroots group. "Every month I think we won't be able to make the rent or payroll, and then, for some miraculous reason, a check comes in."

Begun in David's garage in 1996, WFH was inspired by the efforts of his brother Mark. While visiting Guatemala in the mid-'80s, Mark Richard saw a disabled woman by the side of the road who moved by dragging herself along by her elbows. Then thirty-one, the woman had been paralyzed by polio at age seven. Mark returned later with used wheelchairs for the woman and eighteen other people with disabilities.

Inspired, David, then a sales manager for a golf-supplies company, began collecting and refurbishing wheelchairs. He took 160 of them to Guatemala late in 1995. The next year he incorporated WFH as a 501(c)(3), and he's been at it ever since, accepting only a small annual salary.

In the U.S., new wheelchairs start at $300, and thousands are discarded each year. Worldwide, roughly 120 million people with disabilities need mobile chairs, but average annual income in developing countries is less than $1,000, so millions must spend their lives lying down, unable to move around. WFH can fit and deliver a chair for $120.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At the WFH warehouse in Los Angeles, David Richard and a small army of volunteers retrofit about 5,000 wheelchairs a year for disabled children and adults around the world. Photograph by Fergus Greer.

WFH is growing—actor David Hasselhoff recently signed on as spokesperson after a nasty motorcycle accident put his wife, Pamela, in a wheelchair for months. And the L.A. headquarters is handy: Tim Allen and Ali MacGraw have served on WFH's advisory council, and Goldie Hawn and Robin Williams have been donors. Yet WFH continues to operate on a shoestring. Its 2004 budget was a scant $613,000.

But for David, finding and shipping chairs to remote Mongolia or Zimbabwe isn't the tough part. There are lots of dusty chairs around, and carriers and airlines usually donate their services. The heart-wrenching part is ensuring that every chair fits its new owner. "Few agencies specialize in custom-fitting," he says. "There are all these groups that send chairs overseas thinking one size suits all. But you can't just buy a chair for $50 and drop it off for someone who's never been measured. It's complicated to tailor a pediatric chair for a four-year-old with cerebral palsy."

A WFH team—typically David and volunteer physical therapists, doctors and chair mechanics—travels to wherever a container of chairs is shipped. The team runs an on-site rehabilitation clinic, providing physical therapy and fitting.

"We're doing good work without a lot of money," says David. "But just fitting the chair is really a Band-Aid. My master plan is to build physical-therapy facilities with the latest technology, a trained staff and handbooks translated into the language of every country."

2004 AWARDS: With a $613,000 budget, WFH delivered and fitted 5,071 wheelchairs in 54 countries.

Besides working for other nonprofit groups, siblings Cameron (left) and Taylor Jordan play prominent roles in their family's Cricket Island Foundation, which supports youth-leadership initiatives. Photograph by Jake Chessum.

"I don't think philanthropy can be considered as something just for people with significant wealth. It cuts across class and status. It's about civic participation."
—Cameron Jordan

Gen Y Works for Change

CAMERON AND TAYLOR JORDAN, FAMILY MEMBERS
Cricket Island Foundation, New York City

Born into third-generation wealth, Taylor Jordan, twenty-six, and his sister Cameron, twenty-four, are the first in their family to build careers as philanthropists soon after college. "Many young people today have the ability to be financially fine for the rest of their lives without a real job. But they do have another problem—going through life without a professional identity," says Julie Simpson, the executive director of the Jordans' five-year-old family foundation, Cricket Island (cricketisland.org). Named for a family summer retreat, Cricket Island has a $40 million endowment and supports youth-leadership programs. "Cam-

HAIR AND MAKEUP BY TOBÉ WEST

eron and Taylor are part of a generation of young people who embrace the identity of philanthropists," continues Simpson.

The siblings credit their family for leading them to nonprofit work. "My grandparents have contributed to causes throughout their lives," says Taylor. "And when we turned eighteen, my parents gave us money up front to help us learn its value. We had advisers who walked us through the basics of investments and philanthropy. Those lessons were powerful and tangible."

The pair grew up in Boulder, each attending Colorado College in Colorado Springs. Taylor and Cameron also spent postgraduate periods trying to fathom what came next. "I graduated in 2001 and went through a difficult period," says Taylor. "I really wanted to pay my own way." He founded a technology start-up but ran into partner trouble. In retrospect, he says, "it was the best thing that could have happened. I refocused my life on trying to give something back." Besides his Cricket Island financial responsibilities, Taylor is a manager for RSF, a nonprofit financial adviser for foundations.

In San Francisco, Cameron works part-time for an Oakland youth program, and she and her aunt cochair Cricket Island's grant committee. "I was interested in social change from an early age," says Cameron, who volunteered for community projects in Cuba and South America as a teenager. "My identity as a philanthropist has emerged over the last year," she says. "It has to do with stepping up in the foundation." Taylor and Cameron both emphasize that philanthropy is a process of education. "Philanthropy brings up a lot of questions," says Cameron. "There's guilt about how much I should give. There are issues to wrestle with about power and turning people down."

Both Jordans also work with Resource Generation, a Boston group that counsels young, wealthy donors. "I've been lucky," says Cameron. "I meet many wealthy people in their twenties and thirties who feel they're still proving themselves to their families. My family is inclusive. I'm grateful that I've always had a voice."

2004 AWARDS: Total grants of nearly $2 million, including $50,000 to the CityKids Foundation (fourth annual grant) and $50,000 to Sistas and Brothas United (third annual grant), both in New York.

HAIR AND MAKEUP BY SHANNON RASHEED FOR CELESTINEAGENCY.COM

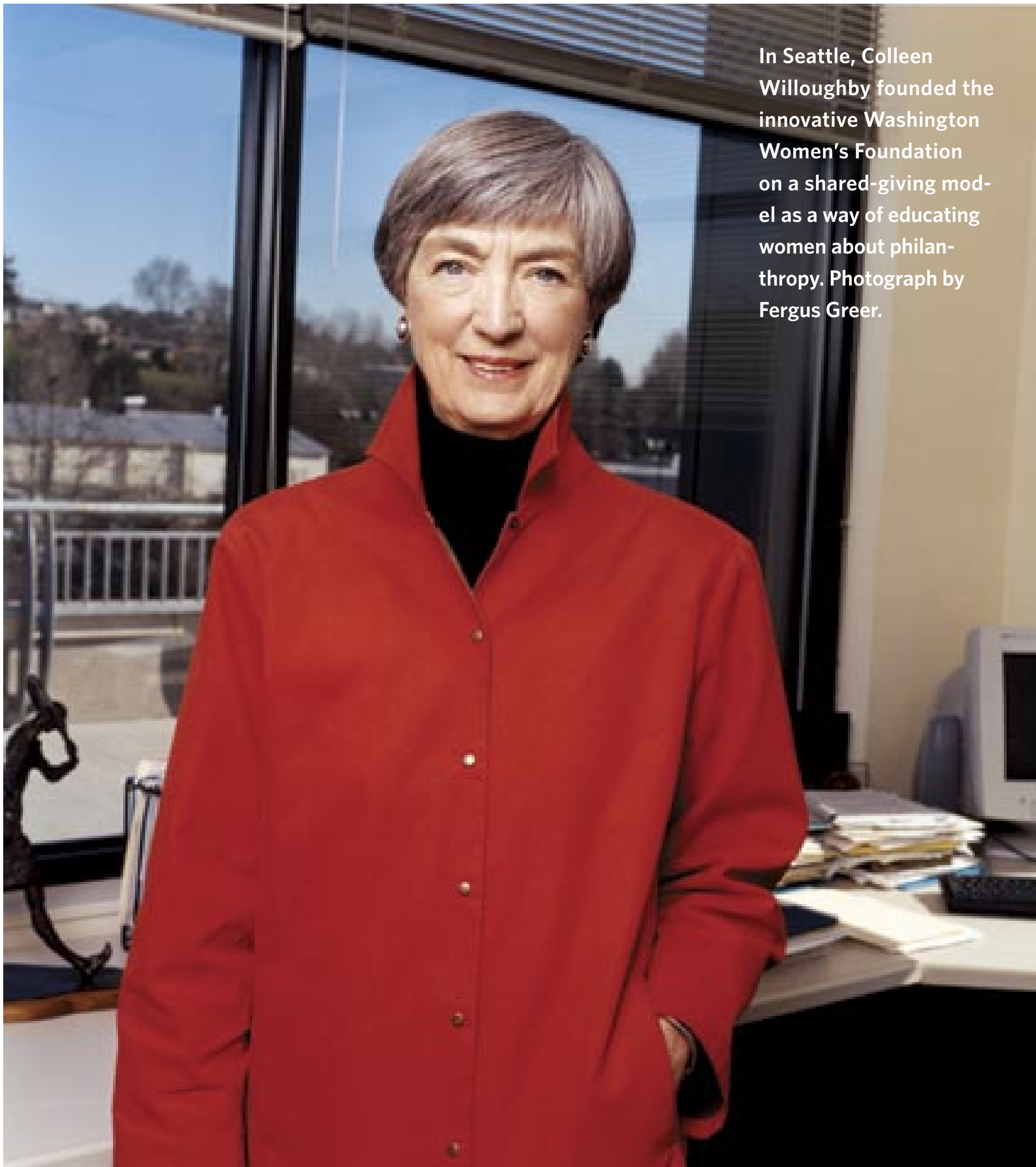
Shared Giving Means Greater Impact

COLLEEN WILLOUGHBY, PRESIDENT

Washington Women's Foundation, Seattle

In the early 1990s, after decades of work as a nonprofit activist, Colleen Willoughby began thinking about the growing wealth of women. "This was the first generation where a significant number of women were wealth generators as well as inheritors," she says. "Yet women were not giving to their capacity. And the needs of the community were growing."

In 1995, "to correct this disconnect," she founded the Washington Women's Foundation (wawomensfoundation.org) to expand



In Seattle, Colleen Willoughby founded the innovative Washington Women's Foundation on a shared-giving model as a way of educating women about philanthropy. Photograph by Fergus Greer.

PHILANTHROPY MUST CHANGE WITH THE TIMES—AND HERE'S WHY.

Abuzz with energy and options, today's philanthropy is being shaped by the speed of technology, the blurring of corporate and nonprofit giving and heightened scrutiny from media and government. It is being transformed by a world grown so intimate that all trouble hits our screen as if it were around the corner. Community is now worldwide—witness the unprecedented resources offered up to stanch the horror of the tsunami tragedy last December.

Most notably, philanthropy is changing because of the rise of new and younger wealth, much of it earned. It's increasingly common for many individuals and families to have more money than they or their kids will ever need. At the same time, around the globe, the divide between rich and poor is deepening, and social ills are turning systemic and intractable. Charity has never been more important.

As a result, the new breed of donor is not content to simply write checks for catchall causes. Today's donors are experimenting with new forms of philanthropy, such as giving circles. They are establishing new traditions. From 1999 to 2003 not only has the number of family foundations that gave grants jumped from 20,500 to 30,500, but nearly two-thirds of them now have less than $1 million in assets.

Such changes are triggering questions about success. How do you know when philanthropy works? "Many of today's really big fortunes have been made in finance and in technology, arenas that lend themselves to quantifiable measures of success," says Katherine Fulton of the Monitor Institute, an advisory group. "Many new donors coming in therefore want results that they can count."

The new mantra demands accountability and transparency. Donors want to track where their assets go. They want to harness skills and gain access to power, to influence policy and politicians. Volunteers want assurances that the resources will advance the mission. At its best, this so-called impact philanthropy turns giving into a strategic tool, making it bolder, flexible and far-reaching. It is philanthropy that sets out to win the war, not fight another battle. As Geoffrey Canada of the Harlem Children's Zone puts it, "I don't want to feed a hungry child. I want to stamp out hunger."

women's role in philanthropy via pooled contributions and shared decisions. At the time, the women-only focus was innovative indeed. The one-person, one-vote collective was altogether radical.

Each WWF member makes an annual $2,300 contribution with a five-year commitment. The foundation grants $1,000 of each contribution to five programs voted on by members every year. The remaining $1,000 goes to any three 501(c)(3) organizations of the member's choosing. The last $300 funds educational programs for members. "The foundation brings women together to accomplish greater goals than any individual could do alone," says Willoughby, now seventy. Because the foundation has more than 400 members, "my $2,000 has a $1 million impact," she says. Some members show up at every event and serve on committees. Others simply ante up and vote on grants. "The model is easy to set up and fits today's lifestyle," Willoughby explains. "It offers a cafeteria of choices so women can become more knowledgeable, and it lets them begin community engagement when their time is at a premium."

Ten years later, having granted a total of $5 million, WWF has members ages twenty to eighty, including Melinda Gates. The organization remains close to its egalitarian roots and educational mission, providing a template for other giving circles.

"Acts of kindness can be done in a day. Community-building is the work of a lifetime."
—Colleen Willoughby

While membership is limited to women, WWF grants are not. Says Willoughby: "When I launched the group, there were women's funds supporting women's causes, but no organized ways for women to learn about philanthropy or to financially support community-building together. WWF broadened the lens on what had been thought of as 'women's issues.' All issues are women's issues."

2004 AWARDS: $65,000 to an arts-education program; $65,000 to a literacy program; $50,000 to an environmental program; $100,000 for mobile dental clinics; $100,000 to help abused boys. Total: $380,000.

Moving the Finish Line

GEOFFREY CANADA, PRESIDENT AND CEO

Harlem Children's Zone, New York City

However worthy, Geoffrey Canada's ambitious urban experiment, the Harlem Children's Zone (hcz.org), isn't making headlines because of its cause. Programs to help poor kids in troubled communities have been around forever. Rather, HCZ is attracting national attention because of the way it is going

At the Harlem Children's Zone in New York, Geoffrey Canada's comprehensive plan to educate needy children includes cradle-to-college support and training. Photograph by Jake Chessum.

Hands-on, Early on: Anthony Drexel Duke

Four hundred dollars. That's what it cost nineteen-year-old Tony Duke to start a summer camp for twelve impoverished New York City children in 1937. Since then, the rewards have been extraordinary: some 45,000 youngsters have participated in Boys & Girls Harbor (boysandgirlsharbor.net), which now provides year-round educational, health, cultural and social programs at seven New York–area locations. And just as impressive, Duke, at eighty-seven, is still president of the institution and still reaching out, after sixty-eight years, to "kids who are a lot better than they think they are, given the surroundings in which they're growing up." Next fall the Harbor will open its own independent high school in Manhattan to complement the charter elementary school it already runs. If there were a prize for America's longest-serving representative of the new breed of donor celebrated on these pages, Duke—who is also a World War II hero—would doubtless be a contender.

To meet him is to meet a gentleman and, more important, a gentle man. His family founded American Tobacco and endowed Duke University, yet early on, Tony, who inherited the Duke name but not the fortune it suggests (his cousin Doris did that), was drawn to helping "kids who didn't look like they were going to get very far in life." Volunteering at a camp that his prep school ran for disadvantaged youngsters, "I found myself at fifteen with a really good job—teaching, coaching sports." When the program ended before he felt the boys were old enough to make it by themselves, he established his own. Today 4,500 kids annually benefit from the Harbor, and its budget has grown to $15 million, much of which comes from donations that Duke and his staff solicit, charmingly but relentlessly. Just don't *call* Duke a philanthropist. "I've never considered myself one," he says. "Instead I view the Harbor as a sociological experiment that works. I don't feel like a wise man; I've just seen the changes that can be wrought with good programs and good human beings." **JOHN CANTRELL**

Duke and his wife, Luly, at the Harbor's summer camp.

about its work. "The main things that separate us from similar organizations are that we have a clear strategic plan and we are focused on outcomes," says Canada.

Canada grew up hard in the violent South Bronx and found his way out via Bowdoin College and the Harvard Graduate School of Education. At fifty-three, after some twenty years of working with kids in tough settings, mostly with HCZ's predecessor, the Rheedlen Centers, Canada is an articulate veteran of the failed wars on poverty. The HCZ Project is his Plan B.

In 1997, the HCZ began by targeting a twenty-four-block area of central Harlem (since expanded to sixty blocks) and providing comprehensive, kindergarten-through-college services, including education, family care and tenant organizing, as well as after-school arts and sports—in other words, year-round, morning-to-night, three-dimensional remedies. "The objective is to create a safety net woven so tightly that children in the neighborhood just can't slip through," as the *New York Times Magazine* phrased it in a glowing profile of Canada last year.

Working with a detailed, ten-year strategic plan implemented in 2001, which has helped HCZ double its annual budget, to $25 million in 2005, Canada's organization offers an energizing redefinition of the goal of helping children.

"In the last twenty-five years, children have been failing by the hundreds in communities like south-central Los Angeles, Bedford-Stuyvesant and Harlem because we haven't defined what winning is," says Canada. The first issue, he says, is that not enough money has been put into early-childhood and after-school programs. "People also haven't thought through what it means to take a child to the finish line—and the finish line is college," he points out. "Let's say a kid does better in Head Start. What happens three years later? After early intervention, kids are overwhelmed by the community.

"The second issue is scale. There are more than a million kids in the New York City public-school system, and about 250,000 are failing. Programs with celebrated success rates have only had a couple hundred kids. We hope to have 10,000 kids by 2009. We work with them from 8:00 A.M. to 6:00 P.M. It's about growth, strategy and accountability."

With 700 full- and part-time employees, HCZ has nearly twenty active programs covering everything from child-rearing to technical training. Last November it moved into a new, 92,000-square-foot, $41 million facility, housing, among other functions, the Promise Academy, a new charter school with state-of-the-art computer gear, a science lab, a library and a gym. Currently there are sixth-grade and kindergarten classes, and two new grades will be added each year.

2004 AWARDS: With a $1.9 million budget, HCZ served 11,432 people, including 7,220 children.

PHOTOGRAPH, THIS PAGE, BY MIKI DUISTERHOF. HAIR AND MAKEUP, OPPOSITE, BY MANJARI FOR KOKO REPRESENTS, INC.

Minority Goes Mainstream

SARA MARTINEZ TUCKER, PRESIDENT AND CEO
Hispanic Scholarship Fund, San Francisco

Last January, as a guest at the swearing-in ceremony for President Bush's second term, Sara Martinez Tucker says all she kept thinking was "How did a girl from Laredo, Texas, get to be at an event like this?"

As the first in her Mexican-American family to graduate from college and the first Hispanic woman to become an executive at AT&T, Tucker has a history of confounding expectations.

But her goal is precisely the reverse: she wants such accomplishments to be considered commonplace for Hispanic youngsters. Since Tucker took over the thirty-year-old Hispanic Scholarship Fund (hsf.net) in 1997, the value of the annual scholarships it awards has increased tenfold. Under her watch, HSF has granted a total of nearly 68,600 scholarships, valued at $144 million, in all fifty states.

> "Nowadays donors are prepared with questions. They hold you accountable."
> —Sara Martinez Tucker

With a power Rolodex and a compelling business case for diversity—Latinos are the fastest-growing minority in the country—she has tapped rich resources. The Lilly Endowment has donated $50 million. As of 2004, the Bill & Melinda Gates Foundation has donated $47 million, as part of its $1 billion Gates Millennium Scholars Program.

"It's still uphill," says Tucker, who just turned fifty. "Five years ago, people said, 'I love that you bring solutions, not problems. Here's $5 million.' Nowadays donors are prepared with questions. They hold you accountable. And we still often need to educate donors as well as students. Many academics and executives still see Hispanics only as busboys or hospital and hotel workers."

Since taking over leadership of the Hispanic Scholarship Fund, Sara Martinez Tucker has opened six regional offices and a Washington, D.C., institute, while increasing annual scholarship awards from $3 million to $29 million. Photograph by Fergus Greer.

HSF allocates scholarships based on merit and need, but historically, awards have mirrored the U.S. Census breakdown of the national heritage of Hispanics: 63 percent Mexican, 10 percent South American, 9 percent Puerto Rican, 8 percent Central American, 4 percent Cuban and 3 percent each Caribbean and Spanish. Its mission is to double the rate of Hispanics earning a college degree, to 18 percent, by 2010.

Determined and experienced, Tucker is bound to succeed. "Skill sets are the same for the corporate and the philanthropic world," she says. "The difference is the stakeholders who affect the decision. Whenever I'm in a situation where there are competing agendas, I just ask: 'What would the students want us to do?' And that's my tiebreaker. It's a great joy."

2004 AWARDS: HSF granted 7,499 students more than $29.3 million in college scholarships, a 13 percent increase over 2003.

Doing Well and Doing Good

JEFFREY SWARTZ, CEO

The Timberland Company, Stratham, New Hampshire

"I am responsible for maximizing profit and for a superior return on investment to the shareholder," says Jeff Swartz, chief executive of the Timberland Company (timberland.com), the $1.5 billion international footwear and apparel maker based in Stratham, New Hampshire. "But commerce and justice are not sequential. They're linked."

Swartz, now forty-five, took the helm of Timberland in 1998, having worked in all areas of the company founded by his grandfather Nathan. Swartz's ideas about for-profit companies "doing well and doing good"—that is, being committed to profits as well as social justice—began a decade earlier, when he got a request to support an urban service organization, City Year. He spent four hours working at a group home for troubled kids and emerged with a newfound mission.

There was no good reason, Swartz figured, why community service and profitable business should be mutually exclusive. More to the point, he decided that Timberland would emphasize both values every working day.

Consistently voted one of the 100 best places to work by *Fortune,* the company has institutionalized ways for employees to volunteer, mostly through its core Path of Service program, started in 1992. Each employee is given forty hours of annual paid leave for community service. Throughout the year, employees organize company service days, such as a recent trip to New York to help restore a run-down playground in Queens.

In 1997 the company launched Serv-a-palooza. At this international yearly event, thousands of employees, vendors, community partners and young people come together for a day of community service in company locations around the world. "For one full day, the sun never sets on Timberland service," says Swartz. And in 2002 Timberland launched Service Sabbatical, which encourages employees to put their professional skills to work for the community for three to six months. So far, five employees have taken up the offer, including one who worked in a Peruvian orphanage and another who helped found a charter school.

With about 5,600 employees, 70 percent have now taken advantage of Timberland's Path of Service option. Worldwide, the company says its employees have donated 300,000 service hours in some twenty-five countries in the past decade or so.

As an early advocate for socially responsible corporations, Swartz now finds himself in high-profile company. In 2003 he and eighteen other CEOs, from companies like Citigroup, Home Depot and Wachovia, joined a presidential task force to explore ways that businesses can expand their roles in community service.

"We have clear language for financial performance, which looks at EBITDA and per-share earnings," says Swartz. "But there's no equivalent language to benchmark the competitive advantage of advocating for human and children's rights or the environment. There's a huge need to galvanize consumers to act more like citizens and reward the companies that work for both commerce and justice. Timberland wouldn't be so anomalous if there were more pressure from the marketplace."

2004 AWARDS: The Serv-a-palooza day generated 30,000 hours of community service in twenty-five countries. The corporation donated 2 percent of its pretax earnings to charity.

Philanthropy: An American Tradition

A COMMITMENT TO SHARING

Americans gave $241 billion to charity in 2003.

—*Giving USA 2004,* American Association of Fundraising Counsel

A PERSONAL RESPONSE

Percentage of American private giving that comes from corporations: 6%

Percentage of American private giving that comes from foundations: 11%

Percentage of American private giving that comes from individual citizens: 84%

—*Giving USA 2004*

A PROMISING FUTURE

Over the next half-century, $41 trillion will be transferred to a younger generation, of which $6 trillion will go to charity.

—Center on Wealth and Philanthropy, Boston College

A WORLD OF NEED

"Imagine if our world were shrunk to a village of 100 people: 34 would earn less than $1 a day; 70 would be unable to read; 56 would lack access to basic sanitation. Conversely, 1 would have a college education; 7 would have access to the Internet." —Peter Karoff, the Philanthropic Initiative

"Our company is organized around values," says CEO Jeff Swartz. Instead of going on golf or tennis outings, Timberland employees go off-site to serve the community. Photograph by Rob Howard.