



"Giving" Advice



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ABOUT YOUR FOUNDATION

Since 1973, the **Toledo Community Foundation** has provided individuals, families and businesses interested in the well-being of our community with an *efficient, effective, low-cost, professionally managed* mechanism to achieve their charitable goals.

For philanthropists wishing to maximize the impact and life of their charitable gifts, the Foundation provides *resources for thoughtful giving*. Using its expertise and personalized services, **Toledo Community Foundation** helps donors

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Charities' Gold Mine: 'Giving While Living'

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By Meredith May

Several times a year, Heidi Hess and James Rucker of San Francisco go online, PayPal style, and redirect their wealth to their favorite charities.

They are tactical philanthropists—part of a growing group of socially conscious givers in the Bay Area whose generosity accounts for more than half the \$1 billion in assets at the San Francisco Foundation.

Otherwise known as “charitable checking,” or “giving while living,” donor-advised funds are quickly becoming the most popular way to invest social capital.

Targeted philanthropy enabled the San Francisco Foundation to pump almost \$90 million into Bay Area civic life in 2007, funding everything from marine mammal rescue to yoga for homeless moms.

Donor-advised funding marks a sea change in the power paradigm of community foundations, where a board of trustees has traditionally decided how to disburse the charity of the Bay Area’s wealthiest families.

“You click and send to specific groups that are doing what you like, instead of sending it to a charitable clearinghouse where you can’t see the impact of your dollars,” said San Francisco Foundation spokeswoman Sara Ying Rounsaville.

Donor-advised funds appeal to more modest investors, who, with as little as \$10,000, can open an account. Such funds help put the San Francisco Foundation among the top 10 richest community foundations

transform their philanthropic impulse to measurable community impact. Beyond the gifting of assets, the Foundation helps donors identify issues of importance to them and *inspires engagement* with community organizations addressing these issues, thereby maximizing the impact of charitable gifts and creating a greater sense of fulfillment.

among the 717 nationwide.

Traditional Endowments

The rest of the foundation's endowment comes from more traditional sources: wealthy families bequeath money in their wills or give enormous gifts to the foundation, with no strings attached.

"We live at the crossroads of extraordinary wealth and goodwill," said San Francisco Foundation CEO Sandra Hernández, the former public health director for San Francisco who started two national firsts in the city: universal health care and needle exchange.

The foundation has become a vital funding source that's responsible for keeping the region's most vulnerable out of poverty, ensuring its artists are able to work, and promoting the social and environmental ideas that make the Bay Area one of the most forward-thinking places to live.

Tactical philanthropy is part of the personality of the Bay Area, and the state as a whole. Four of the nation's 10 largest community foundations call California home—those in San Francisco, Marin County, Silicon Valley, and Los Angeles—accounting for one-third of the combined \$16 billion in assets on the national top 10 list.

Aiding Bay Area Institutions

As one of the nation's oldest community foundations, the San Francisco Foundation has been responsible for fostering the growth in the past 60 years of fledgling nonprofits that have since become Bay Area institutions—including KQED, the Berkeley Repertory Theatre, the Trust for Public Land, and the world-renowned Oberlin Dance Collective in San Francisco.

Hernández has doubled the foundation's endowment in 11 years while maintaining a medical practice on Fridays in the AIDS ward at San Francisco General Hospital.

She's done that, in part, by developing a group of "living donors" and encouraging them to think about leaving their legacies to local nonprofits during their lifetime.

Part of Larger Trends

Giving donors more say in where their money goes dovetails with trends in philanthropy of targeted giving and micro lending, where the donor can concentrate on helping one village with simple solutions such as buying a cow or installing a well. Donor-advised funds at the San Francisco Foundation are local versions of that, allowing investors to contribute to the shelter or school down the street.

"You have relatively younger donors choosing to set up funds this way,

so they can be more engaged with their local community," said Steven Lawrence, senior director of research for the Foundation Center, the New York-based philanthropy research center.

"It represents a cultural and generational shift from the tradition of older donors setting up funds simply for estate planning," he said.

Point-and-Click Giving

The San Francisco Foundation created its donor-advised Web portal in 1999, at a time when only five other community foundations had point-and-click giving. Since then, Web-based giving has become ubiquitous, and San Francisco donors have used the site to send \$152 million to Bay Area nonprofits.

"Technology has helped keep donors philanthropically informed," Hernández said. "If there's a hurricane, they can go on our site, see the places we researched to give and—boom!—make a grant."

Account holders can go online to check their balances and transfer funds to their favorite nonprofits. Each request is vetted by the foundation, to ensure the chosen charity is a legitimate 5013c that qualifies for tax exemption.

Matching Donors to Charities

The foundation serves as a catalyst by researching and mentoring promising nonprofits and then investing philanthropic money and helping donors decide which local charities match their social values.

The donors get the tax deduction of their entire contribution up front, but can disburse it over years to as many different charities as they want.

In 2007, the foundation granted almost \$90 million. It developed almost 5,000 units of Bay Area affordable housing; gave grants to 70 local poets, writers, photographers, and videographers; started a free program to help struggling homeowners avoid foreclosure; sent nearly \$175,000 to help clean up the Cosco Busan oil spill; and funded food banks and meditation centers.

In all, nearly 800 nonprofits were funded in San Francisco, San Mateo, Alameda, Santa Clara, and Marin counties.

A growing number of donations is coming from the newest philanthropists—the socially conscious dot-com riche.

Tech millionaires are coming of age and are now ready to give back, but they want the same control over their giving as they had with their startups, said Sean Stannard-Stockton, director of tactical philanthropy for Ensemble Capital Management in Burlingame.

"You look at Warren Buffett and Bill Gates—the big story is not how much they gave, but that Gates, at 50, decided he had something more important to do than run Microsoft," Stannard-Stockton said.

"Philanthropy is a higher calling."

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