



THE CHRONICLE OF PHILANTHROPY
THE NEWSPAPER OF THE NONPROFIT WORLD

November 13, 2008

Priorities for a New President

By Ian Wilhelm

As Barack Obama prepares to enter the White House, he comes to power during a turbulent period in American history, with the nation facing a financial meltdown, two wars, and an increasing number of people struggling to meet basic needs.

But nonprofit leaders see opportunities in the crisis. They say the new president should work more closely with charities and foundations to solve the country's big problems — and help philanthropy grow during an economic downturn.

To explore what the incoming Obama administration means for nonprofit groups, The Chronicle interviewed numerous charity officials and experts, asking them what the new president can do to strengthen philanthropy, fund raising, and volunteerism during the next four years.

Of utmost importance for many of them is the need for the president to spur economic growth to trigger greater giving. But they also called for a more prominent role for charitable groups in the administration, a White House Office of Civic Engagement, for example, or a National Institute of Philanthropy, which would offer prizes for effective giving and promote collaboration among donors.

Others called for new government policies to aid cash-strapped charities, such as making financial assistance available to them from the Small Business Administration or allowing donors to food banks and other social-service charities to receive greater tax benefits for their gifts.

Still other nonprofit leaders argued that, despite the problems Americans are experiencing at home, Mr. Obama should not ignore the need in Africa and other impoverished regions of the world, urging him to increase foreign aid and reduce barriers to international giving.

The following are excerpts from the advice nonprofit officials have for the next president. You will find a discussion among Chronicle readers about priorities for the next president online.

Offer Extra Tax Benefits for Gifts to Antipoverty Charities

President Obama could make philanthropy more powerful and effective in our struggle against poverty. Reforming tax policy that incentivizes charitable contributions directed toward nonprofits devoted to challenging poverty would be a place to begin. As long as nonprofits whose mission involves serving the poor stand on the same platform as organizations devoted to the arts, health-care institutions, and higher education, progress will not be realized as quickly as could be the case.

What if Congress devised a stratified deduction scale that provided a dollar-for-dollar deduction (100 percent) for funds given to organizations working with the poor? In other words, what if donations aimed at helping the poor could be considered 100 percent "excluded" from taxable income, rather than a simple deduction linked to one's tax bracket? No doubt, such a change would drive up donations given to serve the poor and communities affected by poverty.

And what if it became a federal requirement that tax-exempt organizations like churches and faith communities had to prove the amount they invested in their communities to overcome poverty to maintain their tax status? The requirements to protect their tax status could be formulaic and tied to their size and budget history.

As a former pastor, I realize this one will not be too popular with some church leaders, but I've always wondered why faith groups didn't have to do more to prove their actual public and community benefit.

— Larry James, president of Central Dallas Ministries

Create a Cabinet-Level Philanthropy Position

President Obama needs to be a consensus builder because he is undertaking challenging work during especially challenging times. To solve the many intractable issues facing this nation, he must recognize that only by bringing the three sectors together — government, the private and nonprofit sectors — can we begin to find solutions. He has to forge new alliances and bring them together focused on a common purpose to help Americans in need.

For the first time in a long time, people who haven't been interested in elections are extremely engaged this year, especially young people who are voting for the first time. People have turned out in unprecedented numbers for early voting. The next president must capture that passion and energy at the polls and convert it to a lasting commitment to make our society a better place. He must motivate and inspire people and our youth in particular — to act, whether it's through volunteerism or more active civic participation in our communities.

Resources are becoming more scarce and precious given the economic turmoil. Any way the president can rally the nonprofit community to align their efforts with his vision would amplify the impact.

The next president can get off to a good start by appointing a high-level individual to his cabinet, which would acknowledge, recognize, elevate, and most importantly, coordinate the vital work that philanthropy and nonprofits do to help the neediest Americans. Only then would ideas like engaging volunteers and renewing AmeriCorps or a similar public-service program create urgency for nonprofits and the citizenry who are battling hard times.

— Antonia Hernández, president of the California Community Foundation, in Los Angeles

Transform Political Giving Into Charitable Giving

This presidential campaign benefited from more than \$1-billion in political contributions, the largest in our nation's history. Mr. Obama should capitalize on this momentum and encourage giving to continue, only now to philanthropy.

It will send a strong message that philanthropy can create solutions and empower individuals and corporations to tackle issues that were often discussed on the campaign trail. By making

philanthropy part of the president's personal agenda, he can bring a national presence to the power of philanthropy as a catalyst for change.

Spearhead a national counterpart to the Clinton Global Initiative that brings together corporate and philanthropic leaders to address issues in the United States. To quote Larry Brilliant of Google when describing leadership, he suggests that "you may be successful as the president ... but if you do not think of philanthropy as part of your job description, you are not cool, you are not good, you are not doing your job, you are not modern." This modern president can establish a philanthropic agenda as part of his national leadership.

Embrace new civic engagement models for soon-to- retire baby boomers. Prepare our country to reap the rewards of this activist generation. Creative thinking could include a new twist on AmeriCorps that allows scholarship dollars for a grandchild or a reverse G.I. Bill to pay for second-career training, with a repayment made through service in industries with predicted labor shortages such as teaching and nursing.

— Linda B. Carter, president of the Community Foundation of Broward, in Florida

Provide Federal Assistance to Nonprofit Groups

In the past decade, government has outsourced huge segments of human services to nonprofit organizations, and we have been exhorted to behave more like private businesses.

Successful nonprofits have taken Sarbanes-Oxley seriously; we have high-functioning independent boards, strategic plans, measurable outcomes, and fiscal transparency. We are ready to meet the challenges presented by the economic crisis; indeed we already are meeting them.

Here in the South Bronx we have extended the hours of our food pantry to deal with the growing lines that start forming hours before we open. We are counseling families on debt management and how to avoid eviction and foreclosure. We provide training to the jobless in how to start their own microenterprises.

Yet we remain seriously undercapitalized, which will make it almost impossible to keep up with the skyrocketing demand for our help in preventing evictions, providing food and shelter, creating business opportunities, and caring for children. The success of our work will keep more families from homelessness, hunger, illness, and violence.

The federal government could do a number of things:

- **Expand the definition of "small business" to include nonprofit organizations, making them eligible for any assistance the Small Business Administration eventually provides.**
- **Make loan funds and capital infusions available to high-performing organizations with track records of serving low-income communities.**
- **Create a loan-guarantee program for nonprofits so that loan funds obtained from a nonfederal source would be guaranteed by the federal government.**

It will take coordinated work among government, philanthropy, and the nonprofit sector to stanch the losses in our nation's poorest communities.

— Nancy Biberman, president of the Women's Housing and Economic Development Corporation, in New York

Create an Institute on Philanthropy

President Obama can support philanthropy and service by creating a National Institute of Philanthropy, along the lines of the National Institutes of Health, that would:

- Draw national attention to opportunities in giving and volunteering.
- Convene donors and promote collaboration.
- Collect and disseminate information from community foundations and communities.
- Showcase philanthropic initiatives that are succeeding.
- Develop national standards for philanthropy that address transparency and equity.
- Present a national award, like the Malcolm Baldrige Award for quality or the Ron Brown Award for corporate citizenship.
- Establish procedures that would facilitate international giving.
- Promote the use of mission-related investing to leverage philanthropic resources.

— Melissa Berman, chief executive of Rockefeller Philanthropy Advisors, in New York
What Philanthropy Offers the President

Ask not what President Obama can do for philanthropy and civil society, but what philanthropy and civil society can do for him, and for all of us.

I don't mean that in a partisan way. But rather than view ourselves — and inevitably be viewed — as another special-interest group with its hand out for legislative or regulatory rewards, what can we do to assure that the critical first year of a new administration can make the maximum use of the window of time to address the most profound national challenges at a moment of enormous crisis and opportunity?

Climbing out of the financial crisis in a way that addresses its root causes and ameliorates the inequalities of wealth that have been exacerbated in the last eight years; ending the war in Iraq; making critical investments in health care, the most gaping hole in the U.S. social safety net, and in clean energy, essential to our common future on the planet; restoring respect for the Constitution and the rule of law — these should be our priorities as well.

What would it look like for philanthropy to come together, now that the partisan battle is over for a while, rising above our own issue silos, to make the most of this moment? To connect our best thinkers and strategists to these challenges, so the administration can draw on the richest data and the most innovative ideas among the universities, think tanks, and nonprofits we support? To assure that the voices of grass-roots and community organizations are heard, and that the lens of social justice is focused on the monumental debates to come? To assure that the new president keeps faith with his promises, getting constructive support when he deserves it, and the necessary push when he requires it?

Administrations come and go, and the civil society we support needs to be strong and vibrant to deal with whatever government is in power. But if come January 20 there is the opportunity for progressive change on tenacious national and global problems, I would not want to look back 10 or 50 years from now and lament that we did not put aside business as usual to rise to the moment.

— Gara LaMarche, president of the Atlantic Philanthropies, in New York
Establish an Office on Civic Engagement

Civic engagement has long been the domain of dedicated CEO's, conscientious Chamber of Commerce chiefs, and committed volunteers. But for civic engagement to deliver on its promise as a positive force for social change, we need leadership from the highest ranks of government to support and inspire engagement at all levels of society.

That is why I call on the Obama administration to create a White House Office of Civic Engagement. Helmed by a strong, connected leader and rooted in the challenges facing our communities, the office could lead an unprecedented and much-needed expansion of civil society. By supporting community-based organizations, in particular, this office could give a strong and powerful voice to residents struggling with our nation's toughest challenges.

We must sustain and amplify the voices of those whose lives are most impacted by decisions about transportation, green jobs, infrastructure investments, education, etc. These residents need the support of strong organizations with the capacity to promote true civic engagement — organizations that can call community meetings, prepare community residents for discussions with policy makers, and unite disparate stakeholders for a common purpose.

The office would create new infrastructure to harness the creativity of these on-the-ground organizations and bring their equity-enhancing ideas to national scale.

— Joe Brooks, vice president for civic engagement at PolicyLink, in Oakland, Calif.
End Partisan Rancor to Build Society

By far the most important thing President Obama can do to **strengthen civil society is to make civility a core governing principle**. To do so, he need not steer clear of controversial issues that provoke passionate debate. But he must show genuine respect for competing viewpoints, a willingness to find common ground, and zero tolerance for the polarizing politics of "us and them."

The slash-and-burn partisanship that has come to dominate not just our elections, but every day in between makes the work of the charitable community infinitely harder. After 14 years as a philanthropist, I have come to see that the charitable community's good works will amount to little if our elected leaders are unwilling to set aside narrow partisan interests to forge long-term solutions to our major challenges.

The clearest example is the neglect of the looming federal budget crisis that threatens to pull our already frayed safety net out from under tens of millions of Americans. Even before the financial meltdown and financial rescue, both the Congressional Budget Office and the Government Accountability Office projected that mandatory spending on Medicare, Medicaid, Social Security, and interest on the national debt was on course to exhaust all federal revenue within a generation.

Real solutions to this enormous challenge and so many others will require real sacrifice from all Americans. We in the charitable community must use our influence and resources to make it

possible for our elected leaders to talk honestly about sacrifice. We need to help them educate the American people about the real trade-offs we face. We need to create the conditions in which rigorous, respectful debate can flourish. If Mr. Obama is willing to model civility from day one, those of us in civil society must work to turn that opening into a norm.

— Mario Morino, chairman of Venture Philanthropy Partners, in Washington
Work With Charities on Health Care

The current economic crisis has created many new challenges for nonprofits. **The federal government can play a significant and meaningful role by creating an environment that will help nonprofits not only meet their missions, but grow and flourish** — even in these tough economic times.

In the current challenging economic environment, it is essential that we preserve and protect tax policies that encourage charitable giving. The downturn has significantly affected many nonprofits as donations have declined and investments have dwindled. Now is not the time to remove incentives that promote giving. Rather, we should look at new and creative ways to help nonprofits, such as lifting the ceiling on deductions for individual giving.

In addition, as the Obama administration and the Congress tackle health-care reform, it is important that the nonprofit sector be part of any plan. Roughly 15 percent of Americans work for nonprofits that are struggling mightily to pay rising health-insurance costs for their employees. However, since tax-exempt organizations do not benefit from employer tax credits and other similar proposals, health-care reform must consider the needs of these employers and employees if affordable and quality health care is to be provided for all.

— Cass Wheeler, chief executive of the American Heart Association, in Dallas
Encourage Giving Overseas

The United States is on the precipice of very exciting and very promising change. After eight years of a failed administration that oversaw the dismantling of the economy, the Constitution, and the country's standing in the world, President Obama has much to do. Fortunately, he will have a very engaged citizenry and nonprofit sector behind him — in fact, the very sector that shaped his early career and influenced his thinking.

This election cycle has seen unprecedented levels of citizen engagement. In fact, my British colleagues are amazed at the vibrancy of the debate, the 50+ primaries that lead to a nomination, and the passion of the population for their candidates. This is democracy at full throttle and it has been nothing short of inspirational. It has been particularly encouraging to see the involvement and activism of young people across the country. **I hope that President Obama will continue to harness that energy for the public good, calling attention to programs such as Young People for the American Way and Teach for America, and encouraging philanthropists to support local efforts that engage young people in community service and all citizens in civic life.**

As a nation we Americans have much work ahead of us to repair the tattered state of our international relations.

American generosity has always been a powerful antidote to anti-Americanism — and now more than ever we need that antidote. Whilst the president can achieve part of that goal via increased foreign aid, a re-engagement of the discussion around trade rules (to benefit producers in the

developing world), and a more balanced and enlightened foreign policy, there is a very powerful role that private philanthropy can play as well.

My hope is that the president will lead a call to action to inspire American philanthropists to spread their generosity and their know-how abroad via increased international giving — and that he will encourage the Internal Revenue Service to simplify the rules on cross-border giving.

— Salvatore LaSpada, chief executive of the Institute for Philanthropy, in London
End America's 'Me First' Mentality

American society has existed for a long time with a "me first" mentality. President Obama should lead by example, taking opportunities to support programs that care for others above oneself and championing individuals who demonstrate leadership in philanthropy, volunteering, and civil society. **By encouraging Americans to return to a time when success was judged more by how many you helped and less by how much you helped yourself, the president can improve philanthropic and volunteering rates.**

Students choose to enter public service for a variety of motivating factors. Some feel a strong loyalty to community. Others truly believe in the mission of one particular program. Still more identify with a special-interest group or policy goal.

Mr. Obama should fund programs that develop these motivations in high-school and college students, informing them of their options in the public and nonprofit sectors. He can also increase interest in public-sector careers by increasing the amount of scholarship money offered to students seeking higher-level degrees in public affairs.

Working in the private sector is often more attractive to students than working in the public sector due to the increased likelihood of paying off student loans in one's lifetime in the private sector. Increased funding for public-affairs students would level the playing field for students entering public careers.

— Susan Puskar, a first-year student at Indiana University working on a master's degree in public administration with a focus on nonprofit management and policy analysis. She is also a former AmeriCorps member.

Help Students Pay for College

The No. 1 source of stress for teens in America isn't getting into college, it's paying for it. The banking crisis wasn't caused by these kids, but they are certainly feeling the credit crunch as institutional college loans are more difficult to secure, more expensive to pay back. And loan forgiveness is a distant dream for most.

America is also going to need to depend on the strength of volunteers as organizations and causes fizzle without funds. We need to stop thinking about young people as leaders we're grooming for tomorrow and start thinking of them as powerful thinkers and doers right now.

My suggestion? Marry these two needs. Pour money into AmeriCorps and create loan-forgiveness programs tied to volunteer action.

— Nancy Lublin, chief executive of Do Something, in New York
Simplify Rules That Fight Terrorism

As an Israeli with many years of experience in building our own civil society, I sincerely wish Mr. Obama much strength and wisdom in dealing with the many issues and crises in the world today. In the midst of a global financial crisis, I am afraid that both American philanthropists and the U.S. government itself will pull back from international commitments and responsibilities. This simply cannot happen — the rest of the world still looks to the United States for leadership and for sustained commitment to urgently necessary international-development needs.

On another front — and this might sound paradoxical from an Israeli — **the American government must streamline its process for ensuring that philanthropic dollars do not flow to terrorist or terrorist-front organizations.** Yes, of course, security comes first. But the process that overseas NGO's must now comply with to meet the stringent, complex, and often baffling U.S. Treasury requirements is preventing many worthwhile grass-roots NGO's from receiving American funding.

President Obama must act, with and through civil society, to bring together Christians, Jews, and Muslims to find ways to respect each other, to reconcile and engage in productive dialogue. Certainly the United States can do more in the world to foster understanding and lessen religious and ethnic tension.

— Rachel Liel, director of the New Israel Fund's Shatil, a nonprofit training center in Jerusalem
Rebuild Cities Across America

President Obama must bring both considerable resources and a sense of urgency to ensure that working families and their children have opportunities to lead healthy, stable, and successful lives. More important perhaps, he must build partnerships among government, nonprofits, and business to collaborate and bring their unique resources to revitalize American communities — and to do so in a way that will be economically, socially, and environmentally sustainable.

In order to do this, Mr. Obama must first focus the nation's attention on the variety of problems facing our communities, particularly our urban centers.

We must invest in the infrastructure that creates the foundation for a thriving city. Not only must we fix our roads, sidewalks, and sewers, but we must also improve the other basic underpinnings of a sustainable city: Individuals and families must have homes that they can afford to live in over the long term; children must be able to attend schools that prepare them for an evolving employment landscape; adults must have opportunities nearby for productive, stable jobs; and families must have safe, healthy places to learn and play together. Our new president will be challenged to convince us that the most expedient solutions may not be the best ones. These hard problems necessitate real solutions that will endure.

A prerequisite to achieving these lasting impacts is for the new leader to have the integrity and courage to publicly and forcefully acknowledge the scope and scale of the problems facing the communities. It's not just about fixing the current foreclosure crisis or the economy or our schools, infrastructure, or any other isolated issue.

Rather, this president must inspire the public and private sectors, volunteers, and governments, to focus their collective intellectual, physical, technical, and financial resources to create healthy, affordable, and successful communities. The problems are too complex and the answers too

elusive and expensive for any one person, organization, or sector to achieve impact at any meaningful scale.

This challenge may not have the same romance and excitement as landing a man on the moon, but it will restore the nation's confidence that our children will have a possibility of achieving their life's dreams.

— Kelly R. Caffarelli, president of the Home Depot Foundation, in Atlanta
Overhaul Policies on Energy

What's needed now is **short-term stimulus spending to rev our economic engine, coupled with stable new sources of long-term growth**. President Obama can help meet both these needs with an ambitious four-step program of green regulations and investments.

The nonprofit world should assist this environmental agenda, through advocacy, grant making, and other means, to:

- * Invest heavily in green infrastructure, where it can immediately put people to work while laying the foundation for sustainable long-term growth. We need a smart, integrated national electrical grid; expanded urban and long-distance public transit; and block grants to states to kick-start development projects already in the pipeline.

- * Launch an aggressive job-creating effort to weatherize and solarize U.S. homes and buildings, which currently consume almost half of our energy and create the bulk of greenhouse-gas emissions. This demands a careful mix of performance standards, market organization, and public-private financing. But it can be done, and quickly.

- * Turbo-charge research, development, and deployment of carbon-free energy sources like solar, wind, geothermal, and cellulosic ethanol, while ramping down subsidies to dirty energy.

- * Put a price on carbon pollution through a cap-and-trade system or carbon tax, creating market-based incentives for innovations in clean energy.

— Chip Giller, founder and chief executive of Grist.org, an online magazine that covers the environmental movement
Stimulate Giving to Charities

There are two things that President Obama could do to help stimulate philanthropy and the support of charities across America. **The first is focused on the millions of Americans today who are unable to gain the benefit of deducting their charitable giving from their taxes because they do not itemize their tax returns.** As it is now, there is little incentive to give, or to increase their charitable giving.

I suggest that the president allow non-itemizers to deduct their charitable contributions from their adjusted gross income on their tax return.

In the past this idea has been resisted because it was estimated that it would cost the government too much money. But it's crucial to remember that charitable donations go to fund a sector of the society that is providing services that the government would have to provide if not for the generosity of the American taxpayer. And you can bet if the government were to provide those services, it would be at a higher cost. The president should give this a hard look as a part of his

plan to help middle-class America with a real tax break and encourage philanthropy at the same time.

Another issue is the sometimes confusing and complex regulations around providing benefits to donors for their gifts. For many organizations it is difficult to motivate potential donors to engage in supporting their charity or move current donors to increase their support. This is where benefits can sometimes play a vital role.

The current regulations related to benefits penalize the charity for offering a benefit to a donor for their donation even if that benefit is unique to the organization. Because the benefit has a "fair market value," it must be deducted from the amount of the donation, which can depress giving to a charity. It is my opinion that this onerous regulation needs to be revisited and either done away with or greatly simplified to help charities increase support for their cause.

— Rick Dunham, a fund-raising consultant in Addison, Tex.
Support Efforts to Improve Schools

Sen. Christopher Dodd of Connecticut put it perfectly in one of the early presidential-primary debates: Education, he said, is the country's single most important issue because it is the answer to every other problem we confront. The nation cannot recover and grow without a diverse pipeline of highly skilled, college-educated workers who will fuel both economic development and a healthy civil society in the 21st century.

Filling that pipeline will take a national commitment — a commitment that I urge the new president to make in his first moments in office, in his inauguration speech — **to give every child a good education from the first day of preschool until the last day of college, graduate school, or professional school.**

The first "deliverable" on that commitment should be to rally to this critical cause a national partnership that will include not only the federal government, but parents, educators, philanthropists, and the burgeoning community of civic activists who call themselves social entrepreneurs — citizens who apply results-oriented approaches to addressing social issues.

As a nation, we have done a great deal of talking about the need to address the deficiencies of our education system, about education as the great leveler, allowing those who have it to achieve and punishing those who don't with lives of limitation and constraint. Our actions, though, have not kept pace with our concerns. There is much we need to do, but far too little has been done.

Given the global economic crisis, President Obama will not have the resources that earlier administrations have had. So he will have to make a virtue of necessity by calling upon Americans to work together in innovative collaborations to insure that, indeed, we leave no child behind.

There are examples across the country of collaborations that are producing results. In post-Katrina New Orleans, national philanthropists are investing in charter schools that are transforming that city's schools into laboratories of educational innovation. And in Washington, D.C., Mayor Adrian Fenty and Chancellor Michelle Rhee are rebuilding the school system with the help of national funders.

The new president must continue to encourage such partnerships, and he must extend them to postsecondary education, because the challenge is to ensure a generation of college-educated Americans who can be the new knowledge workers for our nation's globally competitive economy.

It is not only large actors — the government and major foundations and corporations — that the new president must call to action to transform our education pipeline from preschool to college. The commitment to education must include all of us, because it is all of us who will benefit from its success or suffer from its failure.

— Michael L. Lomax, chief executive of the United Negro College Fund, in Fairfax, Va.
Require Service for All Students

Were I to be elected president of the United States (and given that the Broadmoor, New Orleans, neighborhood is larger than Wasilla, Alaska, I'm now hopeful), I would **make AmeriCorps participation compulsory for all college students who receive any form of federal financial assistance.**

The AmeriCorps workers have enabled us to double our capacity as a new nonprofit. They have helped us implement important new programs to recover from Katrina and the real disaster of 2005 — the federal response to the hurricane — and I can't help asking myself, "What if all nonprofits had the advantage of these kids? What if the majority of American students could serve their country for two years after college, traveling to new states and towns, learning important new truths about their diverse home? What if all nonprofits across the country could get two or three energetic, idealistic, full-time recent college grads to help them in their mission? How much more good could they then do?"

Indeed, imagine the good work we could do with a million recent college graduates each year, fanning out across America, assisting in the rebuilding and reinvigoration of America.

— Hal Roark, executive director of the Broadmoor Development Corporation, in New Orleans
Increase Aid for the Arts

The rebuilding of America **should include a powerful and vibrant national arts agenda.** Time and again, the arts in this country are the last to be supported in tough economic times. I would suggest reversing this logic by making the arts a top priority.

Here's why: America needs fresh ideas and innovative solutions to tackle the monumental challenges we face here and abroad. It is well documented that exposure to performing, visual, media, and literary arts in childhood builds innovative thinkers. Yet drastic cuts in arts education in the last two decades have robbed generations of American children of experiencing the arts.

Arts education is proven to help children grapple with complex ideas and concepts, supporting learning in other core subjects. The decline in arts education has occurred in tandem with our failure in math and science — where American teens ranked 23rd and 16th, respectively, in a recent study of the world's 30 wealthiest countries — and the two may well be related.

President Obama should embrace a bold national arts agenda and start by appointing the nation's first secretary for arts and culture to his cabinet. Task this new position with these goals in the first year:

- Build an innovative national arts curriculum. Immediately return arts education to our public schools. Put violins into the hands of first-graders. Fill every classroom with drawing paper, paint, and colored pencils. Provide bus money every month to expose children to the museums, theaters, and cultural centers in their communities. Invite our

most creative citizen-artists to visit, teach, and talk about their work and how to creatively solve problems.

- Increase the National Endowment for the Arts budget to \$500-million. Funding for this agency hit its height in 1992 with \$178-million. In today's dollars that would be nearly \$400-million, but instead the NEA was allocated \$124-million last year. Make up for the lost dances, symphonies, poems, and paintings not created or presented in the last 16 years and raise the NEA's budget to \$500-million. By increasing support to the nation's museums, theaters, dance companies, opera houses, and other "artscentric" businesses, we can continue to strengthen this sector's positive impact on tourism and local economies.
- Implement a creative-stimulus package. Across the nation, communities that have invested in the arts and culture have gained in economy, quality of life, and competitive position. Launch a national creative-stimulus package that would include a hotel tax for the arts (such as the successful model in San Francisco) as well as tax incentives and infrastructure assistance to support creative professionals and industries.

— Katharine DeShaw, executive director of United States Artists, in Los Angeles
Reach Out to Foundations

The current crisis has taught us that there is no substitute for strong government leadership. The incoming **Obama administration will need to understand that it's not realistic to rely on philanthropy to close the gaps caused by years of too little attention to social problems, growing income inequality, and the severe economic downturn.** If anything, total foundation giving in 2007 was the equivalent of only 6 percent of the \$700-billion or more that our government will spend on the bailout package.

The greatest impact will spring from partnership. Government and foundations can join together to mobilize our nation to address critical challenges, like ending homelessness or restoring America's role as a global defender of human rights.

— Bradford K. Smith, president of the Foundation Center, in New York
Tighten Rules on Charity Solicitors

As with any new administration, hope runs high. Hope that new things will happen. Hope that a change for the better will occur. Hope that the new president, with the help of millions of Americans, will be able to make a difference.

Among other issues, **I hope the new president will propose in his first term national registration and certification of fund-raising consultants.**

To date, any individual anywhere can print business cards, create a Web site, and say they are a fund-raising consultant. There are no national regulations, registrations, or certifications.

While each state does require individuals who run companies to register those companies within their state, there is no standardization. Many individuals in fund-raising consulting claim to be experts; many are not.

— Lisa M. Dietlin, a fund-raising and donor consultant in Chicago
Bolster Foreign Aid

The next president mustn't change course. The Bush administration's commitment to international-aid programs, especially those that fight poverty and disease, has been truly significant, and the funded programs have been remarkably successful. Since 2003, the president's programs, such as PEPFAR (the Presidential Emergency Plan for AIDS Relief), have dedicated nearly \$19-billion to African aid programs addressing health-care improvement, economic development, and prosperity building. Global AIDS spending in 1996 was approximately \$300-million; this year it will come close to \$10-billion, with nearly half coming from the United States.

These programs present a solid foundation, but President Obama needs to move forward from this point, not backwards. Despite the harsh economic climate, he must recognize that overseas we now have opportunities that we cannot afford to miss.

The urge to retrench in the face of the economic crisis is understandable, but Mr. Obama shouldn't draw funding away from [foreign-aid] programs that are gaining traction. If we cut off funding earmarked for aid and development programs, we undo essential gains. Local businesses don't get started, jobs aren't created, and nations fail to support themselves. Then the world's poorest become a millstone, pulling down economies, risking global health, and undermining stability.

If only from the standpoint of selfishness, the next president must continue to invest in overseas programs because they help America in nearly every way: opening markets, improving our health outlook, and ensuring security. Barack Obama has proposed doubling foreign assistance and actually raising the profile of development in the cabinet — creating a new cabinet-level position to coordinate initiatives and improve their efficiency. That's the right type of approach for these times.

The temptation to appear fiscally responsible by slashing what amounts to a couple pennies of every government dollar of income must be resisted. In just a few short months, the folly of that course would be evident, simply costing us too much money and wasting too many lives and too many opportunities.

— Josh Ruxin, founder and director of the Millennium Villages Project and other development efforts in Rwanda

Don't 'Bankrupt the Future'

It is vital that we not let the urgent demands of today bankrupt the future. It would be easy to cut investments in our future — the environment, energy retooling, basic scientific research, and the arts. These are critical to the strength of our future economy and the well-being of future generations. Please don't give in to the pressure to spend only on the "now," thereby sowing the seeds for a future subsistence society in America. Three specific areas of action to consider:

- Emphasize prevention and positive social outcomes in government contracting. We are becoming an incarcerated and institutionalized nation, wasting lives and talent and burdening taxpayers. Our current system has strong financial incentives for keeping people in beds, or cells, or long-term care rather than as healthy, productive members of society. Focus on the outcomes we want: prevention, readiness, and rehabilitation. Create financial incentives for better outcomes, instead of tying reimbursement simply to numbers served. Emerging business models, new technology, and innovative partnerships between government, business, and nonprofits can all play a role in resetting the focus on the most important social outcomes.

- Mend — and use — the social infrastructure. It's invisible, but much of the infrastructure of civil society is as battered as New Orleans's levees. Use executive power to improve operating conditions for nonprofits, reforming counterproductive contracting procedures, and rules. This will ultimately strengthen our social front lines and increase social value for the taxpayers' dollar.
- Use existing programs to serve community goals. Many nonprofits with great programs fail to reach their potential. As a sector, we episodically launch, build, prop up, and reinvent organizations that, if properly invested in, could thrive. One exemplary program that currently exists to bolster organizations is the network of local and national Community Development Financial Institutions, certified by the Treasury Department. For decades, they have successfully partnered with banks, foundations, corporations, and government, leveraging and deploying private and public money successfully to help low- and moderate-wealth communities.

— Clara Miller, chief executive of the Nonprofit Finance Fund, in New York
Spur Efforts to Expand Businesses Abroad

The incoming Obama administration **has a tremendous opportunity to catalyze public support for a more aggressive market-based approach to addressing global poverty.** Obviously a key step is a more constructive and inclusive foreign policy that recognizes the value — in terms of U.S. security, economic stability and growth, and in moral terms — in providing a way for people in the developing world to help themselves. A more enlightened trade agenda will also be critical.

But there are also some very specific actions an Obama administration can take:

- Additional funding for the expansion of proven development models would leverage significant resources and talents already being applied.
- The administration could play a critical role in helping to coordinate efforts and stimulate knowledge sharing about what does and doesn't work. A truly comprehensive global summit on private-sector development, bringing together all the major practitioners, stakeholders, and funders, is long overdue and would be a good first step.
- In the United States, the Small Business Administration has been a critical catalyst in the development of this foundation of our economy. Over time, the establishment of an internationally oriented Enterprise Development Agency could deliver similar results for potentially hundreds of thousands of new and expanding small and medium-size businesses in the poorest regions of the world.
- Another high-impact program could deploy volunteers with business and management expertise to directly support the business men and women in the developing world who are building the enterprises that have the potential to transform their communities.

— Bruce McNamer, chief executive officer of TechnoServe, in Washington
Fix the Economy

As I sit in my office looking across the Potomac at the nation's capital, it is easy to believe that the great philanthropy issues ahead for President Obama involve complex public-policy decisions. Should the tax code be used to encourage giving? Should the federal government play a larger role in monitoring the work of not-for-profit organizations? Should government services continue to be delivered primarily through not-for-profit organizations? Should endowments be taxed?

Yet the clearest impact of an Obama administration and the next Congress on the world of philanthropy will not be those public-policy debates.

The great issue facing donors is whether Washington will be able to help fix the economy.

Without the creation of wealth and a sound economy, philanthropy will struggle. The great foundations — those extraordinary American institutions of permanent charitable capital — will struggle in the years ahead if the stock market does poorly.

Debate has been under way for a generation about the shifts in corporate giving. Yet we know that without profits, the corporations cannot continue to support charities in the communities where they do business. The extraordinary philanthropists whose generosity launches new initiatives and supports established causes show the ability of wealth to build a better world.

The vast majority of Americans continue to make gifts, small and large. For most of the past half-century we have contributed about 2 percent of the gross domestic product to philanthropy. Our work in the world of philanthropy is dependent on the values that inspire so many to give; it is also dependent for its growth on a strong economy.

I am not suggesting that a prolonged bear market, a severe recession or poor decisions by government officials will kill philanthropy. The values of volunteering and contributing are too ingrained in our culture.

The world of philanthropy has survived bear markets; it was grown through good and bad presidents. However, if the next president pursues policies that will hasten economic recovery, philanthropy will do better.

— Bruce Flessner, a fund-raising consultant
Acknowledge the Efforts of Nonprofit Organizations

To support philanthropy and volunteering, **President Obama must incorporate the nonprofit sector as a crucial component of his vision for change and reform, for economic growth and fairness, and for a renewed sense of common purpose among the American people.**

A good start would be to acknowledge in his inaugural address that nonprofit corporations play a primary role in nurturing the ideas, people, and passion we need moving forward to take on our nation's most challenging problems. Thanking board members, volunteers, funders, and individuals who work in the nonprofit sector recognizes that, by acting on their deeply held values, this group brings hope, change, and tangible results to tens of millions of their fellow Americans. Oftentimes, these results are transferred to both the government and corporate sectors, leading to even more change and a larger impact.

The domestic agenda should:

- Invest in people and the nonprofit corporations that serve them. Mr. Obama is likely to propose an economic-stimulus bill. Instead of simply investing in physical infrastructure, which should be done, he should provide cities and states with the incentives and flexibility to invest in our people and in the health, human, and social services on which they depend. Without these resources, nonprofits, which generally provide these services more efficiently and with more compassion than government agencies, will be cut to the bone, even as they see demand for their services increase with the slowed economy.

- Strengthen the financial safety net for underserved markets. As our country pours considerable resources into shoring up the banking system, our next president should strengthen and scale the network of Community Development Financial Institutions that serve as a financial safety net for hard-to-serve markets. The Treasury should grant CDFIs the same access to low-cost capital as banks, and it should provide incentives for financially strong CDFIs to grow and offer a broader range of services.
- Appoint a nonprofit liaison to the White House staff. In bringing change and reform to Washington, our next president should include on his White House staff an experienced nonprofit executive that will assist him in tapping into the ideas, energy, and commitment of America's nonprofits, and in incorporating them as a part of all his solutions for the country.

— Trinita Logue, chief executive of the IFF, formerly the Illinois Facilities Fund, in Chicago Support Social Services

There's obviously an open question about how the economic recession will impact philanthropy, as disposable incomes shrink and portfolios lose value. The first and easiest thing for the new president to do is to acknowledge this and encourage people to continue giving, because the need will only grow, both domestically and internationally.

A great step would be to announce his recognition of the crucial role that membership and advocacy groups play in promoting philanthropic causes, and therefore to direct federal agencies to facilitate dialogue with such groups in order to build more-effective partnerships with the nonprofit sector. So far, none of this costs money.

However, if the president allows the cost of the bailout to include cuts to domestic and international social-service programs, he will increase the demand on private philanthropy just when it can least afford to take on that extra burden. So perhaps the most important move would be to commit political and budgetary support to those programs, and propose the cuts elsewhere in federal spending, like in the military.

— Tariq H. Cheema, founder of the World Congress of Muslim Philanthropists, in Oakbrook Terrace, Ill.

Don't Overregulate Donors

If I had a few moments of time with our new president, I'd say this:

One of our nation's most valuable assets, especially during these tough economic times, is philanthropy.

When this nation is challenged by natural or man-made disasters, acts of terrorism or dismal economic times, it is the charitable sector that is first in line to respond, to calm fears and to restore a sense of order. It helps map a course of restoration. It navigates that restoration and stays on track long after the television cameras have moved on and the nation recalls the traumatic events as memories from months or years past.

President Obama should encourage charitable giving to grow. We should make certain that charitable giving can reach as many people and help as many causes as possible.

Philanthropy thrives and operates productively precisely because it is not heavily regulated. It is an enterprise in which passionate individuals are free to rely upon their good judgment, experiment with new and sometimes unconventional ideas and strive for success.

We must not establish roadblocks and restraints on the generosity of the American people. We must avoid the temptation to impose change before analyzing effectiveness, to regulate what doesn't need to be supervised, or to divert resources toward bureaucracy in Washington or toward prescribed causes instead of allowing charitable givers to use their discretion in donating generously.

— Sue Santa, senior vice president of public policy, the Philanthropy Roundtable, in Washington