

Philanthropy Journal

OF NORTH CAROLINA

Rekindling charity

United Way campaigns hope for a rebound

With the Aramony scandal receding into history, United Way affiliates throughout North Carolina are cutting their losses and looking forward to their annual campaigns with guarded optimism, but sure that the United Way of America is back on track.

By KATHERINE NOBLE

A sluggish economy, a precarious political climate and a national scandal combined to make 1992 one of the worst fundraising years in United Way history. But as the 1993 campaigns get under way, United Way leaders in

North Carolina are hopeful that a recovering economy, a new U.S. president and a humbled and reformed United Way of America will put donors in a more generous mood.

"We are confident that United Way [of America] is on the right track and that the problems that occurred there cannot and will not happen again," says Ron Drago, president of Wake County's United Way.

What's more, officials of some local United Way affiliates say they're also working hard to mind their own stores, ensuring greater accountability for local operations and even greater sensitivity to community needs.

"It may have made us more sensitive to the need for really checking

on our stewardship," says George J. Pfeiffer, president of the United Way of Asheville.

United Way's woes started in early 1992, when reports surfaced about William Aramony's high salary and lavish lifestyle. Aramony, who was president of United Way of America for 22 years, was forced to resign.

"We had a credibility and trust problem because of the unfortunate circumstances of United Way of America," Drago says. "Despite the fact that we have an outstanding record of being squeaky clean on all accountability and trust issues, questions did arise."

Those questions left many donors clutching their wallets.

"It offered an incentive to not

give," says Donald Sanders, president of United Way of the Central Carolinas in Charlotte. "People questioned what was going on."

Overall in North Carolina, fundraising last year by local United Way affiliates totaled \$90.5 million, more than \$8.5 million short of the total goal - and down almost \$5 million from 1991, according to the United Way of North Carolina.

"It was an extremely difficult campaign," Wake's Drago says. "We lost just over \$1 million from where we were last year."

Wake raised just over \$9 million - more than a million dollars short of its \$10.4 million goal and nearly a million dollars less than what it raised in 1991.

Michael Griggs, president of United Way of the Cape Fear Area in Wilmington, says the root of the problem - stemming from the Aramony scandal - was a common misunderstanding about how the United Way is set up.

Many people failed to make a distinction between United Way of America and their local United Ways, he says.

Pfeiffer of Asheville's United Way agrees.

The scandal, he says, "allowed us

Alternative funds are gaining access to the workplace Page 24

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Nonprofits keep watch

Congress studies tax-exempt groups

By BARBARA SOLOW

Congress this summer launched hearings to examine federal regulation of tax-exempt organizations - and some non-profit leaders are worried about what may result.

The hearings, called by Democratic Rep. J.J. Pickle of Texas, initially are focusing on how well nonprofits comply with the Internal Revenue Code, which regulates tax-exempt groups.

While they support the need for compliance, leaders of some nonprofits fear that regulatory changes might be made without sufficient information about how the nonprofit sector works. In response, Independent Sector, a nonprofit research and advocacy group in Washington, has formed a task force to monitor the proceedings.

"We chose the task force to be representative of the total membership of Independent Sector," says Bob Smucker, a government relations specialist for the Washington-based membership organization. "The goal is to provide a sense of direction for us on issues related to

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A Smart Start for kids

Nonprofits, government, business unite in crusade for children, community

An ambitious project to improve the lives of North Carolina children rests on an unusual partnership between government and the private sector. The undertaking also could yield a model for building community-based organizations that can tackle difficult social problems.

By TODD COHEN

Peggy Hoffman is 43 years old. She's a grandmother. On her own, she's raising her four-year-old autistic grandson.

She's also a foot soldier in a revolution that's being waged in North Carolina. But Hoffman is no radical. Her cause simply is to improve the lives of children.

One year ago, having left a business career, she went to work for the Rowan-Salisbury School System, teaching parents how to improve their parenting skills. She chose her new career because, in seeking help for her grandson, she had found that local services for children and families are hopelessly fragmented. She figured someone needed to help parents sort through the maze.

"Everyone's a specialist in their own area, and it seemed they were not aware of what else was offered in a community," she says. "And if you don't know where to go to ask, you're



Peggy Hoffman, left, and hundreds of other people attended a statewide early childhood conference in July.

Photo by Rob Cross

lost."

Hoffman also is working with the Child Care Task Force, a volunteer group that aims to help coordinate services available for families and children in Iredell, Davie and Rowan counties. A growing number of similar groups, such as Success by Six in Charlotte and Children First in Buncombe County, quietly are work-

ing in pockets of the state.

Now, local efforts like those are at the core of an unusual and ambitious marriage between state government and a newly formed nonprofit, the North Carolina Partnership for Children.

That partnership hopes to spawn a brood of community-based nonprofits throughout the state. Their goal,

much like the initiative in Iredell, Davie and Rowan counties, is to pull together the people and organizations in a county or group of counties who work with children and their families.

The undertaking is massive: It means getting rid of the fractured

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IDEAS



Bill Clinton

The White House looks to nonprofits

Bruce Reed, deputy assistant to President Clinton for domestic affairs, talks with the Philanthropy Journal about administration plans to work with nonprofits.

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FOUNDATIONS

Local entrepreneurs on the move

They manage money. They offer tax breaks. They spur local change. They're community foundations, and they're growing.

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CORPORATE GIVING

Supporting schools as an investment

North Carolina businesses and their employees have become big backers of the public schools. They see education as a key to better communities and growth.

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NONPROFITS

Center for Nonprofits lends helping hand

Led by executive director Jane Kendall, a new statewide organization works to make nonprofits more effective in the charitable work they do.

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