

Philanthropy Journal

OF NORTH CAROLINA

Plowing new ground

Reynolds Foundation targets root causes and grassroots

In the first of a two-part series, the *Philanthropy Journal* looks at the growth of progressive grantmaking by the Z. Smith Reynolds Foundation in Winston-Salem. Beginning with a model program to increase awareness of sexually-transmitted diseases, the foundation has focused on problems that other funders might ignore. Among its Tar Heel grantees is the *Journal*, which has received grants totaling \$20,000 from the foundation to fund fellowships to help young reporters learn about covering philanthropy.

By DAVID E. BROWN

Winston-Salem

The offer was hard to resist: \$1 million to try to unravel the welfare mess by helping families solve their own problems.

In impoverished Rutherford County, folks jumped at the offer and submitted a grant request to the Z. Smith Reynolds Foundation.

But when the process was over — after 20 counties got planning grants from Reynolds and each of the five that made the final cut got the million dollars — Rutherford didn't get a dime.

The applicants went through a "grief period." All they had to show for their hard work was the ideas they'd cooked up to try to win one of the grants.

That was five years ago. Now, Rutherford County is cooking with gas.

Building Community Inc., a non-profit organization, sprang from the grant proposal process. It is a coalition of social workers, educators, business people, and the poor people they're all trying to help in Rutherford.

The organization runs grassroots task forces on teen pregnancy,

Hope springs eternal

I want North Carolina to reclaim the courage of its past, to pull itself together and stand for something again. To do so, its leaders must be prepared to alienate some large and powerful groups: an education bureaucracy mired in mediocrity, the profession having long since given up the fight for excellence, for academic standards; banks and corporations and industries - Big Business - whose wealth comes from the exploitation of the poor, and at the expense of rural areas; and individuals all across the State, at every income and education level, who, if they really said what they felt, would have to admit they hated the poor. Is this likely to occur? Do I expect it to happen?
Hope springs eternal.

This excerpt from an essay by Linda Flowers, chair of the English Department at North Carolina Wesleyan College in Rocky Mount, was featured on the cover of the 1992 Annual Report of the Z. Smith Reynolds Foundation. The full essay was commissioned by the foundation and appeared in the report.

dropout prevention, child care, cultural diversity and family self-sufficiency. Now, the Winston-Salem-based Reynolds Foundation has poverty-

fighting partners not just among the five groups it funded, but in Rutherford, too. "Our county took that million-dol-

Reynolds Foundation funds program for families. Page 21

lar carrot very seriously," says Betty Hutchins, director of federal programs for the Rutherford schools. "We're changing the whole culture of Rutherford County.

"What we've done is too important not to keep doing. Are we interested in helping families or getting a million dollars?"

It's a tale that won't surprise many who have been involved with the wealthy foundation, which has operated for much of its 58 years on the premise that money isn't everything.

With assets of \$260 million and annual grants totaling \$9 million, the Z. Smith Reynolds Foundation is the largest general-purpose U.S. foundation serving a single state. It is equally well known as a rallying point for progressive ideas.

TAR HEEL BENEFACTORS
Katherine Reynolds was ahead of her time. As her husband, R.J.

Look for REYNOLDS, page 22

Sharpening the focus Babcock Foundation to build community

The Mary Reynolds Babcock Foundation will resume its grantmaking next year with a new emphasis on supporting individuals and organizations working together to tackle major social issues in their communities.

By TODD COHEN

Winston-Salem

After eight months of scrutinizing itself and the needs of the South, the Mary Reynolds Babcock Foundation has decided to redirect its grantmaking to more effectively assist people in building their communities.

The \$61 million-asset foundation, which will resume grantmaking in the spring, is shifting its funding focus away from single-subject program

Look for BABCOCK, page 19



As Duke University looks to the 21st century, strengthening development operations and assets are top priorities.

File photo

Strengthening the foundation Duke rolls up its sleeves

With a new president and major changes in its development operations, Duke University is preparing itself for a huge capital campaign. Duke's goal is nothing short of ensuring its long-term competitiveness among the nation's top colleges and universities.

By SUSAN GRAY

Durham

From its soaring Gothic architecture and extensive library collections to its world-class medical center and nationally ranked basketball team, Duke University rivals the best that U.S. higher education has to offer.

But the trappings of excellence obscure a financial foundation that needs some shoring up.

Compared to other major universities, Duke has a relatively modest endowment - presenting a critical challenge for an institution like Duke with ambitious long-term plans for building on an already excellent program.

The problem in part is a function of time. Two years ago, Duke celebrated its 100th birthday. While a century is impressive, Duke is but a young adult among elders such as Harvard and Yale Universities, which have been around since 1636 and 1701, respectively.

While Harvard and Yale have had generations upon generations of alumni to cultivate and nurture into a perennial source of dollars, Duke has enjoyed a far shorter season.

"It's only been in the last 20 years that Duke alumni have been asked to give," says John Burness, the senior vice president for public affairs at Duke. "Now compare that to other leading institutions."

Harvard, Yale and Princeton each has an endowment of more than \$1 billion. Duke's is \$669 million.

An endowment is a university's lifeline. When other financial sources falter, the interest earned from a large endowment can provide reliable revenue.

"It provides that margin between mediocrity and strength," says Duke

Look for DUKE, page 13

INSIDE

- Connections3
- Corporate Giving.....12
- Grants and Gifts17
- In October.....16
- Job Opportunities20
- Opinion10
- People.....17
- R.S.V.P.16
- Professional Services...18

NONPROFITS

Meeting children's needs

In their earliest years, children rely most on parents and teachers for help. Project Enlightenment trains adults in effective child care.

● Page 4



FOUNDATIONS

Imagining a difference

Tar Heel author Allan Gurganus is helping a foundation initiative to fund gay and lesbian organizations in the South.

● Page 6

VOLUNTEERS

Good neighbors

Members of Bethany United Methodist Church in Durham pitched in after a tornado devastated a community in Alabama.

● Page 8

FUNDRAISING

Investing in the future

The Food Bank of North Carolina is moving ahead with a major capital campaign for a new building and has hired Raleigh-based Capital Consortium Inc. as fundraising counsel.

● Page 14