

# Philanthropy Journal

OF NORTH CAROLINA

Zen and the art of university maintenance

## Past and future to guide Michael Hooker at UNC-CH

The University of North Carolina at Chapel Hill has a new chancellor. Michael Hooker, who has served most recently as president of the University of Massachusetts system, was named in May to succeed Paul Hardin, effective July 1.

Hooker, a 1969 graduate of UNC-CH and a scholar of the history of philosophy, takes the helm of the UNC system's flagship school with an eye on both the past and the future. A coal miner's son who came of age amid the student rebel-

lion of the 1960s, he says the lessons of the past will help him as he tries to guide UNC-CH to meet the needs of a society that is being radically transformed by communications technology.

The Philanthropy Journal spoke by phone with Hooker about his vision for the university before his move to North Carolina.

**JOURNAL:** Carolina is completing a successful capital campaign that has raised \$413 million. What will be your first step in figuring out how to keep that momentum alive?

### Q&A

**HOOKER:** The fact of the matter is that nowadays colleges are almost continuously in a capital campaign. When one ends, the next one begins. And you really don't want to lose the momentum you've generated during the course of a capital campaign.

The first step is to learn about what were the most important aspects of this capital campaign - what intelligence was generated in this capital campaign that can be used in the ongoing campaign. Always in a capital campaign, you generate a lot of donor prospects that first

come to your attention in the course of the campaign and you really haven't done the cultivation that's necessary to bring them to commitment of a major gift. I need to make sure we don't lose momentum in the cultivation of those folks.

**JOURNAL:** What, in your experience, is the key to the success of a major capital campaign, or as you put it, the ongoing capital campaign?

**HOOKER:** The key is organization: Organizing the professional staff to do the good job of prospect generation and cultivation, and organizing the volunteer staff for prospect cul-

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### East meets West



Japanese companies are adapting to American traditions of giving.

Art by Adam Brill

## Japanese corporate philanthropy takes root in North Carolina

Philanthropy is not inherent to Japanese companies. Upon arriving in the U.S., they quickly had to adapt to the American tradition of giving. Their philanthropy now is spreading throughout the U.S. - and across North Carolina. Some nonprofits are reaping benefits.

By **SUSAN GRAY**

More than 150 Japanese companies operate in North Carolina, adding more than \$2 billion to the state's economy.

In the wake of profits from their computer chips, auto parts and other goods and services, a growing pool of philanthropic riches has emerged for nonprofits.

But many Tar Heel nonprofits are not tapping into this resource. They pay little attention to Japanese companies in their

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communities. And they overlook Japanese executives who may be searching for ways to give something back to Americans.

That's understandable. Japanese philanthropy is a brand new phenomenon - both in the U.S. and in Japan.

In Japan, companies don't give away money. They don't hold United Way drives. They don't hand over big checks to charities. And they don't get charitable tax breaks beyond those for contributions to a narrowly defined organization that promotes the "public interest" known as *tokutei koeki zoshin hojin*.

"In Japan, philanthropy is not something that typically comes out of the company," says Steve Brantley, a senior analyst of East Asian trade for the state Department of Commerce. "So when

Japanese companies come here, it's very new for them to deal with, say, the United Way. It's just a completely different role."

In Japan, only 1 percent of all revenue for nonprofit groups - or *koeki hojin* - stems from private sources, according to Lester M. Salamon, director of the Johns Hopkins Institute for Policy Studies in Baltimore. The majority of revenues to nonprofits - other than those from private fees to universities and medical institutions - comes from government ministries.

In comparison, U.S. nonprofits receive more than 18 percent of their funding from private sources, says Salamon, who published his findings in "Emerging Sector," a report that compares nonprofit sectors in different countries.

### PEER PRESSURE

In the 1970s, Japanese companies

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## Commission idea worries nonprofits

House Majority Leader Leo Daughtry wants a study commission to look for ways to strengthen philanthropy in the state. But the N.C. Center for Nonprofits fears the commission could stifle the nonprofit sector.

By **TODD COHEN**

When he appeared in May before 500 nonprofit leaders, Leo Daughtry figured the crowd would be less than friendly to his conservative Republican views.

Nevertheless, the Smithfield lawyer and majority leader of the N.C. House of Representatives plunged head-first into an issue much on the minds of nonprofits.

Government has a mandate to cut costs and "meet the most pressing needs first," he told participants at Philanthropy '95, the annual conference for Tar Heel nonprofits sponsored by the *Philanthropy Journal*. I

doubt many of you feel sorry for us, but I can tell you, it's a damn hard job."

To help offset the fears of nonprofit leaders that crucial public funds might be cut, Daughtry also offered a modest proposal: The



Leo Daughtry



Jane Kendall

state legislature should create a commission to study how to help the nonprofit sector grow and become more efficient and effective.

When the *Philanthropy Journal* went to press, Daughtry's proposal was expected to be submitted to the current session of the legislature. But it also has drawn fire from a nonprofit advocacy group.

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#### Nonprofits optimistic about giving

Despite a statewide poll that found 60 percent of North Carolinians won't increase their charitable giving to offset government cuts in social services, nonprofit leaders say individuals will come through in the crunch.

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### FOUNDATIONS

#### Foundation backs grassroots

The Fund for Southern Communities is as distinctly progressive today as it was 15 years ago when a group of civil rights activists created it to serve groups in the South outside the loop of traditional funding.

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#### Care for pets helps battered women

In an effort to end abuse of animals and women, an animal rights group is helping battered women by providing foster care for their pets.

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#### NationsBank investment hits \$10 billion

NationsBank Corp. has fulfilled a promise it made to North Carolina's poor and minority communities.

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### FUND RAISING

#### New Era bankruptcy holds cautionary tale

Tar Heel nonprofit leaders see the phony investment scheme a Pennsylvania foundation is accused of carrying out as a wakeup call for the sector.

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