

Philanthropy Journal

OF NORTH CAROLINA

Passing the torch New heirs take charge

The unprecedented transfer of wealth underway in the U.S. has spawned a growth industry of support groups and services offering a mixture of financial-planning advice and therapy to heirs.

By MERRILL WOLF

Listen... You may be able to hear it already: the rustling of money - lots of money - changing hands.

In the next quarter century, experts say, Americans will bequeath more than \$10 trillion to their children and grandchildren - the largest transfer of wealth in U.S. history.

In the philanthropic arena, several groups with vested interests are on the offensive, starting to focus on cultivating newly wealthy baby-boomers and their children as philanthropists. Among others:

- Many community foundations are adding planned-giving experts to their staffs to court new donors aggressively. Greater individual wealth is largely responsible for the nationwide growth of community foundations, as more people of all means discover the tax advantages, convenience and rewards of investing in their communities through public charities.

- Tax professionals and lawyers are doing a burgeoning business advising wealthy clients about planned giving and helping them start family foundations.

- The Council on Foundations in Washington, D.C., is about halfway

Look for HEIRS, page 7

High school 'not enough' Report urges higher education for all

North Carolina and the South cannot count on continued growth and increased prosperity for their citizens by requiring only 12 years of schooling, a new study says. It calls for a "new social contract on education."

By SEAN BAILEY

Chapel Hill

The South's economic health depends on the region's willingness to ensure that education beyond high

school - including continuing education aimed at retraining seasoned workers - is guaranteed for all its residents, a major new study says.

In the report, Chapel Hill think-tank MDC Inc. warns that significant shifts in the age of the South's workforce could hurt the region's economic competitiveness unless high school students, college graduates and experienced workers receive more education.

Indeed, MDC is using the report as the basis for a challenge to civic, business and nonprofit leaders in North Carolina and the South to push for

STATE OF THE SOUTH

universal education beyond high school.

"The State of the South - 1996," which will be released this month, tracks progress made in the region during the last 25 years and predicts how the region will fare in the next 15 years in such areas as education, economic development, race relations, job creation and worker training.

The MDC report calls for a "new social contract on education" in which society will recognize that at

least two years of specialized education beyond high school will help reduce poverty, increase prosperity and improve overall living standards of the region.

The report's primary findings show that those with more education make more money, and those states with a better educated work force will fare the best in the ever-changing and competitive global economy.

One of MDC's main recommendations is for everyone to receive at least 14 years of schooling, including

Look for SOUTH, page 15

Sizing up reforms

State health leaders brace for cutbacks

This is the third article in a Journal series examining nonprofits' changing relationship with government, a topic to be addressed at Philanthropy '96, the third annual conference for North Carolina's nonprofit sector. It will be held March 27 in Greensboro.

By BARBARA SOLOW

The icy storms that shut down businesses throughout the state this winter wreaked another kind of havoc in rural Northampton County.

Because many state offices were closed, the Rural Health Group Inc. in Jackson did not get paid for claims submitted under the Medicaid health program for the poor.

"What that meant for us was we had to go out and borrow \$40,000 in order to cover payroll," says Bill Remmes, long-time executive director of the health group, which runs clinics and nursing homes serving 25,000 people.

The episode underscored how

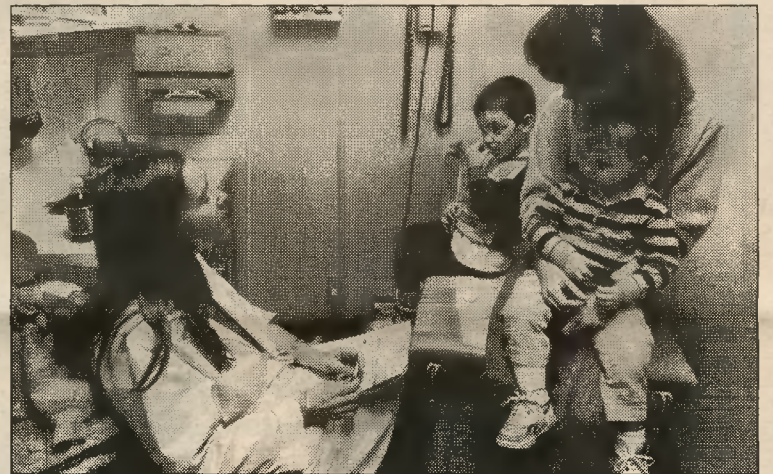
THE NEXT REVOLUTION

dependent the clinic is on Medicaid reimbursements.

"For community health centers, rural health centers and rural physicians who work in areas like ours, it's a significant part of the revenues that keep our doors open," Remmes says. "In our case, Medicaid represents 35 percent of our money. And Medicare [the health program for the elderly and disabled] represents another 35 percent."

Remmes and many others who work in rural and underserved areas of the state are watching anxiously as Congress considers proposals to slash government health programs. They say the cutbacks - which could total \$270 billion for Medicare and \$182 billion for Medicaid - could threaten the survival of health-care organizations already operating on the margins.

Nonprofits serving the elderly, chronically ill and disabled also are worried about potential changes in government-funded health care.



Dr. Barbara King (left), a physician at Bakersville Community Medical Clinic in Mitchell County, talks to the mother of some young patients. The rural health center is among those that will be most affected by proposed Medicaid cutbacks.

"We figure that maybe 40 percent of people with HIV [the AIDS virus] are getting services through Medicaid and probably 70 percent of women who are HIV-positive are getting services that way," says Cullen

Gurganus, executive director of the AIDS Services Agency in Raleigh. "Already, I know of nonprofits that are billing for Medicaid that are feel-

Look for CUTBACKS, page 5

Setting an agenda

Legislative committee launches study of sector

Nonprofit leaders are monitoring the progress of a new legislative study committee on the sector created by the General Assembly last summer.

By BARBARA SOLOW

A new legislative study committee on nonprofits has begun its work to improve ties between the state's public and nonprofit sectors.

GOVERNMENT

The House Select Committee on Nonprofits met in Raleigh in late January to hear presentations on the size, scope and role of North Carolina's nonprofit sector and discuss issues for future consideration. The committee - consisting of lawmakers and private-sector representatives - was scheduled to meet again

as the *Philanthropy Journal* went to press.

The committee's opening session met with mixed reactions from North Carolina nonprofit leaders.

Some welcomed the committee as an opportunity for fostering cooperation between the public and private sectors. Others were concerned about what they termed the "hostile" stance of some committee members.

Jane Kendall, executive director

of the North Carolina Center for Nonprofits, is among those who see the study group as a potential forum for the sector.

"It seems like an opportunity for nonprofits to be very proactive and take leadership in proposing things that might be beneficial for the sector and the state," says Kendall, who was invited to speak to the committee's opening session. "The primary emphasis seems to be focused on

increasing charitable giving. I'm encouraged by that."

By contrast, Don Wells, statewide coordinator for Duke University's certificate program in nonprofit management, came away with a negative impression of the committee's first meeting.

"In the enabling legislation [that created the committee], there were words like 'partnership' and 'support-

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NONPROFITS

Environmental groups rally

Environmental crises and the perceived anti-environmental agenda of several state lawmakers have prompted a boom in North Carolina's environmental movement.

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FOUNDATIONS

Statewide foundation cultivates local funds

Creating and building philanthropic funds in communities throughout the state is the mission of the North Carolina Community Foundation.

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VOLUNTEERS

Wake physician tends to community

Raleigh pediatrician Jerry Bernstein has made philanthropy an important part of his work.

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CORPORATE GIVING

Insurance agents fund scholarships

The Independent Insurance Agents of North Carolina has pledged \$750,000 to endow business scholarships at 15 colleges in the University of North Carolina System.

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FUND RAISING

NCCU campaign picking up steam

The new vice chancellor for development is banking on partnerships with corporations to help North Carolina Central University exceed its \$50 million campaign goal.

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