

Media notebook

By TODD COHEN

Wall Street Journal covering nonprofits

The *Wall Street Journal* has created a nonprofit beat and assigned it to Monica Langley, a lawyer and former *Journal* reporter. Langley, who is based in Knoxville, Tenn., already has filed some hard-hitting stories on the sector.

On Sept. 30, for example, the *Journal* reported that NationsBank Corp. in Charlotte, as executor of the estate of Georgia editor and publisher who died in 1945, had agreed to establish a charitable trust that finally would carry out the publisher's will directing that the bulk of his wealth be used to help poor blacks with medical care.

Langley had reported several days earlier on complaints by family members about "the original executor's practice - continued by NationsBank of Charlotte, N.C., which took over the estate in 1991 - that still stalls any payments to blacks until the last of Mr. [W.T.] Anderson's heirs are dead."

The original bequest of \$600,000 "has grown at a paltry rate of less than 3 percent a year to only \$2 million, a sum that the [state] attorney general's office says is as much as \$2.9 million lower than it should be under conservative investment practices," the *Journal* said. "Furthermore, the executor was paying federal income taxes on the estate - even though charitable trusts aren't required to make such payments."

NationsBank "doesn't dispute mistakes were made - indeed, it agreed to reimburse the Anderson account for \$277,214 for the federal income taxes that were mispaid either by it or predecessors," the *Journal* said Sept. 27. "But the bank says it has followed the letter of the law and is making efforts to resolve the matter amicably with the heirs."

After the first *Journal* story, NationsBank said it would begin making annual contributions of \$100,000 to an advisory committee the bank will set up to carry out Anderson's trust. An Anderson descendant said the plan was "too little, too late."

Hospital mergers

On Oct. 18, in a story by Langley and another reporter, the *Journal* reported on the binge by for-profit chains to buy nonprofit hospitals.

"The chains promise tighter cost control and the bottom-line focus being demanded by employers, insurance companies and health-maintenance organizations," the *Journal* said. "They maintain, as well that they offer greater efficiency, more-standardized care and better

customer service.

"Opponents, however, fear handing over control to far away executive of what is often a prized community fixture. [State] attorneys general worry that cost control will cut into charity care and preventive medicine. Others fear that in doing these deals, officials of nonprofit hospitals may be unequal to the task of negotiating with big corporations' high-powered lawyers, or tempted by fat bonuses to sign away their hospitals for less than fair value. Some communities also decry the diversion of profits to out-of-state coffers."

Civic journalism

The *Wall Street Journal* on Oct. 18 also reported on a major initiative by the Pew Charitable Trusts in Philadelphia to influence a growing number of newspapers in the U.S. by funding "civic journalism" projects that aim to reconnect readers with their communities.

"With \$3.8 billion in assets," the *Journal* said, "the Pew foundation has had quick success spreading the gospel," and since 1994 has helped fund "unusual experiments to make [more than 30] newspapers, their communities and their readers partners working to improve society."

The *Journal* also reported that "some journalists argue that the Pew foundation is pushing the press in the wrong direction - one that turns newspapers into advocates and discourages reporters from exposing wrongdoing and failure. At the same time, even some of the strongest proponents of civic journalism are reluctant to accept money from Pew."

Bald Head erosion

A controversy over artificial beach protection at Bald Head Island has been fanned by Hurricane Fran, *The New York Times* reported Sept. 24. Conservationists fear the September storm will prompt other beach communities to seek a state waiver like the one Bald Head received last year from a state policy outlawing jetties, sea walls or other obstructions to the natural wearing away of sand, the *Times* said. Bald Head subsequently built 16 huge sand-filled tubes along the shoreline.

Conservationists say local erosion-prevention efforts likely won't succeed and can starve nearby beaches of sand that otherwise would shift naturally.

"With the hurricane, probably the pressure is going to be enormous for these types of tubes up and down the coast," Todd Miller, executive director of the North Carolina Coastal Federal Federation told the *Times*.

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media also should deliver news and information that will help people sort out what's going on in the world and in their communities - even if the "need" for that information doesn't rank high in a focus group or market survey.

As news organizations struggle to redefine their role in our communities, they have a powerful opportunity to make a difference by giving their customers news and information that truly helps them become better participants in community life.

And people working in and with the nonprofit sector have an equally powerful opportunity to help the media better understand the crucial role that philanthropy - nonprofits, foundations, voluntarism, charitable giving, corporate giving and fundraising - plays in making our communities better places to live and work.

Todd Cohen

Journal launches Webchat

Surfers on the World Wide Web soon will be able to participate in online Web chat with newsmakers from the nonprofit world at Philanthropy Journal Online.

Philanthropy Journal Online, an electronic arm of the *Philanthropy Journal of North Carolina*, will host its first online Nonprofit Web Chat on November 18 when Don Wells, statewide coordinator for Duke University's certificate program in nonprofit management appears in the *Journal's* Webchat room.

Wells will be present in the Web room, virtually speaking, from 2 p.m. to 4 p.m. He will be interviewed by Sean Bailey, the *Journal's* director of new media.

The public is invited to participate in this "virtual talk show," which represents an experiment for Philanthropy Journal Online.

Web chat is a relatively new addition to World Wide Web technology. To participate, computer users will need to have a World Wide Web browser that is capable of handling "forms." This type of browser includes most Netscape and Microsoft browsers and version 3.0 of the America Online browser.

Webchatting does not require a participant's constant attention. In fact, one can easily "tune in" to the conversation, follow its drift while doing other activities, and then jump in and ask a question or make a comment when moved by a topic.

Web surfers will be able to partic-



Don Wells

ipate in one of three ways. First, someone wanting to participate may visit Philanthropy Journal Online's site at <http://philanthropy-journal.org> and follow the links to the Web chat room. Once there, participants may post a question for Wells to answer during his appearance.

Second, computer users may come to the Web site during the interview. After arriving at the site, participants should follow the links and directions and read the interview as it has been unfolding. At the appropriate time, anyone may jump in and ask a question or make a comment.

Computer users who can't make it to the live event may come to the Web site later, read the transcript of the interview and ask any additional questions by sending email to Wells.

For information, send email to sbailey@mindspring.com

KIDDER

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its who focus on ethics.

JOURNAL: And you're saying you'd like to see more of that explicit focus?

KIDDER: Yes, absolutely. Let me tell you why I am so passionate about these issues. In 1989, when I was a columnist with *The Christian Science Monitor*, I was one of the first reporters to tour the Chernobyl nuclear power plant [in Russia after the explosion]. The story I pieced together from the people I visited can only be described as a moral meltdown. There were two engineers who basically performed an experiment. They had to override alarm systems. There was talk of guns being held to people's heads...Chernobyl was and remains the world's largest industrial accident. This kind of event and the extent of the damage is new stuff. We could not have done this in the 19th century. All of a sudden, what we're seeing is technology leveraging ethics. All of a sudden, we're no longer talking about ethics as a pleasant diversion. It's a matter of survival. The real risk is that we won't survive the 21st century with the ethics of the 20th century.

So where is the nonprofit sector in all of this? It pours money into education, the environment. But where is the sector in this big agenda item for the 21st century? Interestingly, corporations are a bit out in front of the curve on this. They are funding character education and are teaching ethics. In that sense, there is something going on that, fortunately, is changing.

JOURNAL: The nonprofit sector has a reputation for being more ethical than the for-profit sector or government. Do you buy that?

KIDDER: Yes, I do. Interestingly, because of the charitable impulse and the fiduciary responsibility of handling someone else's money, we [nonprofits] are held to a higher standard. People will forgive politicians major character flaws or businesses. But

they are not so willing to forgive the nonprofit sector.

JOURNAL: What would you like to see happen to create more of a focus on ethics in the sector?

KIDDER: What we most need right now is a language - a language of public discourse that allows people to talk about ethics without sounding like they are from the 19th century or some fringe political group or simply naive. There are ways to address these issues. When you look at the world through the lens of ethics, you see things you normally wouldn't see. And the sooner we develop that language, the better.

JOURNAL: Do you think people can agree on a common set of ethical standards?

KIDDER: You know, the topic that got us started at the institute was a book called "Shared Values for a Troubled World." We did interviews in many different countries with many different kinds of people - black and white, old and young, rich and poor. We asked, "If you could formulate a global code of ethics, what would it be?" And we ended up talking about eight values we have in common as a world. They are: love/caring; truth/honesty; freedom (which was talked about in every country in the world but the U.S. Here, we take it for granted); fairness/equity; community/unity; tolerance; responsibility/accountability; and something I call "respect for life," which relates to not killing and preserving the environment.

At the institute, we are the education partner for the Council on Foundations. And as we do these seminars for foundations and for corporate groups, military academies, schools - we've done seminars for about 5,000 people at this point in seven or eight different countries - you find these things so common, that you are forced to conclude that there really is a set of shared moral values.

JOURNAL: Can nonprofits recover the public trust they've lost through such things as the Aramony scandal?

KIDDER: I don't know if the sec-

tor has lost public trust. People have become more astute in their giving. And they know they can get ripped off in the nonprofit sector - unfortunately. I think it helps to have organizations out there like Independent Sector, so people know that nonprofits can police themselves. But we have to be more proactive. The opportunities for scams are now enhanced because of technology. And we have to be very aware of efforts to take away the tax benefits of nonprofits.

JOURNAL: What are the major forces that shape people's ethics?

KIDDER: That's a huge question. In the past, it's been a three-legged stool. And the legs have been family, the religious entity and the community, as typically represented by the school. I think you can argue that two of those legs have been kicked out and the whole thing today gets thrown back on the community - the schools. And the schools are saying they can't handle the whole burden.

JOURNAL: Is there anything you'd like to add?

KIDDER: Getting to the idea of what other countries think of us and the importance of our third sector, one of the things that communism was almost perfect at was destroying a sense of ethics within individuals. Law and government becomes your enemy so you try to find a way around and through that thicket. When you take the controlling mechanism off of that, in many of those [former Communist] countries, the ethical atmosphere is at rock bottom. At the same time, these countries are deeply interested in becoming part of the European Union and the West. They're saying, "We know there is this thing called ethics that matters in the business community. How do we get it?" I think we have a tremendous opportunity to, I wouldn't say export ethics, but to export ethical conceptions - the decision-making models, what we call in our Institute "ethical fitness." And that is what the nonprofit sector is all about - creating those structures for a civil society. It really is our third sector.

COVITZ

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dures, long-range and strategic planning, writing/improving case for support, writing/analyzing mission statement, prioritizing responsibilities, development references, records and financial reporting, computers, hardware and software for the job, board relationships, administrative relationships, staff relationships, self development/career planning.

• Volunteers - role of the board in development, role of development committee, selection and orientation, management of volunteers for special events, fundraising.

• Methodology - annual campaigns, direct mail, major gifts, grant writing, capital campaigns, special events, planned gifts, memorial and honor gifts, corporate support, foun-

dation support, staff/employee campaigns, phon-a-thons/telemarketing.

• Donor recognition - gift clubs, premiums, recognition.

• Marketing - public relations vehicles, relationships with the press, donor publications, newsletters, annual reports, organizational image/advertising.

The mentor evaluates the partner's level of expertise, and the partner indicates where help is needed. The two sets of responses are compiled and the mentors and their partners are matched. Because the Triad chapter serves a wide geographic area, matches also are based upon the proximity of the two participants.

The mentor's responsibilities include establishing times, dates, and locations of meetings; goals and objectives; maintaining confidentiality of any shared information; and working with the partner for one year.

The partner's responsibilities include attending meetings; establishing goals and objectives; reporting on progress at each quarterly meeting; and working with the mentor for one year.

At the end of the year, both the mentor and the partner complete an evaluation form that will be used to refine and improve the program.

This new program has many benefits. Experienced fundraisers get a chance to reinforce their skills while enjoying the satisfaction of helping newcomers become confident in their work. The partner has the benefit of learning from a professional who has "been there and done that." It also enables the partner to avoid costly mistakes that inexperienced practitioners often learn first-hand. The mentoring program is another one of the benefits of NSFRE membership.

The Philanthropy Journal

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