

# Philanthropy Journal

A nonprofit newspaper for the nonprofit community

Look for us on the World Wide Web at <http://philanthropy-journal.org>

OF NORTH CAROLINA

Seizing opportunities

## Nonprofits adapt to increased scrutiny

Many nonprofit leaders see increased attention from the media and public officials as a positive development. But they warn that misconceptions about the role of the "independent sector" remain in force.

By BARBARA SOLOW

In North Carolina and throughout the U.S., nonprofits are increasingly in the spotlight.

Public officials and the media are paying more attention to the sector as issues such as welfare reform, health care and education are debated. Regulatory agencies are probing the activities of large tax-exempt groups. And a growing number of forums - such as Gov. Jim Hunt's recent legislative briefing for nonprofits and President Clinton's national summit on voluntarism this month - are generating greater public awareness of the role nonprofits play in their communities.

### THE SECTOR

But while they welcome the growing recognition of their work, nonprofit leaders are wary about what they see as persistent misconceptions about how the sector operates.

"I'm concerned any time I see such rapid attention being given," says Jacquie Kennedy, executive director of the Raleigh-based North Carolina Commission on National and Community Service. "I think it's

very important that we identify the roles, responsibilities and expectations about what our resources really are. It's frightening for a lot of nonprofits because they don't have the resources to address what seems now to be a surge for them to pick up on what government isn't doing."

So-called "devolution" - a movement away from government-funded services in favor of privately-funded initiatives - is creating both danger

Look for SECTOR, page 15

James and Mary Semans

## Enriching the culture by believing in people

For the past 40 years, James and Mary D.B.T. Semans have supported arts, cultural and health care organizations in the belief that talent can appear anywhere if it is properly nourished.

By KELLY PRELIPP LOJK

Durham

When Mary Duke Biddle Trent and James Semans met in 1953, she was a widow with four children and a budding career in public life. He was a distinguished urologist in private practice in Atlanta.

Both came from prominent families - hers were tobacco magnates from Durham; his father was a banker in Uniontown, Pa.

The couple hit it off immediately, finding they had common interests, particularly in medicine and the arts, and a shared love of learning.

Within a year of their initial meeting, they wed, beginning a dynamic partnership that continues to thrive.

Throughout their marriage, they have remained devoted to their mutual interests and have worked tirelessly on promoting them through their philanthropy.

Because of their significant and sustained sup-



Dr. James and Mary Duke Biddle Trent Semans in their Durham home.

Photo by Kristin Prelipp

### PHILANTHROPY AWARD

port for North Carolina's nonprofit sector, the Semanses are the recipients of the 1997 North Carolina Philanthropy Award. The couple were scheduled to receive the award, which is sponsored by the *Philanthropy Journal*, at Philanthropy '97, the annual conference for the state's nonprofit sector.

Joel Fleishman, president of Atlantic Philanthropic Service Co. in New York, has known the Semanses since 1961, while working as a legal assistant for Gov. Terry Sanford. "In my view," Fleishman says, "no individual philanthropists have had a greater continuing influence on the state of North Carolina over as long a period of time as Jim and Mary Semans have."

"Their contributions of time, energy and vision have profoundly shaped the landscape, especially in the worlds of culture and the arts. There are countless institutions in North Carolina that would not be in existence today but for the loving dedication of Jim and Mary."

In fact, in the last 40 years it is difficult to name a significant cultural project undertaken in the state that has not received support from the Semanses.

James Semans is chairman of the Mary Duke Biddle Foundation, established 41 years ago by his mother-in-law to help fund charitable activities at Duke University, in North Carolina and New York. Mary Semans is vice chairwoman of the foundation's board of trustees.

Mary Semans has been a trustee of the Duke Endowment in Charlotte since 1960 and chairwoman since 1981. The foundation established by her great uncle, James Buchanan Duke, is the largest in

Look for SEMANS, page 20

Booming business

## Investment advisers court growing sector

In the face of rapid growth within the sector, money managers advise nonprofits and foundations to consider investing in longer-term and less conservative ventures.

By KELLY PRELIPP LOJK

Business in the nonprofit sector is booming.

This news may come as a surprise to organizations scrambling to make

ends meet, but a look at the big picture shows otherwise: The sector, which for two decades has grown more rapidly than business or government, has 500,000 charitable nonprofits whose annual operating expenses account for 8 percent of the national economy.

These statistics, however, come as little surprise to the for-profit investment advisers and institutions trying to attract nonprofits' business by offering financial management services specifically for the sector.

### INVESTING

Nonprofits clearly see the value of cultivating donors and raising funds. But to many, thoughts of re-evaluating investment strategies and diversifying portfolios seem like a luxury they can't afford.

Roger Hart, who provides accounting services for smaller nonprofits from his Chapel Hill office, says many organizations have a way to go in learning the basics of money

management.

"People who work at nonprofits tend to be program-oriented, client-oriented and service-oriented," Hart says. "They are personally not as interested in financial management and have a tendency to neglect such issues."

When it comes to investing money, financial advisers run into additional difficulties. For example, in discussing investment policies

Look for INVESTING, page 11

## A new player Group to expand coverage for kids

Healthy Kids, a new effort to provide health insurance for North Carolina children, hopes to launch a model program this fall. Among its founders are former staff and board members of the Caring Program for Children.

By BARBARA SOLOW

A new nonprofit modeled on a Florida health-care program aims to reduce the number of uninsured children in North Carolina.

Healthy Kids of North Carolina proposes to operate as a subsidized health insurance program for children marketed through the state's schools. Organizers hope it will become one of seven national demonstration projects funded by a \$3 million grant from the New Jersey-based Robert Wood Johnson Foundation.

### HEALTH

Among the supporters of Healthy Kids are former staff and board members of the Caring Program for Children - a health insurance program managed by Blue Cross Blue Shield of North Carolina.

Founding board members of Raleigh-based Healthy Kids are Connie Mullinix of Flynt Mullinix Health Care Consulting in Chapel Hill; Bob Greczyn, president and chief executive officer of Cary-based Healthsource North Carolina; and Meg Sternberg, vice president of sales and marketing for United HealthCare in Cary.

Karen Mortimer - who was fired as executive director of the Caring Program after she spoke out against a decision to give administrative control to Blue Cross - is a consultant to Healthy Kids.

Mullinix says the Healthy Kids program will focus on children of the working poor.

"Most uninsured children - and there are now about 127,000 in North Carolina - have parents who have jobs," she says. "The idea is to sell insurance to families for children who are eligible for the [federal] school lunch programs."

To make the program affordable to

Look for HEALTHY KIDS, page 9

### INSIDE

- Connections .....3
- Grants & Gifts .....16
- In April.....16
- Job Opportunities .....24
- Opinion .....10
- People.....17
- Professional Services...18

### NONPROFITS

#### Joining forces

A statewide coalition of nearly 50 nonprofits has formed to lobby for the needs of North Carolina's children.

• Page 4

### FOUNDATIONS

#### Expanding the base

The Triangle Community Foundation's new Catalyst initiative has resulted in \$32 million in new endowed funds or deferred gifts to charity.

• Page 6

### VOLUNTEERS

#### In search of a model

The NetDay volunteer effort to wire schools for the Internet may not be applicable to all parts of the nonprofit sector, but it has been successful in expanding the reach of new technology.

• Page 8

### CORPORATE GIVING

#### Dishing out donations

Ben & Jerry's ice cream franchise stores in North Carolina have, in some cases, surpassed their parent company's level of giving to nonprofits.

• Page 12

### FUND RAISING

#### Celebrity waiters

A new nonprofit will enlist volunteers to work as waiters at special fundraising events for charities in North Carolina.

• Page 14