

# Philanthropy Journal

A nonprofit newspaper about the nonprofit community  
 Look for us on the World Wide Web at <http://www.pj.org>  
 OF NORTH CAROLINA

## Tar Heel arts councils increase fundraising stakes

Some arts groups have flourished even as they have weathered hostile relations with governments upset about their programs. One lesson seems to be that controversy can be useful in raising money.

By MICHAEL R. HOBBS

Arts councils have faced increased scrutiny and criticism. They're responding with ambitious — and successful — fundraising drives. Government funding for the arts

has been attacked for supporting works that have offended some people. In response, some local governments have trimmed their support of arts programs.

But instead of hurting the programs, the increased attention has helped many of them.

"We are so much farther ahead this year," says Jeanie Duncan, director of development for the United Arts Council of Greensboro. She attributed the pace of fundraising to increased support following a controversy last year over the council's sup-

port of a production of the play "La Cage aux Folles."

"That started a big debate over whether that was right," Duncan says, with Guilford County deciding to redirect its \$30,000 in arts council support to public school-based arts programs.

But arts council supporters rallied.

"It helped raise the awareness of arts in Greensboro," she says. "You had some people whose awareness was raised and they didn't like what they saw. We had others who had

their awareness raised and they said they wanted to help us."

This year's drive is off to what Duncan calls a terrific start, with 25 percent of this year's \$960,000 goal raised during the silent phase that ran from October through December. Last year's drive marked the first time since 1992 that the council surpassed its fundraising goal, bringing in \$2,000 more than the \$870,000 target, she says.

"The community really came out in support of us," she says.

Other communities across the

state are supporting their arts councils, too, encouraging the groups to raise their fundraising goals, despite past controversy.

In Charlotte, scene of a heated dispute stemming from plans to stage a drama with a gay theme in a publicly funded theater, The Arts & Science Council of Charlotte/Mecklenburg, has its 1998 annual fund drive goal at \$5.7 million, an 18 percent increase over last year's target.

Look for ARTS, page 11

## Challenge raises millions for soup kitchens

Checks for dollars

The response is heavy after a Rhode Island philanthropist offers \$1 million to match donations made to groups that feed the hungry.

By MICHAEL R. HOBBS

It was Christmas in February for Nancy Dawkins.

Dawkins, executive director of the Shepherd's Table Soup Kitchen in Raleigh, had just completed the largest single fundraising drive her group has ever conducted, raising \$31,690 in a spur-of-the-moment drive aimed at taking advantage of an offer made by a Rhode Island man who made millions during a career of selling newsletters and collectibles.

"I'm just elated," says Dawkins. "It's the best single thing we've ever done."

Alan Shawn Feinstein, who through his philanthropy has made his household name in Rhode Island, has pledged to spend, through his foundation, \$1 million matching gifts of \$25 or more made to soup kitchens and food banks during a 10-

day period last month.

Organizations across the country took up the challenge, raising millions of dollars in donations that were still being tallied late last month.

"It's just an overwhelming response," says Steve Landes, a publicist for Feinstein.

Feinstein, 66, closed his newsletter publishing business two years ago to devote himself to philanthropy, he says.

In his home state of Rhode Island, Feinstein's contributions have made him a celebrity. He's often seen on television, making appearances at schools and churches giving away money. Most of the state's public schools have hunger drives affiliated with him. He donated the money to build a high school in Providence called the Feinstein High School for Public Service.

Feinstein estimates he has given more than \$50 million to charitable purposes, including the establishment of the Feinstein Foundation.

"I was very fortunate," he says.

"But I've always had this feeling that I wanted to do something to try to end



Nancy Dawkins of the Shepherd's Table Soup Kitchen in Raleigh holds copies of checks given in response to fundraising challenge.

hunger."

Feinstein's challenge came at a time of year during which soup kitchens and food banks typically do little fundraising, says Kathy Super, director of development for Second Harvest, a Chicago-based network of U.S. food banks. Almost all of the 185

Second Harvest-affiliated food banks took advantage of Feinstein's challenge, Super said.

"People are talking about it quite a bit," she says. News of the challenge was spread largely by fax machine,

Look for FEINSTEIN, page 7

## Blue Cross agrees its value should go to charity

By MICHAEL R. HOBBS

The debate over Blue Cross and Blue Shield of North Carolina has moved to the arena of fine print.

The conversation over a possible conversion of the firm to for-profit status now centers on details because of the announcement by Ken Otis, president and chief executive officer of Blue Cross, that the company would support establishment of a foundation that would hold Blue Cross' value.

While Blue Cross says it has no plans to convert to for-profit status, the speedy consideration of legislation last year that would have allowed such a conversion prompted fears among the state's nonprofit community that charitable assets may be allowed to go to commercial purposes.

Otis told a legislative study commission last month that the company would support establishment of a method that would preserve for charitable purposes the value of Blue Cross.

Look for BLUE CROSS, page 11

## Nonprofits seeking services that increase efficiency

As the nonprofit sector continues to grow, new products and services from the private sector are appearing. Nonprofit growth means for-profit opportunities for a wide range of businesses.

By SEAN BAILEY

Nonprofits struggling to improve service delivery while operating under tighter budgets are creating a market for products and services aimed at making their operations

more efficient.

Competition for philanthropic dollars has led the boards and managers of nonprofits to push their organizations to do more with less.

"An important recent development is the very fierce competition in the nonprofit sector," says Lester Salamon, director of the Center for Civil Society Studies at Johns Hopkins University and a researcher on the nonprofit sector.

New products and services geared specifically to the nonprofit sector are emerging in that competitive envi-

### SERVICES & PRODUCTS

ronment.

"I do see new types of vendors serving the nonprofit sector," says John Murphy, director of marketing for JSI Fundraising Systems. "Those would include Web designers, the presence companies like American Express for managing nonprofit endowments, the possibility of conducting e-commerce on the Web, all of those things are quite new."

Murphy says he also has noticed that large corporations have begun to recognize the nonprofit sector as a market large enough to pursue, and many have created subsidiaries or new divisions to focus exclusively on the sector. He cautions the buyer to beware.

"I think that nonprofits need to be very careful about what company they decide to work with," he says. "The type of relationship they will have with a large corporation might be quite different from the relationship they had with a smaller company."

### Developing new products

But large organizations can bring to bear considerable resources in developing products for the nonprofit sector, says John Greaney, director of the public sector center of expertise for software giant SAP.

SAP puts 17 percent of its profits back into research and development. SAP's nonprofits benefit from that through products that are far more advanced than those of competitors.

Look for SERVICES, page 22

NONPROFITS	FOUNDATIONS	VOLUNTEERS	CORPORATE GIVING	FUNDRAISING
Grants & Gifts ..... 16	Endowments rise	Volunteer effort	Wired club	Getting a gift policy
In March ..... 16	College and university endowments grew again last year.	A coalition has been formed to unite volunteers in North Carolina.	Program teaches computers to youngsters and opens doors.	Seeking or receiving donations of stock is best accomplished with clear policies.
Opinion ..... 10	■ Page 6	■ Page 8	■ Page 12	■ Page 14
People..... 17				
Professional Services.. 18				
■ Page 4				