



Community Foundation of New Jersey
Post Office Box 338
Morristown, New Jersey 07963-0338
973.267.5533
hdekker@cfnj.org
www.cfnj.org

Introduction

The Community Foundation of New Jersey handles both simple and complicated charitable asset contributions for a growing community of donors integral to philanthropy in New Jersey and the country. It currently maintains over \$125 million in assets.

Working closely with professional advisors and having granted well-over \$65 million to the non-profit community over the last six years, our base of over 350 donors has been a driving force in the building of stronger and more prosperous communities throughout the area and the nation for more than 25 years.

Women and Philanthropy: Inspiring and Engaging Your Clients in Giving

ASKING THE RIGHT QUESTIONS CAN UNLEASH A TREASURE TROVE FOR CHARITY—AND DEEPEN YOUR BOND WITH YOUR FEMALE CLIENTS.

The number of wealthy women is on the rise. Women are acquiring greater personal wealth through business ownership, escalating salaries, and inheritance. They are also making their own financial decisions, from household budgeting and money management to philanthropy. For advisors, asking the right questions can unleash a treasure trove for charity—and deepen your bond with your female clients.

Studies show that women are actively seeking help from financial advisors. Between 2010 and 2015, an estimated \$12.5 trillion will transfer into the hands of Baby Boomer

women. Most will eventually have sole custody of those assets, as they are likely to outlive their husbands and other male relatives.

A recent Merrill Lynch Investment Managers survey revealed that high-net-worth women are younger than their male counterparts. Sixty-one percent of the women surveyed were between 45 and 55 compared to a general high-net-worth population in its 60s. That spells more opportunities for advisors and a greater chance of bringing the next generation on board, as women confront their children's financial training, college education, care of an elderly parent, retirement, and estate planning.

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Community Foundations in Action: Using Local Connections to Rebuild a Community

A LECTURE SERIES SPURS A COMMUNITY INTO ACTION—AND REVITALIZES A ONCE-LIFELESS DOWNTOWN AREA.

In the late 1990's, Baton Rouge, Louisiana, was badly in need of revitalization. While there was some government and business activity downtown during the day, there was very little happening at night. But through the efforts of the Baton Rouge Area Foundation (BRAAF), local leaders developed a model for innovative community service on a large scale. And over a six-year period, this joint effort—called Plan Baton Rouge—revitalized the downtown area.

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Women and Philanthropy

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Aside from their enormous wealth, high-net-worth women make ideal albeit persistent clients. “Women want to understand every angle, research on their own, and above all, ask questions,” says Kathleen Miller, CFP, and president of Miller Advisors, Inc., in Kirkland, Washington. But a patient advisor who enjoys educating and informing clients will find that women are extremely decisive once they have all the facts.

ENTREPRENEURSHIP INCREASES

One of the driving forces behind women’s newfound financial power—and philanthropic mindset—is entrepreneurship. Between 1997 and 2004, the number of privately held, women-owned businesses in major metropolitan areas soared by 30 percent, compared to a 10 percent growth rate for all firms, according to the Center for Women’s Business Research at Harvard Business School. Today nearly half of all privately held firms are at least 50 percent owned by a woman or women.

Contrary to popular belief, women business owners are more willing than the general population to take risks in securing financing and making investments. “These women are entering the economic mainstream and serving as role models for all women who want to grow their businesses,” says Myra M. Hart, chair of the Center for Women’s Business Research and professor at Harvard Business School.

While women and men business owners surpass the general population in their level of involvement in philanthropy,

both in money donated and time volunteered, women are more likely to serve in leadership positions within charitable organizations, such as sitting on boards or fundraising, according to a survey conducted by the National Foundation for Women Business Owners, based in Washington, D.C. And half of women with assets of \$1 million or more contribute at least \$10,000 annually to charity compared to 40 percent of men entrepreneurs.

“Women seem increasingly drawn to nontraditional charities, whether financial training for girls or raising scholarships for women in need,” Miller says. “Powerful women are fully aware that they can leverage their philanthropy by serving as role models and mentors for other aspiring businesswomen who may be less fortunate.”

COMMUNITY FOUNDATIONS STEP IN

Indeed, more and more women and men are earmarking donations specifically to women’s funds at community foundations. The assumption behind such funds, backed by numerous studies, is that women and girls benefit more from same-sex versus universal programs. Only five to seven percent of overall community foundation funds have been earmarked for girls and women, says Simone Joyaux, founder and chair of the Women’s Fund of Rhode Island at the Rhode Island Foundation.

The Women’s Fund of Rhode Island considers itself a progressive social fund, but she notes that donors are able to make “restricted” grants and that several women have asked that their money not be used in support of

reproductive rights, but instead economic parity for women or financial training of girls.

While the Rhode Island Foundation ultimately approves the final grants, the Women’s Fund functions as “field-of-interest fund” with its own advisory council and fundraising capabilities.

A recent action typical of the Fund’s commitment to systemic change was a grant to the YWCA of Northern Rhode Island to run a political campaign-training program for women. “Women have traditionally not had a political voice and the goal of the program was to teach women how to run a campaign or run for political office,” Joyaux says.

The fund is unique in that the Rhode Island Foundation awarded it a \$2.5 million endowment and a dedicated staff person when Joyaux approached them three years ago. “Community Foundations know that women’s funds are a wonderful way to reach out to women, and that’s important for their survival,” Joyaux says. “Women are making more of the giving decisions, plus they outlive men.” The movement for women’s rights is an old one, but is resurging all over the world. Joyaux suggests visiting the Women’s Funding Network, an international organization with over 100 member funds that are committed to improving the status of women and girls globally and locally (<http://www.wfnet.org/>).

BROACHING PHILANTHROPY

Despite women’s obvious interest in philanthropy, many advisors hesitate to broach the subject. Understanding how women think can help you overcome this hurdle.

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“Philanthropy is very personal so I never ask clients direct questions about their charitable intent, but integrate it into the entire planning process,” says Susan K. Bradley, CFP, founder of Women, Meaning, and Money in Palm Beach Gardens, Florida. “As early as the first meeting, you can begin to ask open-ended questions such as: What do you consider your purpose and meaning in life? What’s important to you now? What are you most concerned about?” Such questions should be routine in financial planning, which is, after all, about fulfilling goals and dreams.

One of the best ways to connect with your female client and jumpstart a

discussion on philanthropy is to ask about her family’s sense of community. Indeed, women business owners are more likely than men entrepreneurs to say that their interest in philanthropy was prompted by family tradition or parental example (23 percent of women compared to 14 percent of men), according to the National Foundation for Women Business Owners. A sense of family legacy can provide motivation and purpose in selecting a cause.

Another way to connect with your client is to attend one of her charitable events. Clients appreciate your sense of caring and involvement in their lives. Following your client’s lead in supporting her charitable

choices is one thing, but an advisor should never push his or her own philanthropic agenda.

“The real benefit of philanthropy is service and a sense of connection with your community, and that is something you can share with your client,” Bradley says. “That feeling of service has nothing to do with tax deductions.”

Philanthropy, precisely because it is so personal, is one of the deepest ways for financial advisors to connect and build relationships with their clients. Financial planning is about helping clients attain their dreams, and philanthropy may be the noblest of these. ■

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THE GENESIS

In the 1990’s, Baton Rouge, Louisiana, was dangerously quiet. There was limited government and business activity downtown during the day, and very little happening at night. It was a recipe for economic decline.

By 1997, the community was ready for change. That year, BRAF funded a lecture by Stefanos Polyzoides, a Los Angeles architect, who spoke on building pedestrian-friendly communities, a concept based on work of the Congress of the New Urbanism, and successfully implemented in West Palm Beach, Florida.

The lecture ignited a spark among residents, community leaders, and public officials. The enthusiastic response prompted BRAF to form a subcommittee on New Urbanism. Both the assistant chief administrator to the mayor of Baton Rouge and the commissioner of administration for the governor of Louisiana joined the subcommittee. Along with the rest of the subcommittee, they visited West Palm Beach and were impressed with the significant growth and development there. “Both [of them] bought into the process,” says Elizabeth Thomas, executive director of Plan Baton Rouge. “They were able to get the

city and state to put up equal funds with BRAF to move forward.”

In an unusual collaboration, BRAF, the State of Louisiana, and the Parish of East Baton Rouge joined in comprehensive planning to revive downtown Baton Rouge. At the outset, each entity put up one-third of the \$450,000 required for the initial design.

BRAF put up additional money from some of its unrestricted funds, such as the Alvin R. and Louise K. Albritton Memorial fund, to support an intensive design week—known as a charrette—and later

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hire Thomas as a full-time director of Plan Baton Rouge. While decisions about these funds—which are reserved for emerging needs or opportunities in the community—are left to board of directors, Thomas notes that many donors were very much in favor of the project that BRAF was proposing. The State of Louisiana, already committed to \$500 million in capital construction for new state office buildings in the city, came on board with additional funding. The city contributed funds toward specific initiatives.

THE SOLUTION

Duany-Plater Zyberk and Company was hired as the lead consultant in the spring of 1998, and the charrette was held that June. The six-day design marathon involved hundreds of people in the planning process. “Publicity around the event built up so much excitement that hundreds of residents from neighboring towns came in to participate in the event,” says Thomas. This was critical since it brought both decision-makers and ordinary citizens into the planning process and generated the overwhelming support that made the plan a success.

The Shaw Center for the Arts is an outstanding example of what cooperation can accomplish. During the charrette the consultants saw what they called “a backwoods Guggenheim” in the shell of an abandoned garage across from the old state capitol. That shell, after an infusion of \$45 million from BRAF, \$8 million from the state, and \$2.2

million from the city, now holds a community cultural center containing the Louisiana State University art museum, a performing arts space, and classrooms for art programs. With a rooftop garden and café, and spectacular views of the Mississippi, the Center is now what Thomas calls “an icon” for downtown Baton Rouge.

In another collaborative effort, the state built badly needed parking garages in downtown Baton Rouge, then leased adjoining “liner buildings” to BRAF at \$1 a year. BRAF leased these narrow commercial spaces—designed to make the garages pedestrian-friendly—and uses the income from the leases to support a farmer’s market and a public market. The farmer’s market gives local farmers a weekly outlet to sell their produce. The public market is a mixed retail venture open six days a week. “This is an ingenious way to provide sustainable income to a public use,” says John Davies, president and CEO of BRAF.

Other successful joint ventures include a parking garage incorporating a YMCA and another garage with restaurants and a credit union. Plans are under way for a planetarium and space theater. Success has spurred more success, as seed money supplied by BRAF in partnership with the city and state has been supplemented by private investment.

THE COMMUNITY BENEFIT

More plans are on the table, including revitalized housing and commercial structures for Old South Baton Rouge, the neighborhood adjoining downtown Baton Rouge.

BRAF raised \$250,000 to develop a master plan for this community and put up half the money that won a federal HUD housing grant for the community. According to Thomas, property values have risen in this period from \$18 a square foot to \$60 a square foot.

From parking garages to an art museum, from a farmer’s market to a planetarium, more than 80 specific projects within Plan Baton Rouge have been completed or are well under way. All of these funded activities have generated private activity. Downtown Baton Rouge now has new restaurants, shops, office buildings, and art galleries.

“When the city is open for business 24/7,” says Thomas, “we will have accomplished our goals.” That prospect, thanks to dedicated leadership by BRAF, is clearly in sight. ■

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