

Growth of foundations takes giant leap in the Valley over past five years

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The upsurge of charitable foundations and trusts in the Valley has opened possibilities for more grant dollars and increased cooperation among nonprofit organizations.

Three of the six largest charitable foundations in the Valley were established within the past five years. These include Nina Mason Pulliam Charitable Trust, Virginia G. Piper Charitable Trust and St. Luke's Health Initiatives.

"There really has been significant growth in the past five years in the Valley," said Judy Mohraz, Piper's president and CEO. "Five years ago, there was the Flinn Foundation and the Arizona Community Foundation. Since that time, there has been the addition of Pulliam, St. Luke's and Piper. And there will be more."

The largest trust in the state, Piper was established in 1996, but it didn't function as a charitable trust until after Piper's death in June 1999, Mohraz said. The organization launched in September.

Virginia Piper, the widow of Motorola Inc. founder Paul Galvin, left about \$600 million to support children, the elderly, arts and culture, health, education and religion principally in Maricopa County, Mohraz said.

With its mission in mind, the organization still is defining its role in the Valley.

"Right now, we're trying to understand as much as we can about the Valley, so we can sharpen our focus and make our grant-making as strategic as possible so that it

will have the greatest impact," Mohraz said. "We're really a work in progress."

Also young, the Nina Mason Pulliam Charitable Trust was formed in the fourth quarter of 1998.

"We're not mature yet," said president and CEO Harriet Ivey. "We have everything in place. This first period of three years was really to learn about the community and define our mission. I think we're just about there."

Because it's so new, the Pulliam trust has been on a financial growth curve, Ivey said. In the fourth-quarter 1998, the trust donated \$5 million in Arizona and Indiana. The following year, it gave \$12 million, and last year, it committed \$19.6 million.

In Arizona alone in 2000, the Pulliam trust made 95 commitments worth a total of \$8.5 million, she added.

But charitable foundations have more than money to offer the Valley. St. Luke's Health Initiatives devotes about \$5 million a year to its mission, said executive director Roger Hughes. "We look for ways that we can leverage that money — particularly in community partnerships," he said.

Founded in 1995 and renamed last year, St. Luke's Health Initiatives is independent of St. Luke's Medical Center. The organization focuses on improving the health of vulnerable populations and disadvantaged groups in Arizona, particularly in Maricopa County, Hughes said.

St. Luke's also is able to use its relationships to help other organizations establish partnerships.

■ FOUNDATION GIVING

■ Giving by nonprofit foundations reached \$19.8 billion nationally in 1999.

■ That figure represents an increase of \$2.8 billion, or 16.5 percent, over the previous year.

■ The increase was attributed to the increased value of foundation assets.

■ Foundation endowments also grew because of the strong economy and the infusion of more money in the form of personal contributions.

■ Personal giving to foundations increased by \$14 billion, or 38 percent, in 1998, the last year for which data is available.

Source: Foundation Center

"For us, the major resource we have is not our money; it's our people," Hughes said. "People are increasingly calling us up for what we know, who we know and who we can bring to the table."

He added that the organization actually contacts the people and sets up the meeting. "We introduce people," he said. "We're a convener; we're a facilitator."

The Flinn Foundation also relies on its staff, said communications director Brad Halvorsen. "We have a staff that has a high level of education and expertise in the fields that we fund," he said. "They're able to work with the key players in the field to bring the projects to fruition."

Founded in 1965, the Flinn Foundation focuses mostly on health care, but branched out into arts and education during the 1980s. With a \$175 million endowment, Flinn is the fourth-largest foundation in the Valley.

But even after committing \$8.7 million last year, Flinn does more than give away money, Halvorsen said.

The foundation established a conference program last year in its Phoenix building. The meeting facility and audio-visual equipment are available free to nonprofits.

Despite some foundations' efforts to expand their roles beyond grant money, their primary function remains a financial one, Ivey said.

The current economic downturn causes some people to worry about the future of philanthropy, but many foundation representatives say there's no reason to worry.

"I don't think that's so much of an issue," Ivey said. "For foundations like ours, it may impact our budget by half-a-million dollars; it's not really significant. We have a very thorough, well-thought-out investment plan."

Halvorsen agreed.

"Our investment strategy has been one that's widely diversified," he said. "A possible downturn in the economy would not have that big of an impact."

Mohraz added that even with a slight economic cooling trend, the future of philanthropy in the Valley is secure.

"The growth in philanthropy will continue," she said, "but at what rate, remains to be seen."