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**Family Foundations:
Where They Focus and Why**

Moderator: Suzanne Busta
Philanthropic Partners LLC

Panelists: Fuller Cowles
*Unity Avenue Foundation, Constance Mayeron
and Charles Fuller Cowles Foundation*
Pat Cummings
Jay and Rose Phillips Family Foundation
Gayle Ober
Mardag Foundation
Gloria Sewell
Sewell Family Foundation

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Pavelić: My name is Mercy Pavelić and I am from the Heathcote Arts Foundation, a family foundation, but also here this morning in my capacity as a GIA board member to welcome you to this session on “Family Foundations: Where Are They Focused and Why.” This is an effort that has taken many years to evolve and I am pleased to tell you that family foundations are the fastest growing constituency at Grant-makers in the Arts. We hope that’s a trend that will continue. We are delighted to see you all here today.

I hope before you leave the session, if you haven’t gotten one already, that you will pick up a GIA Resource Book that we just recently published, on *Creative Family Giving in the Arts*. We hope that it inspires you and we hope also that it will lead you to bring to our attention any other examples of creative family philanthropy that haven’t been chronicled in this book, because we hope very much to keep this going as an ongoing resource for all of us.

It’s my pleasure to introduce the panel to you today. Before that, we have some entertainment. Jim and Jane are going to play a ten-minute piece for us, and then you will be hearing our moderator today, Suzanne Busta from the Philanthropic Partners.

[performance]

Busta: Good morning and thank you so much for that wonderful musical introduction! Amazing! Thank you.

Our program this morning is to give a perspective on family foundations. We have quite an interesting and substantive panel up here this morning.

I will introduce myself first. I am Suzanne Busta, the CEO of Philanthropic Partners. We manage family foundations for high net-worth individuals and their families. We serve multiple foundations in a staff capacity, help with the grant-making and administration and setting up the missions and guidelines for the foundations, as well as helping manage some of the family dynamics which, as we know, can be more interesting than, let’s say, the corporate boardroom dynamics.

I would like each panelist to introduce themselves, tell the foundation that they are associated with. Then we are going to hear from the trustees first, who are Gloria, Fuller, and Gayle. And then we will close with Pat who serves in a staff function. With that, I will start with Fuller.

Cowles: Good morning and hi. Fuller Cowles. I am with Unity Avenue Foundation and the Connie Mayeron and Charles Fuller Cowles Foundation.

Sewell: I am Gloria Sewell. I am president of the Sewell Family Foundation; they are based right here in Minneapolis, and we focus on the performing arts, so to hear that chamber music group today was like “show and tell” for me.

Ober: I am Gayle Ober, I am the president of the Mardag Family Foundation which is located in St. Paul, Minnesota, and we give to a variety of things including the arts.

Cummings: I am Pat Cummings. I am the executive director of the Jay and Rose Phillips Family Foundation based in Minneapolis.

Busta: What we are going to run through first is to hear everybody’s comments. Then we will open up for Q&A at the end.

Let’s hear first from Gloria. I will give you a little bit of her background. As she said, she is the president of the Sewell Family Foundation. She has been active in the Twin Cities’ arts community for over 35 years. During this time, she has served on many boards including The Schubert Club, Bach Society, Minnesota Chorale, Thursday Musical, the Lark Quartet, and as an advisor to Music in the Park. She is currently a board member of the WCAL, which is public radio, the American Composers’ Forum, the Dale Warland Singers, and the Art Space Project where she is chairman of the executive committee. For twelve years, 1977 to 1989, she was employed by Minnesota Public Radio as director of development and was an executive producer of *Live from Landmark*, a weekly, live classical music program. With that, I will turn it over to Gloria.

Sewell: Thanks. First of all, I want to say that what I am doing right now is every director of

development's dream. We all fantasize that in our next life we aren't going to be asking for money, we are going to be giving it away.

When my husband, Fred, sold his company, we established a family foundation. It was just three years ago, so I feel that I am still new at this and learning. But on the other hand, I think that our family has a unique perspective because we have all been more than immersed in the arts, we have been marinated in the arts. From the word go!

My husband, even though he was in business for many years, was trained as a classical musician; he is a violinist. My daughter Laura is a cellist. She studied at Juilliard and is a professional cellist. Our son James is a choreographer and ballet dancer, and so is his wife. So all of the trustees of this foundation really know the arts.

When we established the foundation, we brought lots of experience in the arts, in the performing arts in particular, and also a perspective of having asked for it. We have all served on panels, state arts board panels. But we have also all asked for and written grants. So we came with a lot of passion for the arts, but also wanting to do things in a different way than, perhaps, we have been treated in the past. Cut out the bureaucracy and look for organizations that have passion and, certainly, have the quality that we are looking for. And because we have been in the Twin Cities for so long, we knew the community, we knew who was good, and who was established, and who had that kind of passion.

I would like to read to you our mission statement because we knew we were making history in what we were doing. That first meeting was establishing something that would live on after us. It's a small family foundation. We started out with \$4 million in assets and we decided, rather early on, that our goal was not to grow to be the biggest foundation, or in twenty years let's see if we can get to \$50 million, or that kind of thing. We wanted to do good things right now. Perhaps it will keep on in perpetuity, which is a very long time, of course. We would love to think that our grandchildren would also have philanthropy as something that was

important to them. So we want it to live on after us, but we also want to do really good things right now and there is lots to do.

The mission of the Sewell Family Foundation, as stated in our brochure: "The Sewell Family Foundation focuses on improving the lives of people by encouraging excellence in the arts and supporting other causes important to the family."

So, we did leave that little "important to the family." We can do whatever we want. But we focus on the arts and we focus on the arts here in the community in which we live, but we also are open – we don't want to tell the world – but we are open to other projects.

I would like to talk a little bit about the projects we have done so far. The chamber music that you just listened to reminded me that Beethoven had a patron or he wouldn't have been able to write the music you just heard. It's important for us to all be patrons of the arts, and that's what we do in our foundation. We have commissioned works. We support the Chamber Music Society of Minnesota, a wonderful organization that regularly presents chamber music, and also the Music in the Park Series, another organization that does wonderful chamber music. So chamber music is something that we honor and support by commissioning works and supporting the organizations that present chamber music. Because my family has chamber music in the living room, why not support it in other places?

The other thing that we have done is realize that timing is really an important thing. When we see a worthwhile project, even though we are a small foundation, we can come in at a particularly important time in the life of an organization. The impact of our grant will be greater, perhaps, than grants that come later on that are many, many times the size of our grant. So if we do it at a critical time in the life of an organization, that is increasing the impact of what we are able to do.

An example of that was about a year ago – an organization here in the Twin Cities was about to embark on a big capital campaign and they needed somebody to jumpstart that capital campaign. It was a building that was important

to our family and to the arts in Minneapolis. It was a capital campaign to renovate an historic building for primarily dance, but also the other performing arts. We did a real stretch for a foundation of our size, we gave the initial grant of \$1 million. That was an important step for us and a real stretch, but it meant that this organization was able to go forward and get other people to join with them. So, the timing is critical when you are small, and the impact is so much greater, it's multiplied many, many times when you can come in at an important time.

Another project that we did a couple of years ago was in connection with a devastating flood in Grand Forks. I don't know if you remember that flood that just wiped out the entire town. A lot of funding came from all over, but there was not funding for the arts organizations that were just decimated. Our family gave money to help a ballet company there. Their floor, of course, was gone. We donated money for a floor, and for a theater to be renovated, and choral music. All of the music that the bands, the orchestra, and the choruses... Their music got all wet, unusable, gone. Because we have an interest in choral music and in orchestra and in dance, we focused our giving, and also used our giving as a challenge grant to other organizations. So, a lot of good things happened with just a relatively small amount of money, which I think ended up being \$15,000. That's the way we feel we can make an impact even though we are small.

We have learned not only that timing is really important, but that when we commit to an organization we can generate additional money.

About a year ago, we were contacted by the Dale Warland Singers, which is an amazingly wonderful choral group that's known nationally and internationally. It's a professional chorus; they always have had to struggle. They didn't have money to do a recording. They could barely meet the day-to-day expenses and a recording was just out of the question. They asked us for \$5,000. We sat around the table and said, five thousand dollars? That's not going to go very far. Why don't we give them \$75,000 and just knock their socks off? We did it over three years, \$25,000 a year for three years, so they could do three recordings instead of one.

Also, we placed absolutely no stipulations, no strings attached. We don't care if you sell six recordings or whether you do a Christmas carol record that's going to sell a lot. That's not the important thing. You, as the artistic director, know what you need to do.

We trust that because we know this organization. They have been around for nearly thirty years and we know them well. We know the quality of their work and we trust the artistic director. My son, who is an artistic director of a ballet company, spoke very passionately about the need to do that, that artistic directors don't need to be told what their dream should be. The keeper of the dream knows that. If we can support it, that's really important. And Dale Warland, when he heard about this grant, said it was the first night that he and his wife had not slept all night; they were so excited and just overwhelmed.

That's the kind of thing that when you know your product, when you bring that kind of expertise – which I think we do – you can make wonderful things happen, and it's been so rewarding.

The other thing is the joy of giving and making a difference in the lives of really wonderful, passionate artists. Committing to the organization, not just giving them money, but doing more than that by coming on their boards or helping them raise additional money – going to your peers, our peers, and asking for additional support. That carries a lot of weight because when you commit to something it's a lot easier for other people to join with you, and it gives real credibility to a project.

So those are the kinds of things that our organization has done in just a few years, and it's been great! And I didn't have to wait for my next life to be able to do this.

Busta: Thank you, Gloria.

That was a great snapshot of Gloria's work. I have had the pleasure of working with her and her family, and I can't tell you what a pleasure they are. They are so committed to the arts and they truly understand the process from both the foundation side and the board side and the nonprofit side. The perspective and the conver-

sations around the boardroom table are so rich and so phenomenally forward-thinking. I am just glad that you all had the opportunity to hear Gloria's comments.

The next speaker is going to be Fuller Cowles. He also has a unique perspective in that he is a professional artist as well as a trustee, so he understands the inner workings of a nonprofit organization. When I sit and facilitate the meetings, having that perspective really does provide greater insight into the reading of the grant and the understanding of the work and the preparation that goes into writing the grant. The foundations that Fuller is attached to give to the new University of Minnesota Arts Building, the Franconia Sculpture Park, Rochester Arts Center, and the American Craft Council.

I want to pull a couple of things out of his very impressive professional resume here. Under professional activities – and I am not doing you justice, but bear with me – he is president of the Franconia Sculpture Park, which is a not-for-profit arts education organization dedicated to serving artists in the community through a rural sculpture park setting. He is a board member of the Northern Pines Music Foundation, which is a not-for-profit arts organization dedicated to teaching and performing vocal music with young men and women, touring summer camp, and year-round rehearsals. He is a panelist for the St. Croix Community Foundation. He is board member of the Unity Avenue Foundation. And serves on the editorial advisory board for *Public Art Review*, an international journal of public arts and projects. We haven't touched at all on his professional artistic work but, with that, to Fuller.

Cowles: Good morning. Thanks for having us all. Thanks for coming to hear us all talk.

I am a professional sculptor. Connie and I collaborate on large-scale, public art installations. We do plazas and fountains and work with the state arts boards and have received a couple of Percent for Art building projects. So I know the logistics of the bigger projects. We also do our own work which tends to be in ceramics and abstract sculpture. I won't talk too much on that side today, but that's a makeup of who we are in the giving world.

I am wearing a couple of different hats, which always gets a little confusing. But the clarity comes in that we feel totally dedicated to what we do get involved in, and we jump in with both feet and it turns into personal passions about what it is we want to help create in the world. We feel very strongly about this community and the state and the upper Midwest in terms of the arts and culture of being here.

The first thing that I am going to talk a little bit about is the Unity Avenue Foundation. Then I am going to talk more about the Connie and Fuller Foundation. Then I am going to wrap up with a little bit more on just some of the individual projects that we are involved in.

So anyway, Unity Avenue Foundation was started seventeen years ago with just my siblings and my parents and me after a large cash-flow event. We decided to get together and create a foundation.

And that foundation got going because we, the siblings and my parents, enjoy being together – and out-laws, by the way, it was very clear that we wanted out-laws as well as in-laws in the mix. We started with the step of knowing that we wanted to create a giving organization that was separate from our individual, private giving. I have a sister on the West Coast and one on the East Coast, and my brother is here in town and some of you might have seen him yesterday, he was doing a panel. My mother is introducing the keynote speaker at lunch today. So you can see the whole family affair.

The family knew we wanted to get together and give money in a collective way that represented a sense of values that had grown up over time. Some of the topics were coexistence of indigenous peoples – fairly broad but we did work in that; generally, North American funding. Smaller projects instead of larger ones. Projects that created ideas that were able to be translated into larger working models, typically like recycling, new recycling ideas, solar cookers in Africa to get clean water, photographing the Sonoran Desert to record the environmental impact. A fair amount of American Indian issues here, locally, getting some of those things going. So that organization has been clicking along.

What we discovered as we have gotten older and our kids have gotten older is that we want to use this foundation to begin to teach our kids about philanthropy and begin to figure out how to get our children involved. About two years ago, we started a process of figuring out how to get the kids involved, and grandchildren.

So we made a mission change. We have changed to just doing environmental issues. We did a survey with the kids and environment is something that the kids and all three generations can absolutely agree upon as something that concerns all of the households. It's something that younger children, particularly, can get very involved in.

This has been an interesting change for us in terms of beginning to bring the kids in. We have a consultant we work with, and at one meeting a year, the kids put in their issues and the consultant comes up with some organizations that would be appropriate within those issues. The dollars aren't very big but then the organizations send a letter and we do a little research on it. The kids, then, have to stand up in front of us and talk about why we want to fund The Wolf Center in Northern Minnesota or whales, dolphins, prairie dogs in South Dakota, pollution control issues. Some of them get a little big and over the top. It's fascinating. Environment is a huge topic to try and narrow it down so that the younger kids can get a handle on it.

So the Unity Avenue Foundation, we annually give about \$80,000 to \$100,000 a year, just broadly. So that's kind of on that. We can come back to any questions.

Connie, my wife, and I started our own foundation three years ago. A lot smaller scale, but in a way to focus our giving. It helped us begin to separate our personal lives from what we want to do in the community and, civically, just being involved. It has got your tax advantages, it's also got your organizational values, if you will. It was an easier system to set up than to keep it in the general household of it all.

We focus on giving to organizations that we are involved in. We tend to focus on visual arts and performing arts organizations. Organizations that, similarly to Gloria talking about critical

timing, where we can make a seed gift or the beginning of an anchoring gift that will attract more funding in the beginnings of things.

We also tend to want to invest in more people. If it looks like the people are very good, committed to the project, that's another important quality to trying to select how it is. Keeping an eye on that the people are continually staying involved and invested, personally, in the projects that we are investing in.

First time gifts, the seed idea, where they haven't really been able to be out of the box in a very public way. Giving the organization a little kick in the rear to keep going.

Currently, one of the larger arts organizations that we are involved in is Franconia Sculpture Park, which I helped found six years ago, which is a rural sculpture park. It's a 501(c)(3) nonprofit. We intentionally set it up because I wanted to create it as a community-based arts organization. Not one that tended to be very attached to me, personally, but one that had a community influence about which way it would go, and where it would take off, how it would really establish itself in the Midwest arts community and nationally.

Franconia is essentially an arts laboratory for visual artists to make a proposal to the organization, come and work there, build their idea. We get various funding, particularly the Jerome Foundation funds our artist program, and the McKnight Foundation – I can't tell who is in the room and who I should be thanking. Thank you, Twin Cities. So I flip my hat on the receiving end of giving.

So, the artists come, they make their work, which is an outdoor, rural setting and generally larger, something that they haven't ever been able to create in a studio or be able to make for a gallery show. We focus on emerging artists and mid-career artists. We show it for two years and then the work moves on. It either goes back to the artist or goes to another sculpture park, or if it's a real lousy one it gets buried.

But the laboratory idea and bringing together a sense of community with serious artists creates a very lively dynamic. It's not art camp and it's

not museum. It's for artists who are trying to move their career ahead.

Our educational aspect works in that we have a series of interns who come and live there. They tend to be graduate students; colleges and universities pay us to take their interns. They have specific jobs to do in the park and they work with artists who are the selected Jerome artists, and help them realize their dream and also get to do their own work as they go along. That's been a terrific educational aspect of Franconia.

We don't want to collect, so we don't end up conserving a lot of big sculptures. We want to be an idea generator, an idea former. For artists to be able to come, realize their dreams and ideas, and begin to perfect them for their next ability, for their next step in life. It's an idea that's cooking right along.

Connie is also on the board of the American Craft Council which is a New York based arts organization dedicated to crafts. It publishes *American Craft Magazine*. If you ever know the Expo, there is a St. Paul Expo Show, but there are many half a dozen around the country of just very good craft shows. It's that organization. She is a ceramist and works in functional pottery and has been doing that for 27 years. So that one is a big passion for us right now, and she is actually at a board meeting doing that right now.

Arts education, again, for us is very important, and this comes from being here in the Twin Cities. Connie graduated from the University of Minnesota but only after doing her last year here. There is a new, desperately needed arts building that the U of M has just committed to building. And it will be a state-of-the-art visual art facility for painting, sculpture, foundry, ceramics, drawing, printing, all of that good stuff that universities need to have. We have had a horrible building for a number of years. We know a lot of the professors so that one was a very easy one to make as big a gift as we can make in a huge capital campaign. But again, it just feels good. It's an important issue for us.

Rochester Art Center, which is down in the city of Rochester, that's a relationship-based connection there. But it's more of a rural arts center

dedicated to serving southern Minnesota and bringing in really high quality artists and shows to that area. The Mayo Clinic is there and I have to say that they really haven't connected with the arts center. They have a gorgeous collection and it's a surprising link that hasn't quite happened yet. Some day we hope that the Mayo Clinic would come out and be able to have a good show, also, of all of their work and be able to just expose their underskirts.

Another personal passion for our foundation is Northern Pines Music Foundation which got us involved because of our children singing in this young men and women's á cappella singing group. I am also on the board of that. It's a professional-level, touring and concert-based organization started four years ago. It has a summer camp up in northern Minnesota that kids audition for. So that's an up and coming music foundation.

We don't really define visual arts. We are open to taking proposals but we tend to not have the horsepower, if you will, to be able to look at a whole range of topics. Our lives are full doing our own art work, as well as being able to do this, and that's why I look at Gloria and go, someday I will be able to be on that side of things. We will grow the foundation slowly so we will be able to give more, which is always part of our goal, because we really enjoy it.

Here is a video of a Channel 9 news story about two minutes long on the Franconia Sculpture Park from last fall. It's a little effervescent. It's a live morning broadcast at 5:30 in the morning, so it's a little dark. They did come out and do some daytime shots. One of our good artists, one of our Jerome artists, is Marie and she is from Holland. Not much of an accent, she grew up mostly in the U.S. and then has been in Holland forever. But I brought this one because she is a good example of one of our Jerome-funded artists for Franconia.

[video]

Busta: Thank you, Fuller. I think that Fuller has given us a great and wonderful overview of the clarity and dedication of his family.

Cowles: My father has dedicated the Guthrie Theater. He worked really hard back in 1963 to talk to Tyrone Guthrie, who led the Minneapolis committee to win this site over three other cities that Tyrone wanted. Located in the Midwest, but it was a good battle.

Busta: Wonderful. His perspective also shows the successful execution of the use of the family foundation as a vehicle to really provide family unity and teaching of philanthropy. I do have materials up here on the Franconia Sculpture Park if Steven Reynolds didn't make you so excited to go out there and see it. I am driving out there next week! Thank you very much.

Our next speaker is Gayle Ober. Gayle is the president of the Mardag Foundation and serves on the board of the Minnesota Opera, the Children's Home Society of Minnesota, and the St. Paul Riverfront Corporation. Her past board experience includes the St. Paul Chamber Orchestra, the Minnesota Historical Society, the Minnesota Chorale, and the University of Minnesota Music School Advisory Board. She has also served on a variety of committees and organizations, such as the Minnesota Council on Foundation, the Minnesota Orchestra, and the St. Paul Foundation. She is an active, local freelance soloist and a church musician, and from '86 to '96 sang with the Minnesota Chorale. She is currently pursuing her Master's Degree in nonprofit management. She is the newly appointed executive director of the Dale Warland Singers, which is a 40-voice professional chorus directed by the founder and music director, Dale Warland. I have had the opportunity to hear Gayle sing and she is phenomenal.

Ober: Thanks. I think it's evident, as we all walk through the halls here this week, that most of us wear a myriad of hats, and I do my very best to put on the hat that I am supposed to at whatever function I am at. So, I am going to speak from the perspective of a foundation member.

Our family foundation was started in 1969 upon the death of my husband's grandmother. It was about \$16 million or \$10 million when it was started and today we are about \$62 million. We grant almost \$3 million a year. So, we are having a great time. Part of the will document

that Agnes Ober left us with was her love of arts. She, apparently, was an avid Metropolitan Opera broadcast listener every Saturday morning, and you were just simply not allowed to interrupt that program. You had to wait. Unless somebody was dying.

The rest of the Ober family have a tendency to be much more interested on the listening side or the experiential side of the arts, whereas, my family has had a little more active role in participating as, very much, amateur artists. I have a great time with my singing but I am thankful that I got some good advice when I was young. Basically, you have a lovely voice, but don't quit your day job.

So that helps put things in perspective a little bit for me, but has always given me that basis of a real belief that art does change people's lives. It is a terrific contributor to the overall health of our communities and our families. I am one of those people that every time someone tells me, oh, I had this choir director in Junior High and she said I really shouldn't sing, I just bristle! Because singing is for your soul more than for making money, and I have a great passion for everybody finding their artistic soul.

At the Mardag Foundation we give to the arts primarily because of Agnes Ober, and I know that it has a lot to do with the fact that I am always encouraging the other trustees to keep arts as a priority. I do worry that should they ever excuse me from that board, they will take less interest in the arts, but I hope that in my history at the Mardag Foundation, they will find how beneficial it is to the communities that we serve and to the people that we serve – not just arts organizations but arts programs at schools or ways to encourage children to stay in school and continue on with their lives.

We give about one quarter of our giving to arts every year. It's primarily in the St. Paul metro area, but we are also currently looking at some ways to reach into the State of Minnesota.

Community arts organizations, particularly in greater Minnesota, are very important to the life of the community. We are trying to figure out ways to be effective grantmakers in out-state Minnesota. We don't give a whole lot to Minneapolis because there are lots, and seem to be a

lot more, funding organizations for arts in Minneapolis than there are in St. Paul. From a matter of the amount of dollars that we have to give, we do focus in the St. Paul metro area.

We don't give annual operating grants, which is unfortunate for me because I would love to be able to give annual operating grants. But, some day I am going to be Gloria Sewell and have my own family foundation and then it will all be to the arts.

At this point I have to share it with seven other board members and we do give a significant amount to social service agencies. We do, however, give endowment grants. We have helped to build buildings. We just finished helping to fund the new exhibit at the Minnesota Historical Society which is about arts in Minnesota and how they have affected people's lives. We came in very early with a \$300,000 challenge grant, and we did manage to raise the \$1.6 million to get the exhibit open and it will run for five years. So the next time you are in the Twin Cities, come see that exhibit. It's going to be spectacular.

We also do a lot of transitional grantmaking, as well as management and technical assistance. As we all know, there are lots of arts organizations who really do good things, but at certain points in their organizational lives, they haven't got all of their ducks in order. Technical grantmaking money is not always easy to find because those organizations don't exactly know what it is they are going to do. It's trying to figure out who we are, or can we bring in some consultants or redo our board or hire an executive director to do that or hire a development director? We have given quite a few technical assistance grants.

We have done some bail-out work. Some of you know of the Penumbra Theater, which is a fantastic culturally-based theater here. August Wilson began his career at the Penumbra Theater. They have gone through several times of tough transitional and organizational times, and we have come in and said, we believe in you. We believe in what you do for the community. We will give you a two to three year transitional grant and hope you will pull it together and continue to do great work.

We currently have some funding goals in the arts. As I mentioned, we want to look at suburban and out-state arts organizations. But we are also trying to find some meaningful arts organization grants.

I have lots of colleagues who teach in the schools, and as most of you know, that's the first thing that gets cut when school – public and private – dollars get tight. We also know that kids who participate in arts education, whether it be singing in the chorus, acting in the theater, working with the art teacher to build sculptures or ceramics, are frequently the kids that stay in school and graduate. I can count on my two hands and two feet the number of kids in my high school – and I grew up in Brainerd, which is North of here about 160 miles – who stayed in school only because they had to come to band every day. Many of them wouldn't have stayed in school. Brainerd has a very wide range of socio-economic levels, but sometimes there is not a whole lot to do in Brainerd. It's a little bit of a different city today. But they did stay in school because state education requirements say that if you are going to play in the band, you have to have a C average or better. So, they kept their grades up so they could play in the band. Trying to find a way to fund that without simply funding public schools is sticky, but we are working on it and trying to find a way to do that.

I want to encourage all grantmakers in the arts to not just fund the easy arts organizations, the ones that are doing well, that have endowments of \$150 million, as we heard yesterday in the session. It's astounding to think about having a \$150 million endowment! But there are a lot of mid-sized arts organizations, founder-driven, community-based arts organizations that are doing wonderful work. They don't have professional grantmakers. They don't have professional development staffs. But they deserve to be heard and sometimes they don't know how to reach us. Keeping the doors open is one of the things that we really try to do at the Mardag Foundation so that people have a way of accessing us and accessing the trustees through the staff or even by picking up the phone and calling us directly.

Busta: Thank you, Gayle.

I think Gayle's comments really express the passion of how art can change people's lives, and the progressive perspective and the transitional and technical assistance that they are providing, as well as the meaningful funding for the arts. So thank you.

Our next panelist is Pat Cummings. She is the executive director of the Jay and Rose Phillips Family Foundation, which was established in 1944.

Pat has been there since 1993. Pat's perspective is going to be a little different than the three that you have already heard because she operates in a true professional staff role. Her background is as a former senior program manager at the Minneapolis Foundation. She is vice-chair of the board of the Minnesota Council on Foundations, she is chair of the Minnesota Council on Foundation selection committee for a new president. She is past chair of the Minnesota Council on Foundations Strategic Planning Committee and a past member of their Standards and Practices Taskforce. She presents frequently at workshops, conferences, and seminars on topics related to philanthropy and community issues.

She is an invaluable resource here in the Twin Cities, as a philanthropic, I want to say encyclopedic, advisor. It's amazing! She has a perspective and a wealth of knowledge. Any conversation that she participates in is always richer because of it. She also is an unpublished children's author and poet and a grandmother. And with that, Pat?

Cummings: Thank you.

As Suzanne said, I am the aberrant person on this panel because I am a staff person working for a family foundation. I also am not an artist or, at least, don't consider myself an artist, although I am a closet poet. And I write little books for my grandchildren.

Those of you who know family foundations know that donor intent is the key piece, and it's part of the language around family foundations. To talk about the Phillips Foundation, you really need to start talking about Jay Phillips, the donor, and what Jay's intent was.

As I said a minute ago, Jay started the foundation in 1944 in Minneapolis. He made his fortune in the liquor business with the Phillips Beverage Company, which still exists today and is owned and run by his grandson.

For Jay, as for many family foundation founders, the boundaries between the foundation and the business and Jay as an individual, were very blurry. And the kind of philanthropy that he did was very personal.

Jay was not a big arts funder. He funded, or he made grants to the Walker for capital. In fact, there is a little gallery at the Walker that is named the Jay Phillips Gallery. He funded, I think, the oboe chair for the Minnesota Orchestra. He did grants because he thought it was his civic responsibility as a business leader in this community. He wanted to participate in those activities because of his business interests and because he was a civic leader.

In addition to those few large grants that he made to the majors, he continued to contribute smaller amounts of money every year to their annual campaigns. His name was always there on the list of contributors to annual campaigns for the majors. I don't think he ever made a grant to an arts organization that was mid-sized or small.

Jay died in 1992 at the age of 94. I was hired the following year as the first professional executive director of the foundation with a staff of, at that time, two. We now have three, besides me. Jay's children and grandchildren took responsibility for the foundation; they comprised the board. Jay's widow is the board chair; she is inactive. We say that's okay because she is 101 years old.

As I said, I am really not an artist, but I certainly come out of a strong liberal arts/humanities background educationally. I had the opportunity to serve on the Metropolitan Regional Arts Council for several years and chaired it for a couple of years. Part of the experience of being on the MRAC board was that you were expected to get out there and see stuff. I had the opportunity to learn a lot about the small and mid-sized arts organizations that were being funded by MRAC. It was an invaluable oppor-

tunity. I got to know a lot of those organizations and they got to know me.

As you might expect, when I went to the Phillips Foundation, a lot of those arts organizations that I knew began to bring proposals. Now these are proposals that the Phillips Foundation had never seen before from organizations that they had no familiarity with. I began bringing those proposals to our grants committee and to our board.

There is another interesting thing about Phillips which is that only one board member, of the ten on the board, lives in Minneapolis. The rest of them live other places. They just don't know what is happening in this community.

It's kind of a subversion story about how you can get an organization that doesn't think of itself as an arts funder to do arts funding. So, I would bring them these proposals and they were all project proposals because we don't do much general operating support. Once in a while they would do one. Over the course of a couple of years, a pattern began emerging about the kinds of arts organizations, arts projects, that they wanted to fund.

In 1995 they had a board retreat to develop a mission and guidelines. Up to that point they were really loose. They wanted to see what was out there, and so they were looking at everything that was coming in. The volume had increased when I got there because a lot of people knew me because I had been at the Minneapolis Foundation for fourteen years and then the MRAC experience.

They went through a process with an outside facilitator to develop their mission and guidelines, and it was a wonderful process. The first thing that the facilitator had them do was talk about Jay's interests. What did Grandpa Jay care about? They created a laundry list of the things that he was interested in and it was a wonderful, rich discussion because they told stories about him. "I remember when Grandpa said..."

Then they talked about what they perceived to be the most critical issues in this community, as they understood them. So there was that laundry list.

And then there was the third one where they talked about what they, as individuals, cared about. What their passions were.

This very skillful facilitator, overnight, took those three lists and came back on Sunday morning with seven areas that overlapped, that were represented on each of those three lists. Those seven areas that she identified were adopted, then, by the board as what we call our "areas of special concern." And they are – these are all stated as value statements – self-sufficiency; strengthening families; independent living for people with disabilities and the elderly; improving healthcare for all people. There's a statement about education; building good relationships among people of all races and religions and actively opposing discrimination. And the seventh one is: the arts should be supported primarily as a vehicle to address social issues.

So that's where we are with the arts. That's the approach that we take. I understand that for real artists that can be offensive but it allows us to do arts funding that we would not do otherwise. That's the kind of subversive piece, I think.

We do, however, continue to support the majors; the board calls these our "Good Citizenship Grants." We target those annual contributions for the education programs of the major arts organizations. But the fun stuff is the stuff that we do on a project basis.

I should tell you also that the way the foundation is organized, there are three family branches. Each family branch gets a percentage of the annual pay-out to fund whatever they want to fund provided it's to a 501(c)(3) organization. So if you look at our annual report, there is a category that's called "Discretionary Grants" and it's about half of our grantmaking every year. You will see grants in our annual report in L.A., San Francisco, and Colorado. Those are family grants. Some of those are arts grants that go, primarily, to the majors in the communities in which the family members live.

The other half of the money that we have is the competitive pot of money. That's what these seven areas pertain to. When an arts organization presents a proposal to us, it needs to fit that

arts guideline which talks about arts projects that address issues of a social concern to the foundation.

The emotional driver for the foundation is the guideline that talks about building good relationships among people of all races and religions. So most of the arts funding that we do falls under that rubric. That's the one that we are trying to address.

Most of the arts funding that we do seems to be to theaters and/or visual arts projects. We did make one dance grant to bring in an Israeli dance troupe. We have funded some music. We made a grant to, for instance, the Gay Men's Chorus here and for a summer concert that was a One World concert featuring music from other cultures.

We do some kind of odd funding in literature. We did make a capital grant to the Open Book – which you, I hope, have heard about somewhere in this conference – in order to do a children's classroom in the Open Book building.

Most of our funding, as I said, is theater. I will just run quickly through a list of some of those. We funded the Jungle Theater for their main stage production of *The Diary of Anne Frank*. We have continued to fund the Jungle for a school lyceum program that is called *Holocaust Witness: The Legacy of Anne Frank* that they do every year in a variety of school settings. We funded the Minnesota Museum of American Art for an exhibit called "Witness and Legacy: Contemporary Art about the Holocaust." We funded Stages Theater, formerly Child's Play Theater, for an original theater piece they developed that was called *The Holocaust Mosaic*. We funded the Jewish Community Theater for a production called *Old, Wicked Songs*."

You may see a theme emerging here. But lest you think that the only kind of funding that we do in the arts has to be related to the Holocaust, we have also done a number of other things.

Although, we did do one at the Kathryn Nash Gallery, an exhibit that was called "Absence, Presence: Artistic Memory of the Holocaust and Contemporary Genocide." And we funded another exhibit, a photo exhibit, at the Wiseman Museum at the University, which was photos

from the former Yugoslavia – again, dealing with the issue of genocide.

We funded the Penumbra, which Gayle mentioned, for a very powerful play called *The Day the Bronx Died*, which deals with Jewish-African American relations. We funded Parksquare Theater for *Love, Valor, Compassion*, this was the first local production of that play. We were particularly interested in the educational, ancillary activities around that production. They did a lot of education around AIDS in collaboration with the Minnesota AIDS Project, and we were interested in that. We funded Illusion Theater to develop an education theater piece on breast cancer called *For Our Daughters*.

I think my favorite one is a relationship that we have built with the Hmong Community. As you may know, Minnesota has, I think, the second largest Hmong refugee population in the country. And the Hmong culture doesn't have a tradition of theater. Fifteen years ago, a group of Hmong high school students came together to develop what was then called the Hmong Theater Project. Maybe it's only ten years, I don't know, but anyway, it was quite a while ago. When I was at the Minneapolis Foundation, we funded the Hmong Theater Project.

When I got to Phillips, they followed me and presented proposals to us, and the Phillips Foundation has funded three of their productions. One was called *Hmong Tapestry*, which was really the history of how they came to the United States. Why they came and how that happened. We funded another production called *Hmong Cinderella*, which compared and looked for the commonalities between the Hmong Cinderella story and the Western Cinderella story. And the last one we did was a production – all of these are, obviously, original productions – called *Hmong: the CIA's Secret Army*. And there was a special outreach to Hmong veterans for that production.

That original group of high school students are now finished with graduate school and are married and are having babies, and they are still involved in this project which has now evolved into The Center for Hmong Arts and Talent. They refer to me as their grandmother which is a great honor for me.

In each case of this kind of grantmaking, our interest has been in the quality of the production or the quality of the project. And so if it's a play that hasn't been produced here, I read the scripts. That's fun and educational, but also, I think, a really important part of the process for us in making decisions.

We also are very interested in these ancillary, educational activities: in the post performance discussions, in the study guides, in whatever activities are going on around it. Because what we are really interested in is the social issue that's being explicated by whatever this arts project is. And so we look to the arts organization to capitalize on that in broader ways.

As I said, we don't think of ourselves as arts funders. We don't do a lot of arts funding; probably \$200,000 a year, maybe. But these are strategic grants. They are projects that advance our agenda that we think are important in moving toward our vision of a healthy community.

Busta: Thank you so much, Pat.

As we have listened to the three trustees, when you combine that with their working experience and the professional kind of perspective, you begin to see that a fluid, transparent conversation, at least with these foundations, really transpires between the foundations and the nonprofits that they are funding.

As I listen to the comments, there is an understanding that there is an impact, that their funding is really, truly unique. Because of their passion for the arts they are able to push the envelope.

Each foundation does have their own perspective, their own criteria and personality and can operate as a facilitator of a conversation. As you listened to each of the foundations that are here on the panel, clearly, donor-intent and the personality of the foundation is what drives their funding. One of the criteria that we were given as a panel was to identify what the kind of trigger pieces are for funding decisions, and it's apparent to me that everyone really has their own perspective and their own trustees' or board's perspective on that. I wish I could give you a sweeping statement: these are the five

pieces that are always going to be constant. But the only constant is that they are all different.

So with that, I would like to open it up to questions. We are taping the session, so I will need to repeat your question. If I in anyway rephrase your question inappropriately, please stop me on that. And I have one from Mercy up here.

Pavelić: I would like to ask Pat whether the Phillips Foundation has entertained any proposals for documentary film or any form of media given the combination of your interests in using the arts to promote a social agenda.

Cummings: Yes. In fact, we just made a grant – which was a large art grant for us, it was \$50,000 – for the development of a documentary to the Jewish Community Center in Minneapolis. And it's for an original documentary, a video that's called "Ida's Story." It's the story of a woman who, with her younger siblings, escaped from Russian discrimination against the Jews in a particular village and came here when she was twelve years old. It's quite an amazing story.

Question: I would like to also ask Pat: you mentioned that half of your annual giving is through vehicles of independent family branches. So if a request comes in to your office and you open the request, how do you disseminate that to the various branches? Or what is the process that you go about to make sure that that request receives review by more than one of the families?

Cummings: The way the family branch allocations work is that they work like donor-advised funds in a community foundation. The family members decide where they want the money to go. Proposals that come in to the foundation come in applying for the competitive pot of money. It's not a question of our deciding which family member is going to get which proposal.

The families are very different from each other. If you think about your own family, you might expect that. One family really deals in large amounts of money to big institutions. One of them really concentrates locally, particularly in

the Jewish community where they live. The third family is very progressive, makes lots of small grants, and they spread them across a wide range. But they know where they want that money to go.

Jay was brilliant in setting it up this way. There is this competitive pot, which will be over \$4 million this year, that people apply to, and we have signed the principles and practices for the Minnesota Council on Foundations with an emphasis on access and we are accessible for that portion of the money.

Question: Pat, what are the monetary levels of support – the range of your foundation. Also what are the assets? How much are your assets?

Cummings: When you talk about the assets, that's a moving target – as you know. Because it depends on what the market is doing on any given day. Our assets, at the end of the quarter that ended in March, totaled \$210 million. In 2000, we will do \$8.7 million in grantmaking. That includes all of the family grants.

Because we are doing project-based giving and because we are funding mostly small and mid-sized arts organizations, the requests that we get aren't really big. The range is anywhere from \$5,000 to \$50,000 for our arts funding.

Question: Could you discuss the issue of non-family members on boards and how you decide to get them involved.

Ober: At the Mardag Foundation, we started by having non-relations or non-family members on the board, so we have a tradition of it. Today, we have three, non-family members who are trustees – they are full voting trustees. There are a total of eight trustees at the Mardag Foundation.

We also have included in-laws as voting members, and from the very beginning also. They are treated exactly the same way as family board members with the exception that, because the Ober Family is sort of small, we don't rotate off. We do have terms, which gives us an opportunity to get off of the foundation if we seem to need to do that. But, non-family mem-

bers do have term limits. They serve for three three-year terms and then rotate off.

Sewell: The Sewell Family Foundation, my husband and me, and my daughter and son and their spouses, are the trustees. The other advantage that we have is that we all love the arts and we all live here in the Twin Cities. So we don't have some of the challenges that some foundations have; maybe because we are still so new. We aren't scattered across the country. There are other interests in the family but the focus, still, of each individual, each trustee, is the performing arts. We are pretty fortunate that way.

Cowles: I would only add that Unity Avenue Foundation was started with the intent of having direct descendants and in-laws. We have no outside trustees other than married couples. We have gone through regular, typical family shares of changing spouses, which always gets tricky, but there wasn't anything that doesn't work about that.

We did find a need to get, finally, professional outside consulting help in that the family was overtaxed with the logistics of managing the foundation. So that's one place where we did bring in some outside help as a non-voting, purely as a staff-type, role.

Cummings: We have, as I said, ten members on our board. They are all family members. The second generation, Jay had three children, so it's children and spouses of that generation. The third generation is just the grandchildren, not their spouses. The board is struggling with how to get the fourth generation kids on the board without upsetting the balance between the three families. And I don't foresee that they would add outside people for a long time.

Busta: Your question is particularly relevant to me because I had this conversation yesterday with a client. It's a small family, they want to continue family involvement, and some of the family members are interested in having their spouses involved. But the foundation does not want to have those family members to have voting rights, or be trustees. So we are trying to figure out a way to structure a committee

process in which the non-voting family member is able to be involved in the committee and bring forth proposals, and help bring forward a platform or a slate of recommendations that, then, the entire executive committee and then the entire board could confirm.

It's a slippery slope, and I guess that I would encourage that, as you set out the tenets of the foundation and the structure of the foundation, you realize that the point where you are starting the conversation may not be the point where the conversation ends.

Question: I was wondering, what are the conditions that lead to hiring a professional staff? At what size? At what period in the evolution of the foundation?

Cummings: For us, Jay Phillips ran the foundation. He even did all of the investing; he had a seat on the stock exchange, he made all of the buy and sell decisions. He really was an extraordinary person. He had support staff who helped him with all of that but he really did the grantmaking. When he died, the family, of course, had to figure out what to do with this, and because most of them don't live here, they realized that they needed to go to professional staff for the grantmaking end of it, and they out-sourced all of the investing. What they wanted was for the foundation to operate, partly because of its size, in a really professional way.

Ober: At the Mardag Foundation, my father-in-law ran the foundation for the first three years and basically became overwhelmed with the public face. He is a very private person and became frustrated with needing to publicly represent the foundation, and receive all of the phone calls, and deal with all of the grantmaking in addition to settling all of the family dynamics.

So in 1972, the Board of Trustees made the decision to become managed by the St. Paul Foundation which is a large community foundation, as you all know. We happened to come in at a time when the St. Paul Foundation was not very big, and also part of the St. Paul Foundation was the F. R. Bigelow Foundation, which is also a family foundation. And we,

basically, have access to 35 or 40 staff members and pay about \$300,000 a year for that access. It's a tremendous opportunity for us. We aren't anxious to leave that very quickly because of the benefits of working with the professional staff that we have. There is no question that my husband, my brother-in-law, and I would love to run the Mardag Foundation; and I think it would destroy the family. Being professionally managed helps to have a step back and not have that be, necessarily, our total lives.

Sewell: In the case of the Sewell Family Foundation, when we had this "large cash-flow event," we did decide, from the word go, to have professional help. So our foundation is managed by the Family Financial Strategies, which is an organization in Minneapolis, and they do the investing of the assets. They also help with other financial problems or challenges that the family might have in advising the next generation in financial matters. They also do all of the reports and keep us very legal, and they help with the board meetings and the reports and all that sort of thing. So even though we are by far the smallest here, I think, we do have professional management and we really, really love it that way, because we get to do the fun stuff and let them take care of the other part of it, which is so important.

Cowles: I think for us at Unity Avenue, two things became evident. One is, the assets got bigger but I think we are smaller. First off, our lives, as we were getting older, were getting more complex and we were handling it as a volunteer, as the right thing to do. That just got to a point where, other than beginning to pay ourselves to be staff and doing that, which is one way to do it, we decided that was one case for outside consultants.

The other one was, we really needed more expertise in finding a way to begin to dovetail the children into the philanthropic process. So going to an outside expert, and we used a company in Still Water – Scenic River – that's also slightly related to some of the other folks in the room here. That's how we got there.

Busta: There is a data point out there that floats around saying that at \$7 million, plus or minus,

that's when you want to start looking at professional management. Now that is not a hard and fast rule in any way, shape, or form, but it's at least a place from which you can start to measure. It depends enormously on your family dynamic. It depends enormously on the type of grantmaking you want to do. It depends how personally involved you want to be in the process. It depends how your family wants to handle the process.

There is opportunity to retain a full-time staff, such as the Phillips Foundation, and there is opportunity to use a consultant, such as the Scenic River, that allows you to use and reach into and touch that expertise. I would, perhaps, in starting the foundation, that may be the opportunity to get some consulting input and help you determine what your mission and your guidelines are.

I was at a meeting on Friday by the Minnesota Council on Foundations and there was a founder of a foundation there. He was from the South, and he said, it comes down to this. It's like catching a porcupine, starting a family foundation. You catch a porcupine, you put the bucket on top, and then you sit on it, and then you try to figure out what happens. I thought, gol, that's just it right there, isn't it?

So it's tough to get your hands around it, and there's lots of reasons for starting a foundation but I would get some professional facilitation and you may find that the road is a little smoother.

Question: I am just trying to formulate this, but I think there is something about family foundations that make them crucial to arts funding. I am not quite sure what those qualities are, but I think that one thing might be that timing/pacing thing that you were talking about. I think there are other things, though.

Sewell: Because we are small and because we are nimble, we can respond quickly. We don't have to wait until the next meeting, which might not be for three or four months. We can make decisions and we have flexibility, and we can take risks. There are just lots of advantages to not having a lot of bureaucracy involved in your funding decisions.

Ober: As we have gotten bigger, it has been a little bit harder to be as nimble as I think we would like to. But for me, one of the important things about family foundations is you can look to the members on those boards to see – before you spend hours writing a proposal – to see if you think there might be any interest.

I also think it's really important – the whole access piece that I talked about earlier – that there is somebody on the other end of the line that will call back the nonprofit and say, you know what? It's just not an interest to the Mardag Foundation. And you are welcome to send a proposal but the chances of it getting funded are really slim. That allows the nonprofit to move forward and look to somebody else.

I don't know that it's quite that easy when you are dealing with a corporate foundation or a larger private foundation, to have that kind of access and get that kind of a direct answer. I know not to call Gloria and Fred to fund an environmental program. Not that they might not, at some point, but they wouldn't be my first call, and it's because they are so obvious about what they fund.

Cowles: I tend to agree with Gloria. We are small and flexible, particularly in the Connie and Fuller Foundation, about being able to put aside all bureaucracy, if you will, and depending on the market, write checks pretty quickly. So that part is good.

There are a lot of foundations out there in the world that do health, do social issues. Specifically doing arts funding tends to be a smaller number of foundations. Nationally, I think fewer organizations, foundations, give money to the arts compared to foundations that give money to finding out about heart attacks or cancer. The medical issues and social issues tend to be a lot more common.

Sewell: Isn't it something like seven percent of money is given to the arts? Something like that, I think.

Busta: When you look at the grants that are given, there is a risk portfolio, per se. Family foundation are more – and this is a broad

statement – are more willing to take risk on an individual than, let's say, a corporate foundation or a foundation that's much larger and is more steeped in infrastructure. There is usually an opportunity on the family foundation side to make a personal connection with the trustee who will then champion your proposal or has an insight that a standard program officer may or may not have during an interview and a grant proposal review process. Since they are a family foundation, there is an understanding of taking risks. They may be willing to, I call it, "taking a flyer." Arts, generally, falls underneath that because it's very difficult to measure, quantify, and manage, and put your hands around all of the outcome numbers, which a lot of people like on the evaluation side. There is some data but there isn't huge data like on the health side. You can't say, I have impacted x number of lives and need this and I am going to then do that. It's hard to do that.

Question: Is there data about what percentage of family foundation giving is in the arts compared to other kinds of foundations?

Pavelić: That is the very reason that Grantmakers in the Arts with the help of family foundations, initiated this resource book which is, as far as we are aware, the first recorded piece of information on how families – and by the way, this includes family giving that falls outside of the foundation structure as well as the foundation structures – how they give and what motivates their giving. The answer is that nobody knows but this is the first step in trying to corral that information.

Busta: Can you tell people where to get that resource?

Focke: First, you should have gotten one when you got your conference packet. Second, we have them in the office. I am Anne Focke, the executive director of Grantmakers in the Arts. Our address, phone number, and email address should be in all of your materials. I think that we charge \$12.00 which covers handling, postage, printing, and stuff. Just let us know, we would love to get it out.

Busta: The title of the publication is *Creative Family Giving in the Arts* and you can pick it up. GIA's phone number is (206) 624-2312 or on the Web at www.giarts.org.

Pavelić: We should also point out that under GIA we have a network of family foundation trustees called American Families for the Arts or AMFA. AMFA has its own LISTSERVE under GIA and publishes a quarterly newsletter which is, again, attempting to connect smaller family foundations and make whatever information we discover available to each other.

Question: Just to push the envelope a little further, I didn't hear anything that sounded like any of you do individual artists grants or funding. I am just wondering whether any of you have even discussed that and if you have got reasons you decided not to, whether you could share them with us.

Ober: We have discussed that at the Mardag foundation, and we don't do it because it's so difficult from a legal standpoint. I have talked with folks at the Jerome Foundation because I was wanting to do it for another organization that I work with. I know it's possible. But the St. Paul Foundation recommended if we want to do it, to start a donor-advised fund because it's easier for a community foundation to do it than it is for us.

Focke: There are nice examples in the book of small family foundations that give money to individual artists. There are resources that you can call on to help you do it. There are some additional groups that don't do it but I have advised some family foundations about how to do it and they found it easier than they feared.

Question: What I am about to say was relative to a question that someone had asked. It was so long ago that I forget what the question was. But it was something about giving to private foundations. I am kind of in a unique position. I do have a very small, and I mean very small, granting foundation. I also happen to be a member of the Maine Community Foundation. A couple of your questions relative to how to manage funds bother me.

Someone asked a question about getting money from family funds, and how to go about it. I just wanted to suggest a little anecdote. Every single request that we get that we turn down, we send them a nice little postcard that says, We really appreciate your ambition, we like your proposal. But unfortunately, it doesn't conform to what we are doing, and we just ran out of money. But we do acknowledge every single request that comes in. And if there are people here that are looking for money, this was the little anecdote that I wanted to mention. That once, and only once, in my entire career in this profession, did I ever get an answer back from a group that I asked for money, saying, "Thank you very much for acknowledging our request." No other organization had ever done that. I guess I was overwhelmed with this little note from this small library in Maine, that at the end of the year we had some money left over. I wrote them back a letter that said, "Because you were so kind to write us this note, here is a contribution for you." That one he didn't answer.

Cowles: I want to go back to funding individual artists for a second. One part is that sometimes there needs to be an organization, you need to have a fiscal agency attached to it, or otherwise you don't get the tax deductibility or the financial aspect on that. Other than that, I would say it's an individual basis. It depends on the person and project.

Busta: And some foundations will use fiscal agents and some will not.

Sewell: We have done that with composers, commissioning works.

Busta: It's a decision of the foundation if that's a funding avenue they want to pursue. Some foundations won't do fiscal agents because they don't like the risk associated with it.

Question: I have two questions. One is: Have you ever funded anything that was highly controversial? And if so, what did the family do about? If it required speaking to the press, discuss the issues that were embodied in what you funded. Did you speak to the press or did a member of the family speak to the press? Did

you discuss how to deal with the press and the exposure that the foundation might have gotten as a result of something you funded?

Ober: We have never funded a controversial arts project, but we have funded a couple of controversial projects.

This particular one was called "Out for Equity" and it was a program in the public schools to support gay and lesbian teenagers. I know that the St. Paul Foundation did get a few calls, because it was a consortium of grantmakers that funded it. Mardag was listed in the newspaper and they weren't happy with us, there were a few organizations that were not happy with us, but I never received a phone call.

If I had, I probably would have asked for some time from the press – if they had called me directly at home, which is where they would probably find me in those days – and then worked with the staff at the St. Paul Foundation as to best comment back. I have learned from others who are far wiser than I am in dealing with the press that it's okay to say, "Can I call you back in an hour?" and then talk to some folks who deal with it a lot more than we do. Partially because we were part of a consortium of grantmakers, there was some safety in numbers. If we had ever gotten into a big blow-up about it, I would have liked to have known that there were others that were also going to be speaking to the press.

Busta: Your question is an interesting one, and it was actually embroiled within the Council on Foundations agenda of last year. As you look at the landscape of funders, I am not sure if there has been a large change in how foundations communicate. I would be interested to see some data on that; if the Council's agenda of last year has made an impact on the philanthropic community.

Ober: I just want to add to that. We haven't, for one minute, ever regretted that grant. It was really important for our organization to make that statement that it's not about being gay or lesbian, it's about taking care of our kids. We give a lot of money to children's issues, and it's one of the things that I am most proud of that we did. We have a tendency to be rather conser-

vative Minnesotans as Garrison Keillor alluded to yesterday, and he is right about that. But it was one of those lines in the sand that I am really glad we drew, and I would do it again.

Carrie: I'm on the staff of a foundation that is currently managed by the second and third generation trustees. The founders were quite interested in the arts and there is an arts champion in the second generation. That person doesn't exist in the third generation. I mean I think it will continue, but I can see arts as one piece of what we do and I think we might lose some ground. What strategies would you use to institutionalize or retain what we are doing now as we lose the third generation?

Sewell: We thought of that when we started the foundation, as the founders: how important was that going to be to the family to continue that focus on the arts? And I guess we decided that, yes, that's the founder's intent. In a way, all of us were founders, it wasn't just my husband and I that were the founders, it was our children too. We would like to see it continue but, again, as part of our mission we do say "and other interests of the family." So there will be flexibility in future generations. That's one of the reasons why we started the foundation to get the future generations talking about philanthropy. I have said it before, but my ten-year-old granddaughter learned how to spell philanthropy a couple of years ago and she knows what it means, and we want to involve them. They are going to be doing their first site visit on a project that we did in November.

So that's the joy of philanthropy and foundations; it's something that will live beyond you and it's a way of life, it's a philosophy in families that is sorely needed. The joy of giving is something that is just so wonderful. I still can't believe that I am doing it in this life and didn't have to wait until the next life to do it.

Ober: I also have concerns about that issue at the Mardag Foundation, as I mentioned when I made my comments. It's really important for organizations like Grantmakers in the Arts, as well as other arts advocates, to continue to be doing the kind of research that helps underscore why it is important to fund the arts. I

would love to carry around a couple of little cards in my purse or in my bag so that any time someone says, I can't believe the amount of money the Mardag Foundation – or you and Tim personally, because the primary focus of our personal giving is arts grants – why you do that when there are people starving on the streets and there aren't roofs over their heads..." and all of the rest of those things that I know we all get back at us. I believe, so strongly, in arts as the thing that keeps life worth living.

Audience: It will save the world!

Cowles: Absolutely!

Busta: Now that's passion, right there.

Ober: I want future generations who sit on the board of the Mardag Foundation to always have access to information that will encourage them to continue to give to the arts. And I don't have an answer for you but Pat is a great example of how you bring the arts into a family that doesn't necessarily fund them except for the publicity value of having your name in a program book. I would like arts funding to be bigger than that.

Busta: So thank you all so very much. I appreciate it.

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