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STATEMENT ON THE NON-PROFIT SECTOR

We believe that, as stated in the 1992 Democratic Party Platform, "the wisdom, energy, and resources required to solve our problems are not concentrated in Washington, but can be found throughout our communities, including America's non-profit sector, which has grown rapidly over the last decade."

We note that this extraordinary growth has been largely created by our society's social, cultural, and environmental non-profit entrepreneurs.

We believe that the non-profit sector is one of the primary determining factors in the health and vitality of America's communities, just as we recognize that government at all levels increasingly has relied upon non-profit organizations to provide certain services more efficiently and more effectively than can government bureaucracy.

In this era of constrained government resources facing up against increasingly complex social problems, greater collaboration, more effective government contracting, and a deeper understanding of the consequences of government's actions affecting the non-profit sector are required at all levels of government.

America's public challenges can only be addressed by drawing upon all of the creativity, knowledge, and initiative located across business, government, and the non-profit sector combined. We must leverage the resources of the non-profit sector and the experience of people working in the non-profit sector to help solve problems as part of a larger effort that involves all members and sectors of society.

A Clinton/Gore Administration will work to create further incentives for private investment for the public good. We will explore various ways to



make it easier to donate money to support the work of non-profit organizations, including making full use of the President's "bully pulpit" to underscore the importance of private participation in the non-profit sector.

A Clinton/Gore Administration will work to encourage further the role of the non-profit sector as the primary mechanism for citizen participation and as a force for empowerment of each and every individual.

We will seek to create an environment and set a tone wherein creative, substantive service to our nation and our respective communities are the civic norm rather than the heroic exception. And, we will re-examine and clarify the lobbying restrictions placed upon non-profit organizations.

And, we will strive to ensure full use of the creativity, initiative, and entrepreneurial spirit of the various service corps, conservations corps, and other private, non-profit organizations in our plan to allow participants in the proposed National Service Trust Fund to pay back their loans through community service.

Perhaps, most importantly, a Clinton/Gore Administration will seek to place its relationship with the non-profit sector in the context of a larger effort to strengthen "community" in America. Volunteerism, philanthropy, associational activity, and professional work in the non-profit sector are all integral components of the American democratic experience and public life. Our plan to rebuild America is based around the simple premise that we must put people first... for a change.

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DRAFT
JUNE 25, 1992

1992 DEMOCRATIC PLATFORM
"A NEW COVENANT WITH THE AMERICAN PEOPLE"

PREAMBLE

Two hundred summers ago, this Democratic Party was founded by the man whose burning pen fired the spirit of the American revolution -- who once argued we should overthrow our own government every 20 years to renew our freedom and keep pace with a changing world. In 1992, the Party of Thomas Jefferson founded invokes his spirit of revolution anew.

Our land reverberates with a battle cry of frustration that emanates from America's very soul -- from the families in our bedrock neighborhoods, from the unsung, workaday heroes of the world's greatest democracy and economy. America is on the wrong track. The American people are hurting. The American Dream of expanding opportunity has faded. Middle class families are working hard, playing by the rules, but still falling behind. Poverty has exploded. Our people are torn by divisions.

The last 12 years have been a nightmare of Republican irresponsibility and neglect. America's leadership is indifferent at home and uncertain in the world. Republican mismanagement has disarmed government as an instrument to make our economy work and support the people's most basic values, needs and hopes. The Republicans brought America a false and fragile prosperity based on borrowing, not income, and so will leave behind a mountain of public debt and a backbreaking annual burden in interest. It is wrong to borrow to spend on ourselves leaving our children to pay our debts.

We hear the anguish and the anger of the American people. We know it is directed not just at the Republican administrations that have had power, but at government itself.

Their anger is justified. We can no longer afford business as usual -- neither the policies of the last 12 years of tax breaks for the rich, mismanagement, lack of leadership and cuts in services for the middle class and the poor, nor the adoption of new programs and new spending without new thinking. It is time to listen to the grassroots of America, time to renew the spirit of citizen activism that has always been the touchstone of a free and democratic society.

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the Arctic National Wildlife Refuge and other environmentally critical areas. To protect the public health, we will clean up the environmental horrors at federal facilities, insist that private polluters clean up their toxic and hazardous wastes, and vigorously prosecute environmental criminals who endanger the safety and health of individuals and communities. We will oppose Republican efforts to gut the Clean Air Act in the guise of competitiveness. To avoid the mistakes of the past, we will actively support energy-efficiency, recycling, and pollution prevention strategies.

Responsible Government. Democrats in 1992 intend to lead a revolution in government, challenging it to act responsibly and be accountable, starting with the hardest and most urgent problems of the deficit and economic growth. Rather than throwing money at obsolete programs, we will eliminate unnecessary layers of middle management, cut administrative costs, give people more choices in the service they get, and empower them to make those choices. To foster greater responsibility in government at every level, we support giving greater flexibility to our cities and states in achieving Federal mandates and carrying out existing programs.

Responsible officials. All branches of government must live by the laws the rest of us obey, determine their pay in an open manner that builds public trust, and eliminate special privileges. People in public office need to be accessible to the people they represent. It's time to reform the campaign finance system, to get big money out of our politics and let the people back in. We must limit overall campaign spending and limit the disproportionate and excessive role of PACs. We need new voter registration laws that expand the electorate, such as universal same-day registration, along with full political rights and protections for public employees and new regulations to ensure that the airwaves truly help citizens make informed choices among candidates and policies. And we need fair political representation for all sectors of our country -- including the District of Columbia which deserves statehood status.

III. RESTORING COMMUNITY

The success of democracy in America depends substantially on the strength of our community institutions: families and neighborhoods, public schools, religious institutions, charitable organizations, civic groups and other voluntary associations. In these social networks, the values and character of our citizens are formed, as we learn the habits and skills of self-government, and acquire an understanding of our common rights and responsibilities as citizens.

Twelve years of Republican rule have undermined the spirit of mutual dependence and obligation that binds us

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together. Republican leaders have urged Americans to turn inward, to pursue private interests without regard to public responsibilities. By playing racial, ethnic and gender-based politics they have divided us against each other, created an atmosphere of blame, denial and fear, and undone the hard-fought battles for equality and fairness.

Our communities form a vital "third sector" that lies between government and the marketplace. The wisdom, energy and resources required to solve our problems are not concentrated in Washington, but can be found throughout our communities, including America's non-profit sector, which has grown rapidly over the last decade. Government's best role is to enable people and communities to solve their own problems.

America's special genius has been to forge a community of shared values from people of remarkable and diverse backgrounds. As the party of inclusion, we take special pride in our country's emergence as the world's largest and most successful multiethnic, multiracial republic. We condemn antisemitism, racism, bigotry and negative stereotyping of all kinds. We must help all Americans understand the diversity of our cultural heritage. But it is also essential that we preserve and pass on to our children the common elements that hold this mosaic together as we work to make our country a land of freedom and opportunity for all.

Both Republican neglect and traditional spending programs have proven unequal to these challenges. Democrats will pursue a new course that stresses work, family and individual responsibility, and that empowers Americans to liberate themselves from poverty and dependence. We pledge to bolster the institutions of civil society and place a new emphasis on civic enterprises that provide "bottom up" solutions to our nation's problems. Through common, cooperative efforts we can rebuild our communities and transform our nation.

Combating Crime and Drugs. Crime is a relentless danger to our communities. Over the last decade, crime has swept through our country at an alarming rate. During the 1980s, more than 200,000 Americans were murdered, four times the number who died in Vietnam. Violent crimes rose by more than 16 percent since 1988 and nearly doubled since 1975. In our country today, a murder is committed every 25 minutes, a rape every six minutes, a burglary every 10 seconds. The pervasive fear of crime disfigures our public life and diminishes our freedom.

None suffer more than the poor: an explosive mixture of blighted prospects, drugs and exotic weaponry has turned many of our inner city communities into combat zones. As a result, crime is not only a symptom but also a major cause of the worsening poverty and demoralization that afflicts inner city communities.

MARK ROSENMAN

The Clinton Administration Could Bring Exciting Times for Non-Profits . . .

IF BILL CLINTON'S CAMPAIGN was any indication of how the non-profit world will fare under the new Administration, the next four years should be tremendously exciting.

In these days of transition, it is essential that non-profit leaders make clear their hopes and expectations of the new leadership in Washington.

We have many encouraging signs that President-elect Clinton will be receptive. So far he has:

- Made sure that the Democratic Party platform noted that non-profits would be key players in a Clinton Administration's efforts to cure social ills.

- Appointed a campaign adviser to handle non-profit issues and asked senior campaign aides to meet with non-profit leaders.

- Issued a statement promising to "explore various ways to make it easier to donate money to support the work of non-profit organizations, including making full use of the President's 'bully pulpit' to underscore the importance of private participation in the non-profit sector."

While the prospect of increased collaboration between the White House and non-profits is encouraging, we must always remember that government and philanthropy are two very distinct entities with different roles and functions. At times, it is possible for a true partnership, but not always. Non-profits are advocates for those people and causes not fully or well-enough served by our political institutions, and they must always feel free to criticize elected leaders. Non-profit officials should not squelch their advocacy or lower their voices as the assumed price of collaboration with the new Administration.

For meaningful collaboration between government and philanthropy, we must:

- Establish effective mechanisms through which the wisdom and experience of non-profit organiza-

tions can both inform policy making and the implementation of new programs.

- Make it easier for non-profits to support themselves and carry out their programs.

- Find ways to get more people to participate in public life.

While non-profits hold no monopoly on either compassionate concern or direct experience in solving social problems, they quite often have a front-line view of how government actions have affected people. What's more, non-profit organizations deliver more government-supported human services than do governments themselves and employ about 10 per cent of the total work force.

We need to work together to develop mechanisms so that those charged with making government policy can easily get access to the wisdom derived from non-profit experience. This needs to happen not only when policies are first being shaped, but after they are put into operation. By providing government leaders with feedback on the actual operation and impact of government programs, non-profits can assist the nation's leaders to better understand and more effectively serve the public interest.

NON-PROFITS can also help increase public involvement in government by serving as a medium for organized and continuing communication between the President and people from throughout the country. This becomes critically important as the Clinton Administration takes on structural problems beyond the reach of charitable programs.

The federal government can do a great deal to help non-profits be more effective. It can also, by

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Clinton Could Bring Exciting Times for Non-Profits

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its example, encourage state and local governments to do the same. To begin, the Clinton Administration can welcome and support non-profit advocacy. It can, with relatively little cost to the government, find ways to increase the amount of money that goes to non-profits. It can do much to reduce growing problems with non-profit and volunteer liability and in obtaining and getting paid for government contracts to provide services. The federal government also can help the charity world become more accountable while minimizing unnecessary regulation and overly burdensome reporting requirements.

For both non-profits and governments to serve the public good, we must have an active and involved populace. While the Presidential campaigns created an animated

and popular public debate, the rueful fact is that the percentage of the electorate actually casting ballots was still well below the numbers from the 1950's to the early 1970's. As a people, we still are relatively disengaged from public life. We need far more involvement of all this nation's citizens if we are to renew our communities and attend to our social needs effectively.

Non-profits provide the principal infrastructure of public life beyond political processes. Only if the non-profit world is strong can we attend to those needs unmet by business or government. An informed, energized, concerned, and engaged populace must be the most legitimate end of both government and non-profit endeavor. Charities and elected officials can create new ways to help people understand and comment on important

public issues through activities like brown-bag lunches and informal discussion groups, community meetings, and issue forums. That not only will give people easier ways to participate, but will give government leaders a simple way to find out what the citizenry wants.

Perhaps this opportunity represents the greatest challenge to both the Clinton Administration and non-profit leaders. Although we may need to criticize each other at times, it is vital that we commit ourselves to working together on the awesome tasks ahead.

Mark Rosenman is vice-president of the Union Institute in Cincinnati. He directs the Institute's Office for Social Responsibility and its Center for Public Policy in Washington.



INDEPENDENT
SECTOR



November 24, 1992

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The Honorable Bill Clinton
The President-elect
State Capitol
Governor's Suite
Little Rock, Arkansas 72201

Dear Governor Clinton:

INDEPENDENT SECTOR, which represents 850 organizations, has been greatly encouraged by your strong statements on the nonprofit sector. We are particularly pleased that you will explore various ways to make it easier to donate money to support the work of nonprofit organizations, including full use of the President's "bully pulpit" to underscore the importance of private participation in the nonprofit sector.

As you state, the nonprofit sector has grown rapidly over the past decade. Unfortunately, that growth did not come close to keeping pace with the extraordinary needs resulting from the more than \$100 billion in federal budget cuts since 1980 in the funding of human services. The problems resulting from those cuts were greatly compounded by the repeal in recent years of a number of tax incentives for charitable giving. On top of that, the advocacy rights of nonprofits have come under continuing attack by the Office of Management and Budget which has repeatedly moved to curtail federal funding for organizations that engage in advocacy. Nonprofit advocacy is absolutely essential to an open, vibrant, caring society, and the Office of Management and Budget should be instructed to encourage, not discourage, it.

There are five initiatives, not listed in any particular order, for which we ask your earliest support to strengthen nonprofit institutions, which deliver 44% of all the human services provided throughout the nation. Additional information on these initiatives is attached.

- o Support efforts in the Executive Branch and Congress to strengthen the right and opportunities of voluntary organizations to be aggressive advocates of citizen needs and views. For example, stop OMB efforts to disallow preferred postal rates for nonprofit advocacy and education.



The Honorable Bill Clinton
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- o Repeal the 3% floor on itemized deductions for charitable contributions.
- o Restore full tax deductibility of gifts of appreciated property which had been included in H.R. 11, vetoed by President Bush.
- o Protect preferred rates for nonprofit mail.
- o Don't allow government to transfer to voluntary organizations responsibility for the provision of human services while cutting the budgets and other support of these organizations.

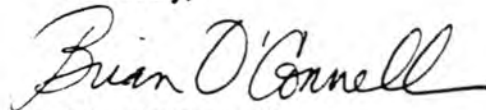
There are a number of other issues affecting charities which were included in H.R. 11, that are important to our Members which we hope you will consider supporting.

Beyond the above immediate crises matters it would be important to us to have in the White House a high level person who would work closely with nonprofits. While we would welcome such access to the White House, establishing that office should not be viewed as a substitute for action on any of the items mentioned above.

We are well aware of the close working relationship you had with nonprofit organizations in Arkansas. A number of innovative programs and solutions were developed as a result of that relationship and we are very hopeful that the experience will guide your actions in the White House.

Thank you for your encouragement and support.

Sincerely,

A handwritten signature in cursive script that reads "Brian O'Connell". The signature is written in dark ink and is positioned above the printed name.

Brian O'Connell

Enclosures

Support Efforts in the Executive Branch and Congress to Strengthen the Right and Opportunities of Voluntary Organizations to be Aggressive Advocates of Citizen Needs and Views

Nonprofits employ legislative actions as a means to an end. The end may be the promotion of refugee resettlement, prevention of cancer, or protection of children. The means may be funding scientific research, publishing sociological studies, or conducting public education programs for the physically and mentally disabled.

These activities are not necessarily "charitable" per se; rather, they have a charitable character because of the purposes they promote. Legislative action, litigation, or rule making are no different from these other activities regardless of the extent to which they are employed. When a charity employs legislative advocacy, for example, as a means to further philanthropic objectives, that advocacy is no less proper – and no less charitable – and no less a health and welfare activity – than any other activity that the charity undertakes; such as public education, scientific research, or publishing sociological studies.

Congress, when it enacted legislation in 1976 expanding the lobbying latitude of nonprofit organizations, and the IRS, when they issued sound regulations to implement that law, affirmed the value to society of lobbying by nonprofits. The 1976 legislation was enacted not merely to provide clearer rules, but to encourage public charities to bring their expertise and perspectives to bear on public policy issues. The debate of public policy is one of great constitutional sensitivity. While Congress intended to limit lobbying activity by nonprofits to the levels set forth in the statute, it also wished to dispel the shadow that tax considerations had in the past cast over their participation in the public debate. In addition, Congress acted quite consciously to liberalize lobbying limits so that robust participation would be plainly permissible. In 1990, the Internal Revenue Service issued final regulations to implement the 1976 lobby law and the rules were very liberal. Together, the law and regulations send a clear message that Congress and the Internal Revenue Service strongly support lobbying by nonprofits.

Unfortunately, the Federal Office of Management and Budget (OMB) has done just the opposite. The OMB each year has proposed to disallow nonprofit postal rates for advocacy mailings by nonprofits. While Congress has not fully supported this attempt by OMB to muzzle nonprofits all should be alarmed by growing evidence of support from some key members of Congress for this effort to discourage nonprofits from expressing their views.

The role of the nonprofit organization as advocate and provider of information and expertise must be maintained and encouraged. Current law should remain the standard for appropriate amounts of lobbying by charitable organizations. Sound regulations which accurately interpret the intent of Congress in 1976 – which meant to encourage the involvement of nonprofits in public policy-making, must be properly enforced. OMB should be urged to drop their continuing efforts to muzzle free speech of nonprofits.

Repeal the 3% Floor on Charitable Deductions

During the past decade, the federal government slashed funding for human service and public/private partnership programs. Meanwhile, other government spending and lower taxes tripled the nation's debt. Congress, through the 1990 budget, tried to rein in the federal deficit. But by imposing a 3% floor for charitable deductions on families with incomes over \$105,000, Congress risks trying to balance the budget on the backs of the nation's nonprofits.

The tax code allows itemized deductions for mortgage interest payments, state and local taxes, and charitable contributions. Before 1990, these payments were fully deductible from a family's income. However, because of the 1990 congressional action, many families no longer receive deductibility. The law now discounts those deductions by an amount equal to 3% of family income over \$105,000. Thus, families that do not "use up" the 3% floor with their mortgage payments and state and local taxes will find their charitable deductions reduced by 3%. The exact effect that the 3% floor has on charitable deductions has yet to be determined. But the 3% floor has set a terrible precedent against charitable giving.

INDEPENDENT SECTOR urges Congress to repeal the floor for several reasons. First as a principle, charitable contributions are given to serve the public good. The money given to charities is money foregone – there are no hidden advantages, as with mortgage payments, for example. Money given to charities could be spent on other consumer goods. Consistent with the long tradition in this country, charitable contributions should be free from taxation.

Second, Congress almost always raises floors once they are in place. The 3% floor on charitable deductions is relatively small and applies to only those families with incomes over \$105,000. But as fiscal pressure increases, Congress will be tempted, as it was during the debate on the 1992 tax bill, to increase the floor – just as it did to medical deductions. If the deduction for charitable giving follows the precedent of medical costs, in twenty years only half of all charitable gifts will be tax deductible. Such a reduction in the tax incentive for giving would have a chilling effect on many charities trying to raise support for their vital programs.

Money freely given away shouldn't be taxed. *The 3% floor on charitable deductions should be repealed to remove this disincentive to giving for the public good.*

Restore Full Deductibility of Gifts of Appreciated Property

In 1986, Congress changed the tax code and removed the full deductibility of gifts of appreciated property for those taxpayers subject to the alternative minimum tax (AMT). In short, this change meant that for certain donors, only the original purchase price of a property – whether it was art, land, stock, manuscripts, etc. – was deductible, no matter how much it appreciated over the years. In many instances donors had to pay the AMT on the value of appreciation, as if the property were sold rather than donated. Needless to say, this change complicated tax computations and removed much of the incentive for charitable contributions for those taxpayers subject to the AMT. Finally, because most taxpayers do not

know if they may be subject to the AMT until they file their return, their uncertainty would in most cases lead them to err on the side of not making the gift.

In 1990, as part of the budget compromise, Congress removed from the AMT for one-year only, some appreciated property – such as art works, rare books and manuscripts. Although no aggregate data are available, anecdotal evidence suggests that many of these gifts were made during this calendar year to take advantage of the one-year exemption. Without the one-year exemption, many of these gifts would not have been made. The exemption was extended at the end of 1991 for six more months, but was permitted to expire on June 30, 1992. Presently, no gifts of appreciated property are tax deductible for those who are subject to the alternative minimum tax.

Charitable contributions are private investments in the public good. Removal of all charitable gifts of appreciated property from the AMT schedule would encourage these investments. INDEPENDENT SECTOR urges restoration of the full and permanent deductibility of all gifts of appreciated property at their full and fair market value.

Gifts of appreciated assets should not be included as a tax preference item under the alternative minimum tax. All gifts should be fully deductible at their fair market value.

Protect the Appropriation for Nonprofit Mail

When Congress raised postal rates in 1952 and 1967, it created preferred mailing rates for qualified nonprofit organizations to protect them from rate increases. Congress recognized the good that these organizations do for the citizens of the country and the need to support their efforts to disseminate information to the general public, solicit private contributions to pay for a wide array of programs and services, and to communicate with their members. The lower rates are subsidized through appropriations to cover the revenues that the U.S. Postal Service forgoes.

In 1986, Congress appropriated \$710 million for the nonprofit postal appropriation. By 1992, that number was down to \$416 million, and the amount appropriated for 1993 was just \$122 million. By continuing to cut funds from nonprofit postal appropriations Congress has increased greatly the burden on all 280,000 nonprofit mail permit holders. Many of these groups tend to be the smaller, lesser-known nonprofits that must use the mails to raise funds. The problem of adequate funding has been compounded by the fact that each year, the Office of Management and Budget has attempted to disallow preferred rates for nonprofits that engage in advocacy or education, other than school room education.

The philosophy that postal rate increases for nonprofit groups should be moderate and predictable needs to be reaffirmed. Any future appropriations or changes in the organization of the U.S. Postal Service should insure that the lower preferred mail rates for nonprofit organizations are maintained by assuring maximum funding for the nonprofit postal appropriation, and the OBM should be instructed to encourage advocacy, not discourage it.

Don't Allow Government to Transfer Responsibility for the Provision of Human Services to Voluntary Organizations While Cutting the Budgets and Other Support of These Organizations

Charitable organizations are now struggling under an enormous burden created by direct Federal budget cuts and from the huge increase of people turning to nonprofits for help, who had formerly received services from government programs that have also been cut.

While spending levels continued to rise in some of the federal entitlement programs for health and income assistance, between 1982 and 1992 a significant reduction occurred in federal support for a variety of human service activities in which nonprofit organizations play a significant role. The value of federal spending on these activities, exclusive of Medicare and Medicaid, was reduced a cumulative total of \$119 billion over the ten year period 1982-92 compared to what would have been spent had 1980 spending levels been maintained. As a result, new demands were placed on the private, nonprofit groups. From 1982 to 1992 direct support to nonprofit organizations declined by \$37 billion or 10 percent. For organizations in some fields, such as social service, community development, and advocacy, the levels of support were 20 to 50 percent below the 1980 levels.

Charitable organizations provide an indispensable link between government and its citizens in providing services to meet human needs. *Budget cuts in these services cannot be absorbed by nonprofits. Government policies must be opposed that transfer responsibility for the provision of human services to voluntary organizations while cutting budgets and other means of support of these organizations. Remedies for current gaps in service, as a result of the cuts, must be found in order to provide basic minimal humanitarian services for people in need.*

AAFRC Trust for Philanthropy
AASK America Adopt a Special Kid
ACCESS: Networking in the Public Interest
Accountants for the Public Interest
The Advertising Council
Advocacy Institute
Aetna Foundation
Affiliated Leadership League of and for the Blind of America
African Wildlife Foundation
Aga Khan Foundation U.S.A.
Agricultural Educational Foundation (AEF)
Aid Association for Lutherans
Aid to Artisans
Alcoa Foundation
Horatio Alger Association of Distinguished Americans
Allied-Signal
Alzheimer's Association
America the Beautiful Fund
American Arts Alliance
American Association for Higher Education
American Association for Museum Volunteers
American Association for the Advancement of Science
American Association of Colleges of Nursing
American Association of Collegiate Registrars & Admissions Officers
American Association of Community and Junior Colleges
American Association of Fund-Raising Counsel
American Association of Museums
American Association of University Women
American Autoimmune Related Diseases Association
American Cancer Society
American Committee on Africa
American Council for the Arts
American Council of Learned Societies
American Council on Alcoholism
American Council on Education
American Craft Council
American Diabetes Association
American Ditchley Foundation
American Express Foundation
American Farmland Trust
American Fisheries Society
American Foundation for AIDS Research
American Foundation for the Blind
American Fund for Dental Health
American Heart Association

American Humane Association
American Humanics
American Indian College Fund
American Indian Graduate Center
American Institute for Cancer Research
American Jewish World Service
American Leadership Forum
American Library Association
American Lung Association
American Museum of Natural History
American ORT Federation
American Public Radio
American Red Cross
American Refugee Committee
American Social Health Association
American Solar Energy Society
American Stock Exchange
American Symphony Orchestra League
American Wildlands
American Woman's Economic Development Corporation
Americans for Indian Opportunity
Amigos de las Americas
Amoco Foundation
Amyotrophic Lateral Sclerosis Association (ALS)
AON Corporation
APPA: The Association of Higher Education Facilities Officers
Apple Computer
The Arc
Arca Foundation
ARCO Chemical Company
ARCO Foundation
ARCS Foundation
Arizona Community Foundation
ARNOVA-Association for Research on Nonprofit Organizations & Voluntary Action
ARROW
Arthritis Foundation
Arts & Business Council
Aspen Institute
The ASPIRA Association
Associated Grantmakers of Massachusetts
Association for Healthcare Philanthropy
Association for Volunteer Administration
Association of Advanced Rabbinical & Talmudic Schools (AARTS)
Association of America's Public Television Stations
Association of American Universities
Association of American University Presses

Association of Art Museum Directors
Association of Black Foundation Executives
Association of Catholic Colleges and Universities
Association of Episcopal Colleges
Association of Governing Boards of Universities and Colleges
Association of Hispanic Arts
Association of Jesuit Colleges and Universities
Association of Junior Leagues International
Association of Lutheran Development Executives
Association of Performing Arts Presenters
Association of Science Technology Centers
AT&T Foundation
Atlantic Foundation of New York
Mary Reynolds Babcock Foundation
Ball Brothers Foundation
Association of Baltimore Area Grantmakers
Battle Creek Community Foundation
The Bauman Foundation
Bell Atlantic Foundation
BellSouth Corporation
Benton Foundation
Alfred Bersted Foundation
The BEST Foundation
Beverly Foundation
Big Brothers/Big Sisters of America
Bing Fund Corp.
Blandin Foundation
Boeing Company
Borden Foundation
Boston Foundation
Botwinick-Wolfensohn Foundation
Boy Scouts of America
Boys and Girls Clubs of America
BP America
Otto Bremer Foundation
Bridgeport Area Foundation
Bristol-Myers Squibb Foundation
Brother's Brother Foundation
Brunswick Foundation
Burlington Resources Foundation
Edyth Bush Charitable Foundation
The Bush Foundation
The Business Enterprise Trust
Patrick and Aimee Butler Foundation
California Association of Nonprofits
California Community Foundation

Camp Fire
Cancer Care
CARE
Carnegie Corporation of New York
The Annie E. Casey Foundation
Catalyst
Caterpillar Foundation
Catholic Charities USA
CBS
The Centel Foundation
Center for Commonwealth Initiatives
Center for Corporate Public Involvement
Center for Creative Leadership
Center for Creative Management
Center for Foreign Journalists
Center for Non-Profit Corporations
Center for Nonprofit Organization Leadership at Regis College
Center for Policy Alternatives
Center for Public Resources
Center for Research in Ambulatory Health Care Administration
Center for the Study of the Presidency
Center for Women Policy Studies
Center to Prevent Handgun Violence
Challenger Center for Space Science Education
Champion International Corporation
Chase Manhattan Bank, N.A.
The Chevron Companies
The Chicago Community Trust
Chicago Tribune Foundation
Child Care Action Campaign
Child Welfare League of America
Children's Aid International
Children's Hospice International
Chorus America (APVE)
Christian Blind Mission International
Christian Church Foundation
Christian College Coalition
Christian Management Association
Christmas in April USA
Chrysler Corporation Fund
Church Women United
Citicorp/Citibank
Citizen Action Fund/Citizens Fund
Citizens' Scholarship Foundation of America
Edna McConnell Clark Foundation
The Cleveland Foundation

The Clorox Company Foundation
Close Up Foundation
The Coca-Cola Company
CODEL - Coordination in Development
College and University Personnel Association
College Board
Colonial Williamsburg Foundation
Colorado Association of Nonprofit Organizations
The Colorado Trust
Columbia Foundation
Columbus Foundation
Comerica Incorporated
Commonwealth Fund
Communications Consortium
Compton Foundation
Conference of National Park Cooperating Associations
Congress of National Black Churches
The Conservation Fund
Conservation International
Consortium for the Advancement of Private Higher Education
Consortium of Endowed Episcopal Parishes
Continental Corporation Foundation
Coordinating Council for Foundations
Coors Brewing Company
Corning Incorporated Foundation
Coro/Eastern Center
Corporation for Enterprise Development
Council for Advancement and Support of Education
Council for American Private Education
Council for Basic Education
Council for Community-Based Development
Council of Better Business Bureaus/Philanthropic Advisory Service
Council of Energy Resource Tribes
Council of Illinois Nonprofit Organizations (CINO)
Council of Independent Colleges
Council of Jewish Federations
Council of Michigan Foundations
Council on Economic Priorities
Council on Foundations
Council on International and Public Affairs
Cowles Media Company/Cowles Media Foundation
CPC International
Cystic Fibrosis Foundation
Dade Community Foundation
Charles A. Dana Foundation
Dance/USA

Dayton Hudson Foundation
Deafness Research Foundation
Defenders of Wildlife
Denver Foundation
Design Industries Foundation for AIDS
Development Training Institute
Direct Relief International
Geraldine R. Dodge Foundation
Dole Foundation for Employment of People with Disabilities
Gaylord and Dorothy Donnelley Foundation
R.R. Donnelley & Sons Co.
Donors Forum of Chicago
Donors Forum of Ohio
Donors Forum of Wisconsin
Dow Chemical Company Foundation
The Herbert H. and Grace A. Dow Foundation
Joseph Drown Foundation
Peter F. Drucker Foundation for Nonprofit Management
Duke Endowment
DuPont
The Durfee Foundation
Dyson Foundation
Earth Share
Eastman Kodak Company
Eaton Corporation
Ecolab
Economic Education for Clergy
Ecumenical Center for Stewardship Studies
Education Commission of the States
EDUCOM - Interuniversity Communications Council
El Pomar Foundation
Elderhostel
Elderworks
Enterprise Foundation
Environmental Defense Fund
Environmental Law Institute
Environmental Support Center
Epilepsy Foundation of America
The Equitable Foundation
Evangelical Council for Financial Accountability (ECFA)
Evangelical Lutheran Church in America
Exxon Corporation
Maurice Falk Medical Fund
Family Service America
Fannie Mae Foundation
Federation of Parents and Friends of Lesbians and Gays

Federation of State Humanities Councils
First Bank System Foundation
First Nations Development Institute
First Nonprofit Trust
Father Flanagan's Boys' Home
Florida Association of Nonprofit Organizations
The Ford Foundation
Ford Motor Company Fund
Foreign Policy Association
Forty Plus Educational Center
The Foundation Center
Foundation for Advancements in Science and Education
Foundation for American Communications
Foundation for Exceptional Children
Foundation for Global Community
Foundation for Independent Higher Education
Foundation for Teaching Economics
Foundation for the Carolinas
Foundation for the National Capital Region
Foundation for the Peoples of the South Pacific
Foundations and Donors Interested in Catholic Activities (FADICA)
The Freedom Forum
The Fresh Air Fund
Frey Foundation
The Fuller Foundation
H.B. Fuller Company
The Fund for Dance
The Fund for New Jersey
Fund for Theological Education
GE Foundation
GenCorp Foundation
General Conference of Seventh-day Adventists
General Mills Foundation
General Service Foundation
The Wallace Alexander Gerbode Foundation
J. Paul Getty Trust
Gifts in Kind America
Irving S. Gilmore Foundation
Giraffe Project
Girl Scouts of the U.S.A.
Girls Incorporated
Global Fund for Women
Richard & Rhoda Goldman Fund
Morris Goldseker Foundation of Maryland
Goodwill Industries of America
Goodyear Tire & Rubber Company

Edwin Gould Foundation for Children
Grand Metropolitan Food Sector Foundation
Grand Rapids Foundation
Grantmakers in Health
Great Lakes Bancorp
Lucile & Robert H. Gries Charity Fund
Grotto Foundation
GTE Foundation
John Simon Guggenheim Memorial Foundation
George Gund Foundation
Alan Guttmacher Institute
Miriam and Peter Haas Fund
Walter and Elise Haas Fund
Evelyn and Walter Haas, Jr. Fund
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Hallmark Corporate Foundation
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Harris Bank Foundation
The Greater Harrisburg Foundation
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Hartford Insurance Group Foundation
Hastings Center
Hawaii Community Foundation
Charles Hayden Foundation
Edward W. Hazen Foundation
Healing Community
William Randolph Hearst Foundations
The William and Flora Hewlett Foundation
High/Scope Educational Research Foundation
Hillhaven Foundation
Conrad N. Hilton Foundation
Hispanic Policy Development Project
Hispanics in Philanthropy
Hitachi Foundation
Hoffmann-La Roche Foundation
Hogg Foundation for Mental Health
Honeywell Foundation
The Hospital for Special Surgery
Hostelling International American Youth Hostels
Hudson-Webber Foundation
The Huffy Foundation
Human Life International
Hunt Foundation
Huntington's Disease Society of America
Hyams Foundation

IBM Corporation
Illinois Association of Nonprofit Organizations
IMCERA Group
IMPACT II
Independent Charities of America
Independent Research Libraries Association
Indiana Donors Alliance
The Indiana University Center on Philanthropy
Indochina Resource Action Center (IRAC)
Institute for Educational Leadership
Institute for the Future
Institute of Current World Affairs
Integra Bank/Pittsburgh
Intel Foundation
InterAction (American Council for Voluntary International Action)
Interlochen Center for the Arts
International Aid
International Alliance of Executive and Professional Women
International Alliance of First Night Celebrations
International Association of Psychosocial Rehabilitation Services
International Center for the Disabled
International Child Health Foundation
International Christian Youth Exchange
International Development Conference
The International Exchange Association
International Paper Company Foundation
International Primate Protection League
International Women's Health Coalition
Interracial Council for Business Opportunity
The James Irvine Foundation
Ittleson Foundation
J.M. Foundation
JCC Association of North America
Jerome Foundation
The Jewett Foundation
Johnson & Johnson
The Johnson Foundation
Christian A. Johnson Endeavor Foundation
Robert Wood Johnson Foundation
Joint Action in Community Service (JACS)
Joint Center for Political and Economic Studies
Josephson Institute of Ethics
Jostens Foundation
The Joyce Foundation
JSJ Foundation
Alexander Julian Foundation

Junior Achievement
Junior Engineering Technical Society (JETS)
Henry J. Kaiser Family Foundation
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Land Trust Alliance
Laubach Literacy Action
Laurel Foundation
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Leadership America
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Lilly Endowment
Eli Lilly and Company
Lincoln Filene Center
Literacy Volunteers of America
Little Brothers-Friends of the Elderly
Little Caesar Enterprises
Local Initiatives Support Corporation
The Community Foundation of Greater Lorain County
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Lubrizol Foundation
Lupus Foundation
Lutheran Brotherhood Foundation
Lutheran Educational Conference of North America
Lutheran Resources Commission
Lyndhurst Foundation
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John D. and Catherine T. MacArthur Foundation
Make-A-Wish Foundation of America
March of Dimes Birth Defects Foundation
Marin Community Foundation

John and Mary R. Markle Foundation
Marsh & McLennan Companies
MATHCOUNTS/NSPE Education Foundation
Matsushita Electric Corporation of America
Mayo Foundation
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McConnell Foundation
McCormick Tribune Foundation
McGregor Fund
McKesson Foundation
McKinley Associates
McKnight Foundation
The Meadows Foundation
Medical Education for South African Blacks
Medina Foundation
Richard King Mellon Foundation
Memorial Sloan-Kettering Cancer Center
Community Foundation of Greater Memphis
The Menninger Foundation
The John Merck Fund
Mercy Medical Airlift
Merrill Lynch & Co. Foundation
Metropolitan Association for Philanthropy
Metropolitan Atlanta Community Foundation
Metropolitan Life Foundation
Metropolitan Museum of Art
Mexican American Legal Defense and Educational Fund
Eugene and Agnes E. Meyer Foundation
Michigan Nonprofit Forum
Midwest Center for Nonprofit Leadership L.P. Cookingham Institute
Miles Inc. Foundation
John Milton Society for the Blind
Milwaukee Foundation
The Minneapolis Foundation
Minnesota Council of Nonprofits
Minnesota Mutual Foundation
Mobil Foundation
The Mobile Community Foundation
Monsanto Fund
Montgomery Street Foundation
Mothers Against Drunk Driving
Stewart R. Mott Charitable Trust
Charles Stewart Mott Foundation
Muscular Dystrophy Association
Museum Trustee Association
Muskegon County Community Foundation

Mutual of America Life Insurance Company
Mutual of New York
Myasthenia Gravis Foundation
NAACP Legal Defense and Educational Fund
National 4-H Council
National Academy of Public Administration
National Action Council for Minorities in Engineering (NACME)
National Alliance for Research on Schizophrenia and Depression
National Alliance for the Mentally Ill
National Alliance of Business
National Artists Equity Association
National Assembly of Local Arts Agencies
National Assembly of National Voluntary Health and Social Welfare Organizations
National Assembly of State Arts Agencies (NASAA)
National Association for the Advancement of Colored People
National Association for Visually Handicapped
National Association of Community Action Agencies
National Association of Homes and Services for Children
National Association of Independent Colleges and Universities
National Association of Independent Schools
National Association of Schools of Art and Design
National Association of Schools of Dance
National Association of Schools of Music
National Association of Schools of Public Affairs and Administration
National Association of Schools of Theatre
National Association of Service & Conservation Corps.
National Association of Student Personnel Administrators
National Association of United Methodist Foundations
National Associations in Colorado Springs
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National Board for Professional Teaching Standards
National Catholic Development Conference
National Catholic Educational Association
National Center for Learning Disabilities
National Center for Nonprofit Boards
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The National Children's Advocacy Center
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National Committee for Citizens in Education
National Committee for Responsive Philanthropy
National Committee for the Prevention of Child Abuse
National Community AIDS Partnership
National Concilio of America
National Congress for Community Economic Development
National Congress of Parents and Teachers
National Consumers League

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National Council for International Visitors
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National Council of Educational Opportunity Associations
National Council of Jewish Women
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National Council of the Churches of Christ in the USA
National Council on Economic Education
National Down Syndrome Society
National Easter Seal Society
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National Executive Service Corps
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National FFA Foundation
National Fish and Wildlife Foundation
National Foundation for Cancer Research
National Foundation for People with Disabilities
National Fund for Medical Education
National Geographic Society Education Foundation
National Headache Foundation
National Health Council
National Health Foundation
National Hispanic Scholarship Fund
National Home Library Foundation
National Hospice Organization
National Humanities Alliance
National Indian Youth Council
National Institute Against Prejudice and Violence
National Institute for Dispute Resolution
National Institute for the Conservation of Cultural Property
National Leadership Coalition on AIDS
National Lekotek Center
National Low Income Housing Coalition
National Medical Enterprises
National Medical Fellowships
National Military Family Association
National Multiple Sclerosis Society
National Neighborhood Coalition
National Network of Runaway and Youth Services
National Park Foundation
National Parks & Conservation Association
National Press Foundation
National Psoriasis Foundation
National Public Radio

National Puerto Rican Coalition
National Puerto Rican Forum
National Retiree Volunteer Center
National Society for Experiential Education (NSEE)
National Society of Fund Raising Executives
National Stroke Association
National Trust for Historic Preservation
National Urban Fellows
National Urban League
National Victim Center
National Wildflower Research Center
National Wildlife Federation
National Youth Employment Coalition
National/United Service Agencies (N/USA)
Native American Rights Fund
Natural Resources Defense Council
The Nature Conservancy
Neighborhood Housing Services of America
New Hampshire Charitable Fund
New Haven Foundation
New World Foundation
The New York Community Trust
New York Life Foundation
The New York Public Library
New York Regional Association of Grantmakers
New York Times Company Foundation
Nokomis Foundation
Nonprofit Coordinating Committee of New York
Nonprofit Management Association
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Nordson Corporation Foundation
Norfolk Foundation
North American Association for Environmental Education
North American Wildlife Foundation
North Carolina Center for Nonprofit Organizations
Northern California Grantmakers
Northern Indiana Public Service Company
Northwest Area Foundation
NOW Legal Defense and Education Fund
NYNEX Foundation
Oakleaf Foundation
OICs of America
Open Space Institute
OPERA America
Operation Smile International
Outward Bound

Pacific Telesis Foundation
David and Lucile Packard Foundation
Community Foundation for Palm Beach & Martin Counties
Paramount Communications Foundation
Parent Action
Park Ridge Center for the Study of Health, Faith and Ethics
Partners of the Americas
Pax World Foundation
Peninsula Community Foundation
J.C. Penney Company
People-to-People Health Foundation
Pew Charitable Trusts
The Pfizer Foundation
Phelps-Stokes Fund
Philip Morris Companies
Piton Foundation
The Pittsburgh Foundation
The Planetary Society
Planned Parenthood Federation of America
Polaroid Foundation
Population Council
Population Resource Center
Population-Environment Balance
PPG Industries
Premier Industrial Foundation
Presbyterian Health Foundation
Presbyterian Health, Education and Welfare Association
Presidential Classroom for Young Americans
Prince Charitable Trusts
Princeton Project 55
Prison Fellowship Ministries
Procter & Gamble Fund
Progressive Insurance
Project SEED
Prudential Foundation
Public Affairs Council
Public Agenda Foundation
Public Education Fund Network
Public Leadership Education Network
Puerto Rican Legal Defense and Education Fund
Quest International
Rainbow Research
Rainforest Action Network
Ray Foundation
Raychem Corporation
Raytheon Company

Reader's Digest Foundation
Reading is Fundamental
Recording for the Blind
Refugees International
Reinberger Foundation
Religion in American Life
Renewable Natural Resources Foundation
Research! America
Retirement Research Foundation
Charles H. Revson Foundation
Rhode Island Foundation
Sid W. Richardson Foundation
River Watch Network
RJR Nabisco Foundation
Rochester Area Foundation
Rockefeller Brothers Fund
Rockefeller Family Fund
Rockefeller Financial Services
Rockefeller Foundation
Rohm and Haas Company
Rosenberg Foundation
RX for Reading
SAFECO Insurance Companies
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Saint Paul Foundation
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Salvation Army
San Francisco Foundation
University of San Francisco-Institute for Nonprofit Organization Management
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Scientists' Institute for Public Information
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Sears, Roebuck and Co. Sears/Coldwell Banker/Dean Witter/Allstate
Seattle Foundation
The Seaver Institute
Second Harvest
Shell Oil Company Foundation
Sherwin-Williams Company
Shubert Foundation
Siegfried Foundation
Sierra Club

Sierra Health Foundation
The Lois and Samuel Silberman Fund
Melvin Simon & Associates
Harry Singer Foundation
The Skillbuilders Fund
Skillman Foundation
Alfred P. Sloan Foundation
The Christopher D. Smithers Foundation
Smithsonian Institution
John Ben Snow Foundation
Social Welfare Institute
Community Foundation for Southeastern Michigan
Southern California Association for Philanthropy
Southern Education Foundation
Special Libraries Association
The Spencer Foundation
Spunk Fund
State Legislative Leaders Foundation
Sterling Drug
W. Clement & Jessie V. Stone Foundation
Aaron Straus and Lillie Straus Foundation
Levi Strauss Foundation
Student Conservation Association
The Studio Museum in Harlem
Subaru of America Foundation
Support Centers of America
Synergos Institute
Taconic Foundation
The Robert A. Taft Institute of Government
Tandy Corporation
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Community Foundation of Metropolitan Tarrant County
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TechnoServe
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3M
Time Warner
Travelers Aid International
Trident Community Foundation
The Trilateral Commission
The Parish of Trinity Church in the City of New York
Trust for Public Land
TRW Foundation

Union Institute Center for Public Policy
Union Pacific Foundation
United Cerebral Palsy Associations
United Jewish Appeal
United Leukodystrophy Foundation
United Negro College Fund
United States Catholic Conference
United States Space Foundation
United States-China Educational Institute
United Way of America
US News & World Report
US West Foundation
USX Foundation
Vellore Christian Medical College Board (USA)
Vesper Society
Visiting Nurse Associations of America
Volunteers of America
Volvo North America Corporation
Izaak Walton League of America
Warner-Lambert Company
Washington Center
Washington Council of Agencies
The Washington Post Company
WAVE
The Wege Foundation
Weingart Foundation
The Wellness Community - National
Westinghouse Electric Corporation
Weyerhaeuser Company Foundation
Weyerhaeuser Family Foundation
Mrs. Giles Whiting Foundation
Whitman Corporation
Amherst H. Wilder Foundation
Woodrow Wilson National Fellowship Foundation
The Winston-Salem Foundation
Wisconsin Energy Corporation Foundation
Women and Foundations/Corporate Philanthropy
Women in Communications
Women's Action Alliance
Women's Research & Education Institute
Women's Technical Assistance Project
Robert W. Woodruff Foundation
Woods Charitable Fund
Greater Worcester Community Foundation
World Federation for Mental Health
World Resources Institute

World Vision
World Wildlife Fund & The Conservation Foundation
Wyman Youth Trust
Xerox Corporation
YMCA of the USA
Young Audiences
Youth Service America
YWCA of the USA
Zellerbach Family Fund

The Union Institute

Office for Social Responsibility
Center for Public Policy
Center for Women

Recasting a Social Agenda: New Questions Searching for New Answers

Can activists of diverse ideology, race, ethnicity, class, age and gender agree on the critical question facing Americans for the next decade? Do the conditions of our society and the desire of Americans support such an inquiry and an agenda? The answers seem to be a resounding YES!

The Union Institute and The Johnson Foundation recently cosponsored an "exploratory conversation" on these questions at Wingspread, the Foundation's renowned conference and education center. With representation from such distinct groups as the Heritage Foundation and the Black Student Leadership Network, with thinkers from such divergent entities as the progressive J. Roderick MacArthur Foundation and the conservative Hudson Institute, and with support from the conservative Bradley Foundation through the Charles Stewart Mott Foundation to the Joyce Foundation, there was agreement. Furthermore, there was a belief that if this conversation was repeated around the country with other diverse groups, they would come to a similar set of conclusions.

From every perspective, belief system and base of experience, it was concluded that the critical challenge before America is to:

**build a reconstructed sense of community which transcends individualism
in service to the commonwealth.**

It also was quickly concluded that such an endeavor is not a technical problem, but rather one that must be grounded in shared ethics and morality, be imbued in personal and social thought and action, and inform a common, central understanding of what it means to be part of American society. In this regard, we use the term commonwealth to define the "public good" as inclusive of the notion that the welfare of each of us depends on the welfare of all of us.

Participants in the Wingspread conversation noted that our nation currently is crippled by what one young woman called a *secular Creedal Gap*, a profound disparity between the promise of America and the realities of peoples' lives, especially for the young. There was surprising consensus that the unmitigated and unmoderated pursuit of individualism has created a poverty of will, ravaged any notion of commonwealth, denied us much of the vibrancy of being American, and even has paralyzed us in our ability to adequately serve and nourish individuals.

- 2 -

America cannot afford to lose another generation of young people -- from our inner-cities, suburban or rural areas -- to the isolation, loneliness, disillusionment and abandonment born of this Creedal Gap. It must make real the promise of *One People* and *A Nation Indivisible*. We need the leadership of President-elect Clinton to work actively toward the reconstruction of community and a sense of commonwealth. It is only through such an approach to human, social, economic and environmental problems that we can restore civil society and successfully rebuild our nation.

The participants in the Wingspread conversation believe that "Putting people first" requires assuring that the commonwealth is nurtured precisely so that it can nurture the individual. Furthermore, they feel that the focus on a reconstruction of community provides a valuable medium for "reinventing government" -- that social programs can be most effectively reframed in terms of the commonwealth instead of an individualism.

To these ends, those assembled think it imperative that President-elect Clinton provide the requisite leadership by:

- ▶ using a vocabulary that makes it legitimate and important for individuals and organizations across the country to work toward the reconstruction of community and for the commonwealth; and
- ▶ convening a high-visibility national meeting (something akin to the Economic Summit) to elevate community reconstruction and commonwealth to the highest levels of national consciousness and purpose.

These steps are seen as inspirational and instrumental to an appropriate agenda for those engaged in thinking about our society's future and for those fostering creeds by which we live. The realms of both the intellect and the heart need to be recast in a broad cultural framework, a language and a purpose that appeal to young and old, to those of diverse background, circumstance and condition, if we are to reconstruct community and promote commonwealth.

Mark Rosenman
December 22, 1992



National Council of Nonprofit Associations

**How Government and Nonprofits
Can Strengthen and Enrich American Communities**

***Recommendations to the
1992 Presidential Candidates***

September 13, 1992

The goal of the National Council of Nonprofit Associations (NCNA) is to improve the effectiveness of local nonprofit organizations by strengthening their state associations. Because they meet the needs of thousands of front-line nonprofits for management assistance, cost-cutting programs, advocacy, and professional and organizational development, NCNA's members have a unique view of the challenges facing the nonprofit sector.

NCNA's membership includes 22 statewide and regional association members, representing over 15,000 nonprofits across the country. Directed by a small professional staff and governed by a Board of Directors who are themselves executive directors of state associations, NCNA is financed by membership dues, fees, and grants from the W. K. Kellogg Foundation, The Ford Foundation, the Rockefeller Brothers Fund, and the Charles Stewart Mott Foundation.

Because of the important public role of nonprofits as independent centers of initiative, criticism, and public service, NCNA fully supports the rights and immunities accorded to nonprofits and recognizes the inherent responsibilities which are attached to them: 1) To benefit the public; 2) To be accountable to the public for effective and efficient delivery of services; 3) To protect the sector's independent role in the democratic process; and 4) To promote social and economic justice.

Presidential Recommendations Task Force

Bob Kardon, *California Association of Nonprofits*, Chair
Deborah Buford, *Nonprofit Resources, Inc.* (Arkansas)
Gerald Kaufman, *LaSalle University Nonprofit Management Development Center* (Pennsylvania)
Peter Swords, *Nonprofit Coordinating Committee of New York*
Donald Tebbe, *Council of Illinois Nonprofit Organizations*
Alison Johnson, *Connecticut Nonprofit Human Services Cabinet*

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Beverley L. McDonald, *Michigan League for Human Services*
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Introduction

Nonprofits—Private Investment in the Public Good

[Nonprofit organizations are private, nongovernmental corporations that are exempt from federal income tax on the basis that their work serves the public interest. As such, any surpluses (profits) are deployed for the organization's exempt purposes rather than being distributed to private individuals (such as when a for-profit corporation pays dividends to stockholders). For the purposes of this paper, nonprofit means a tax-exempt organization that is recognized under 501(c)(3) and 501(c)(4) of the Internal Revenue Code.]

The one million nonprofits in this country employ more civilians than do state and federal government combined, receive volunteer services from half of this country's adults, create a venue for direct involvement in solving civic problems, and touch the entire nation through their programs and advocacy efforts.

The nonprofit sector enriches and strengthens American communities. While volunteers provide enormous support and leadership for this sector, the sector depends upon private contributions and government funding to make its work possible. While government action can influence volunteerism, its actions have a far more profound impact on charitable giving. Moreover, government's ability to fund social and other programs is unparalleled.

The public and its government at all levels increasingly rely on nonprofits to offer essential social services and other programs more effectively and efficiently than government bureaucracy can. At the same time, government policy and regulation make it increasingly difficult for nonprofits to meet the challenge. The nonprofit sector is home to our society's social and cultural entrepreneurs. Yet much of the sector's capacity for innovation has been dampened as a consequence of government policy.

We believe that this era of severely constrained government resources and the gravity of our social problems demand greater collaboration, more effective government contracting, and a deeper understanding of the consequences of government's actions affecting the nonprofit sector.

Recommendations

Appoint a Commission on the Impact of Government Funding on Community Fabric

We propose the appointment of a commission to study the impact of federal programs on the social fabric of our communities. We propose the commission's charge include the following:

- Consolidation of fragmented federal categorical programs.
- Proposal of social policy planning mechanisms that apply systems-level planning to social problems.
- Holistic community-based solutions that would serve the whole client.
- Government grant and contract mechanisms that support the community social fabric.

Commission appointments should consist of practitioners from community-based nonprofits, social policy advisors from academia, leaders from private philanthropy, and clients of social programs.

Related Recommendations

- Require that any new rule-making process pertaining to grants include an analysis of the impact on the grant recipient.
- Remove barriers that discourage the use of grant funds to acquire real estate, thus forcing nonprofits into the rental market, which is usually more expensive.
- Promote government procurement relationships with nonprofits that are equitable and that preserve the organizational integrity of the nonprofit. For example, the *Office of Management and Budget's Circulars A-122* and *A-133* are extremely discriminatory against nonprofits.
- Set an example for all levels of government by including community-based nonprofit representatives on boards, commissions, and panels at the federal level.

Host White House Conferences on Nonprofit Initiative

- Use the White House Conferences to focus attention on achieving solutions to a few key social issues and forge a stronger partnership between nonprofits and government. Use them as opportunities to recognize the value of philanthropy, charity, and volunteering, and to foster a better understanding of this vast part of our social fabric that is the nonprofit sector. Topics addressed at the Conferences might include:
 - Reexamination of tax policy with respect to nonprofits.
 - Communities' role in deciding what services are provided under government contract.

Recommendations

- • Accountability—helping government better regulate nonprofits, while filing fewer forms.
- • Reexamination of government funding mechanisms, such as block grants.
- • How to recognize the unique role of the nonprofit sector and how to resist the temptation to ask nonprofits to overextend their capacity in an attempt to provide basic services that only government, through its taxing powers, is capable of providing.
- • How government can recognize that the strength of our society is due in large part to the tripartite nature of our nation's institutional infrastructure: business, government, and nonprofits.
- Encourage the states to hold state-level conferences to precede the White House Conferences to promote similar recognition within the states and to identify issues that should be brought to the White House Conferences.

Create Incentives for Private Investment for the Public Good

- Explore the development of incentives that will stabilize and increase the declining percentage of private income being invested in charitable and philanthropic efforts. (See Figure 1.)
- Restore deductibility for charitable contributions made by non-itemizing taxpayers. Each \$1.00 in deductions generates at least \$1.23 in charitable gifts.
- Eliminate the 3 percent floor on deductions for high-income taxpayers.
- Permanently exempt all gifts of appreciated property from the alternative minimum tax (if Congress does not do so before its final recess in 1992).

Protect the Independent, Democratic Voice of the Nonprofit Sector

- Maintain nonprofit access to reduced mail rates for advocacy mailings that inform citizens about issues.
- Encourage open public dialogue by less restrictive IRS regulatory treatment of lobbying by nonprofits, and develop a proactive education program to dispel notions of a prohibition against lobbying.
- Preserve nonprofit bulk mail rates. This action would also help maintain the current level of \$35 billion in charitable contributions received through direct mail solicitation.

Nonprofits Enrich and Strengthen Our Democracy

Nonprofits are essential for the health of our democracy. Emerging democracies around the world are looking to the nonprofit sector in the U.S. because they see that such an independent, nongovernmental infrastructure is critical to fostering democracy.

Despite cynicism about many institutions in this country, the public is increasingly turning to nonprofit organizations for safe haven, service, information, and leadership. Recent Gallup polls reveal that nonprofits are generally viewed as credible, helpful, accessible service providers. A 1991 *Nonprofit Times* survey found that a majority of respondents perceive nonprofits as being more efficient than government in utilizing funds.

Above all, the public still believes community involvement offers an opportunity to make a difference. According to a 1991 report prepared for the Kettering Foundation, *Citizens and Politics: A View from Main Street*: "The so-called 'apathy argument' falls fully on its face when one discovers that there are pockets of public life in which citizens are acting to improve their communities. Indeed, from this research, we find Americans hold a keen desire to act in the public arena."

Whether it's working with low-income children, environmental groups, community improvement organizations, or many other nonprofit efforts, citizens are involved in public life. NCNA agrees with social commentators who say this involvement has replaced the jaded world of politics in their lives: Citizens learn and talk about policy issues; they have a sense of control; they see a personal stake in their actions; they are involved in helping their community. Yet these same people do not consider their actions political in nature.

"As citizens talked about their community involvement, they merely described in positive terms the characteristics they had assigned negatively to politics: that it is possible to be heard and valued in public debate; that it is possible to help bring about change; that it is possible to feel a sense of efficacy in managing, and improving, public affairs." (*Citizens and Politics: A View from Main Street*.)

In his nineteenth-century commentaries on America, Alexis de Tocqueville spoke of the American phenomenon of people forming associations to solve community problems. The nonprofit sector retains that vitality today.

We believe that by virtue of the esteem in which nonprofits are held, their involvement in all parts of our communities, and their experience with major social issues, the nonprofit sector can provide a forum for a renewal of faith in the democratic process.

Nonprofits Enrich and Strengthen Our Communities

Nonprofits are essential for the social and cultural health of every American community. The contributions of the nonprofit sector are diverse, significant, and indispensable. As an important

Rationale

and dynamic part of our social fabric, nonprofits provide a mechanism for responsible citizens to create constructive solutions to their communities' problems.

The nonprofit sector includes among others:

- Human service organizations that battle the causes and consequences of poverty, disease, illiteracy, and myriad other social ills;
- Cultural organizations that inspire and educate;
- Museums that connect us with the past and with other cultures;
- Historic preservation groups that remind us of the foundations of our society;
- Arts groups that connect us with grace, beauty, and ideas that challenge and enable our society;
- Educational institutions that prepare succeeding generations to face the future and provide research discoveries to create new technology;
- Neighborhood-based development organizations that stabilize neighborhoods and improve housing;
- Advocacy groups that challenge us to strive for a society that is better than what we have come to expect; and
- Private foundations that provide the funds that encourage and fuel creative nonprofit initiative.

Yale economist Gabriel Rudyne has calculated that together American nonprofits in 1980 had expenditures exceeding the budgets of all but seven national governments in the world. Studies by Independent Sector, a national umbrella group for nonprofits and foundations, have described the impact of the nonprofit sector on the social, economic, and political life of the United States. The one million nonprofits in this country touch the lives of most Americans—as beneficiaries, patrons, employees, volunteers, and contributors.

- Nonprofits represented 7.1 percent of the Gross National Product in 1990.
- Nonprofit organizations employed 8.7 million workers in 1990, about 6.3 percent of the national workforce.
- In 1989, 98.4 million Americans aged 18 or older volunteered with nonprofit organizations, a figure which represents over half the U.S. adult population.
- The dollar value of that volunteer time, 20.5 billion hours in 1989, was estimated at \$170 billion.
- In 1991, individuals, corporations, and foundations contributed \$124.77 billion to nonprofits.

How Government Affects Nonprofits

There is an increasing tension between the nonprofit sector and government in today's world. The two sectors have changed from having a collaborative relationship to often having an antagonistic

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one. "Somehow, government has forgotten that it itself is largely responsible for the growth of the nonprofit sector, due to its increasing reliance on the sector for provision of services. And somehow, both government and society generally have lost sight of the interconnectedness between the two sectors. Most importantly, they have overlooked the vital role that nonprofit organizations play in meeting community needs." (*The Nonprofit Policy Agenda: Recommendations for State and Local Action*, The Union Institute, May 1992.)

Starting in the early 1980s, government encountered fiscal strain and began to backpedal from its role of community supporter, leaving the nonprofit sector with the role, but not the funds. Government funding has not kept pace with the growing demand for services; instead, government has further burdened the sector with new regulations.

Ironically, as government points to the nonprofit sector as the savior of America's basic values and quality of life, its actions have actually undermined the ability of the sector to strengthen and enrich our communities.

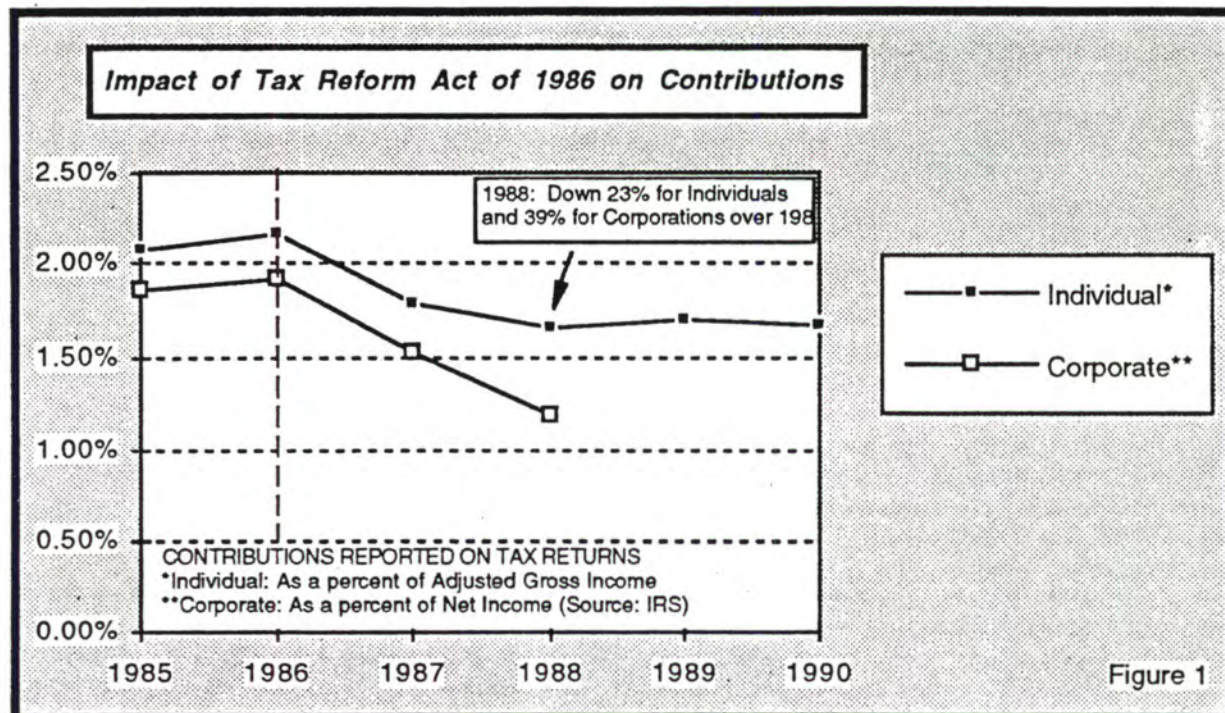
Government Tax Policy Influences Private Investment in the Public Good

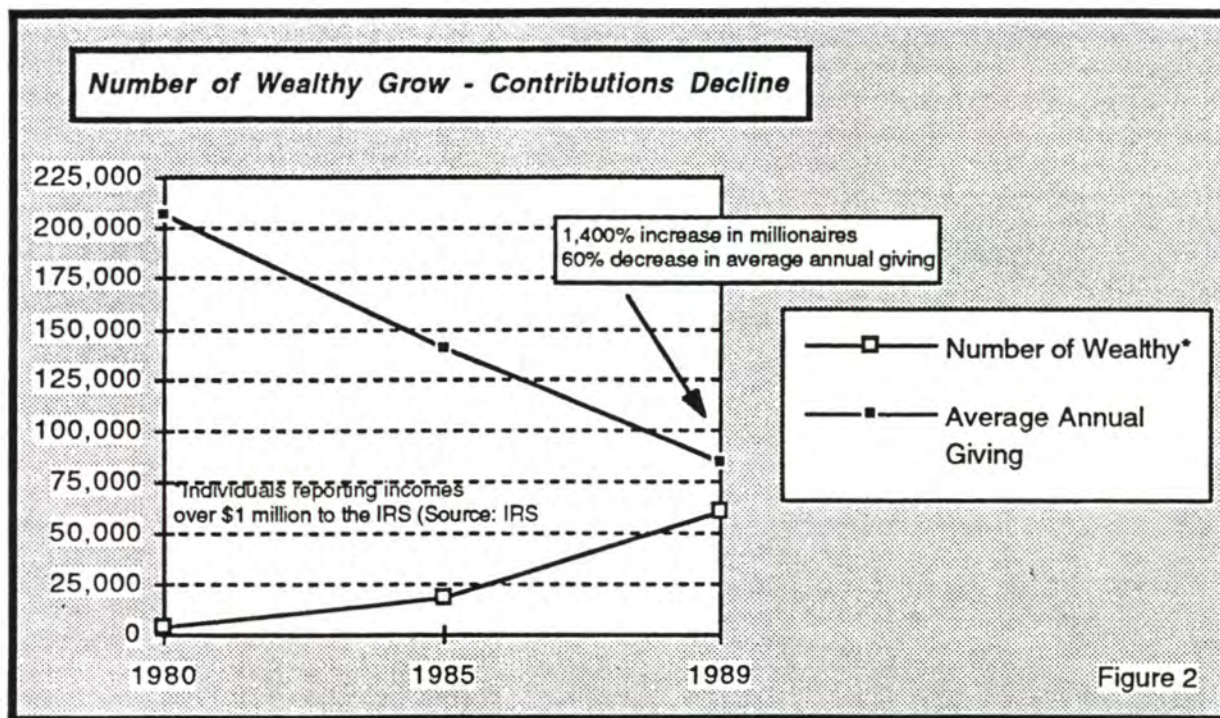
Federal income tax policy influences charitable giving. Since the institution of the federal income tax, tax policy has included incentives to encourage charitable giving.

The Tax Reform Act of 1986 greatly reduced these incentives for all taxpayers in all income groups. The flattening of the tax structure and the lowering of tax rates increased the cost of all charitable gifts. Moreover, potential gifts of appreciated property were threatened by alternative minimum tax, and deductibility was eliminated for gifts by non-itemizers. According to Internal Revenue Service data, contributions reported on individual income tax returns dropped from 2.17 percent of adjusted gross income in 1986 to 1.67 percent in 1990. Similarly, contributions reported on corporate income tax returns dropped from 1.92 percent of net income in 1986 to 1.18 percent in 1988. (See Figure 1.)

The Internal Revenue Service also reports that the number of taxpayers reporting incomes of more than a million dollars increased from 4,300 in 1980 to 59,945 in 1989, while average annual giving for this group decreased from \$207,089 to \$83,929 during the same period. (See Figure 2.)

In addition, a further impediment to charitable giving was imposed in 1990 by the 3 percent floor on deductions. It is more efficient for government to leverage contributions of private income for public purposes through tax incentives than it is to raise those funds directly through taxes since each \$1.00 in tax incentives leverages \$1.23 in charitable contributions.





Nonprofits and Federal Social Programs

The riots in Los Angeles, the homelessness that we see every day in the streets of our major cities, the lines at our soup kitchens, and the alarming school dropout rates should tell us that something is not working with our current social policies.

Tremendous numbers of people are being served by our social welfare programs, yet there is a popular perception that we are simply throwing money at problems. To an extent, this is true. Categorical funding, with its rifle-shot approach to problems and its excessive focus on rules and regulations, does not give the taxpayer a dollar's worth of solution for a dollar's worth of investment.

Over the years, categorical programs have been proposed, implemented, and funded without any real coordination or direction toward some overall outcomes or the larger context of the lives of the people these programs are designed to serve. As programs mature, they have become encrusted with rules, regulations, and audit requirements that blunt the thrust of the original programs.

The impulses behind these programs have been honorable and the intentions have been the best, but after twenty years of sizable government involvement in social programs, the country has been left with a patchwork of programs that view individual participants as clients, programs that are not focused on outcomes, and programs that are designed to fit the structure and systems of government rather than the needs of the people they were designed to serve.

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Each year we spin the wheel of misfortune and a new problem is isolated, a new client base is created, new rules are written, new bureaucracy is created, a new set of statistics is gathered, and a new cycle of program justification begins. These programs are a result of linear thinking and compartmentalization for the convenience of government rather than for the sake of serving the whole client.

The country has a well-established infrastructure of community-based organizations that have a long history of working with government. But this community infrastructure is being hampered by a government funding system that operates under the old paradigm of viewing problems and clients in isolation.

This convergence of issues, we believe, calls for a major reexamination of the way that government funds social programs. For example, Head Start works because it takes a holistic approach to the needs of children. The child is not the Head Start client; rather the whole family unit is the client.

We need to start looking at people in need in a larger context—in the context of family, in the context of neighborhood, and in the context of community. We believe that unless we take an integrated view of community problems, the social fabric of our society will continue to unravel.

It is time for government to apply the best systems thinking toward solving problems and the best information technology to simplify the bureaucracy needed to manage these programs.

Conclusion

The National Council of Nonprofit Associations believes that the gravity of our social conditions and the state of our economy call for greater collaboration between government and the nonprofit sector, call for a renewal of government's commitment to use tax policy to leverage private contributions, and call for government and nonprofits to develop systemic solutions to social problems.

NCNA stands ready to work with the presidential administration to expand and enhance the ability of nonprofits to carry out this important work.

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CORPORATE PHILANTHROPY

REPORT

A Time For Linkage

Opportunity in the Clinton transition? Sure, but you won't benefit unless you're deft at "linkage"—the art of generating ideas and coalitions that link your cause to Mr. Clinton's plan to revive the economy. To find how, see below. Also in this CPR: How you can tell the new president what to do, p. 2. How he will shake up our field, p. 3. An issue-by-issue breakdown of what's in the works, pp. 4-7.

BY CRAIG SMITH

Guys like President Bush didn't try to make connections between this and that. They didn't have to. To these World War II victors, leadership was a matter of upholding boundaries between institutions—not tearing them down. Government was The Government. The economy was The Economy. Charity was Charity. And as we saw at the Republican convention, the family was The Family. Discuss with them how these factors might inter-relate and their eyes glazed over.

But it's precisely the search for inter-relationships that stirs the passions of the leaders of the baby boomer generation. Individually and collectively, they know that linkage-making is their key to power, their secret way of making a difference. When baby boomers gravitated to politics, they found state governments to be a safe place for their experiments in integrative thinking. Maybe because he's been in a statehouse longer than any of his baby boomer peers, Mr. Clinton has surpassed his peers at concocting programs that tear down the walls between government departments—and

between government itself and the private sector.

Now that he has made it all the way to the White House, the conventional wisdom is that he got there by promising something to everyone and that before long, he'll be imprisoned by special interests or despised when expectations aren't met. Another Jimmy Carter.

Don't be fooled. Mr. Clinton's team, still huddled in Little Rock, is gathering the intellectual arsenal necessary to arrive in Washington and trigger a policy revolution that could spread through the world.

Soon that sax-playing baby boomer will start jamming with baby boomer private foundation leaders, baby boomer nonprofit leaders and, yes, baby boomer corporate leaders. If you can believe the rhetoric coming from Little Rock, the result won't be empty Reagan-Bush "partnerships," but perhaps a new social contract. What will unite those at the table is not sacrifice but synergy—a belief that, by practicing clarity and compassion, it is possible to understand—and accept—all the players at the table, even adversaries. And that it is possible, through acts of leadership, to reach out for that whole that is greater than the sum of its parts.

Hey, this isn't pie in the sky. This is the real stuff—what policy people call "issues." You know: homelessness, the ozone, AIDS, everything that has been tucked away or into Pandora's box. By daring to open the lid, Mr. Clinton isn't saying he has the answers. In fact, our interview convinced us that he doesn't even know the process of arriving at the necessary policy prescriptions. (He wants your help, see p. 2.) "It's the federal role to stimulate change, but its up to the

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Office for Social Responsibility
1731 Connecticut Avenue, N.W.
Washington, D.C. 20009-1146
(202)667-1313
Fax: (202)265-0492

FAX MEMORANDUM

DATE: December 16, 1992

TO: Participants in Transition/Philanthropy Meeting

FROM: Mark Rosenman (Vice President, Social Responsibility)

RE: Schedule Confirmation

The conversation between foundation representatives and the Presidential Transition Office is scheduled for **Tuesday, December 29th, from 10:00 AM until noon.** It will be held at the Transition Office (1120 Vermont Avenue, N.W., Washington, D.C.). Please arrive 15 minutes early in order to check in with the visitor reception desk on the 11th floor. We will be meeting with Melanne Verveer, who may choose to invite other Transition staff.

Our purpose is to have an open conversation about the ways in which organized philanthropy and the federal government might better collaborate. Both goals and mechanisms for such active partnership are appropriate subjects of discussion. This meeting is not intended to raise specific policy ideas or to result in detailed recommendations, although we might be invited to address particular themes through some follow-up activity.

As background material, I will mail you a report from a "nonprofit roundtable" that I organized for Transition staff in Little Rock and a policy memorandum prepared for a smaller meeting of nonprofit leaders with Transition staff here in D.C.

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NON-PROFIT SECTOR ROUNDTABLE
Presidential Transition Office
December 3, 1992
Little Rock, Arkansas

December 14, 1992

TO: Christopher S. Hyland
FROM: Mark Rosenman

Summary

The non-profit sector, which includes organized philanthropy, welcomes President-elect Clinton's call for more active, and racially and ethnically diverse, inclusion in government. The sector now emerges from the onerous impact of more than a decade of abrogation of responsibility by the federal government and a distrust of political institutions' commitment to fundamental needs. The sector has seen cuts of more than \$120 billion (against 1980 figures) in government support for programs of great consequence to our Nation, especially to the disadvantaged, and a federal retreat from environmental, social and economic needs.

Approximately thirty non-profit leaders (see last pages), drawn from across the country and reflective of much of the racial, ethnic and other diversity of the non-profit sector, met with Presidential Transition Office staff to explore ways in which the non-profit sector and government now might further collaboration in service to the public good. The principal themes and recommendations which emerged are summarized in this report of that roundtable. All reflect ways in which the Administration can assertively pursue the collaborative partnerships so wholeheartedly desired by the non-profit sector.

It is important to understand, however, that government itself must hold the principal responsibility for providing the resources necessary to meet basic human needs, attend to economic and social development, and to environmental protection. Through tax policy, it also must help the non-profit sector to generate the private resources necessary to its public interest work.

The recommendations address the following:

- ▶ **Presidential Leadership:** the visibility of the non-profit sector both to government and the public, mechanisms for continuing attention to the structural needs of the non-profit sector and to the creation of avenues for active, diverse and effective collaboration with government;
- ▶ **Non-Profit Wisdom & Infrastructure:** creating opportunities for government to draw upon and employ non-profits' experience and structural capacity in service to shared purposes and increased diversity and inclusion;
- ▶ **New Forms of Collaboration:** generating ideas for creative and innovative partnership regarding social, economic, environmental and civic service and development;

PRESIDENTIAL TRANSITION OFFICE – NONPROFIT SECTOR ROUNDTABLE

- ▶ **Barriers:** removing barriers to effective collaboration, diversity and innovation in both government and non-profit spheres; and
- ▶ **Community Renewal:** developing local capacity to help people help themselves.

Background

Beyond government, the private non-profit sector (which includes organized philanthropy such as independent, community and corporate foundations) is a critical mechanism for attending to the public good.

- ◆ *It provides services, promotes social and economic development, protects the environment, and advocates for those people and causes most in need of a voice.*
- ◆ *It is the medium through which government best can help people help themselves.*
- ◆ *It is an important vehicle for diversity and inclusion, for democratic participation in civil society and in community renewal.*
- ◆ *It is a valuable resource for developing and maintaining open, substantive and continuing communication between people and their President.*

There are over a million non-profit organizations with about 600,000 of them involved in direct service delivery, community development, environmental and international issues, and public interest work and advocacy.

- ◆ *In 1990, the sector spent about \$390 billion, equivalent to approximately 7% of the GNP.*
- ◆ *Government contract and grant revenues account for about 30% of the funding of non-profit organizations, with individual contributions, philanthropic grants, dues, fees and earned income constituting the remainder.*
- ◆ *Over half of adult Americans do volunteer work, totaling more than 20 billion hours of service annually, valued at more than \$170 billion dollars in donated time.*

The federal government has depended on the non-profit sector as an active partner in every area of social need, but has not attended adequately to its development or worked to realize the full potential for effective collaboration.

PRESIDENTIAL TRANSITION OFFICE -- NONPROFIT SECTOR ROUNDTABLE

- ♦ *Reductions in the federal role in domestic affairs have increased public need and shifted more and more burden to the non-profit sector while government has curtailed its financial support of these organizations.*
- ♦ *There has been no concomitant effort to strengthen and rationalize the partnership between government and the sector. In fact, the reverse has been true under the Reagan/Bush administrations.*

Presidential Leadership

President-elect Clinton has shown a sophisticated appreciation for the importance of non-profit organizations and philanthropic foundations. It is vital that he now set the standard of collaboration for the Administration and for employees throughout the entire federal government. This can be achieved by:

- ♦ *appointing a high-level White House Assistant for Non-profit Affairs. The Assistant would serve as a liaison between the sector and all agencies of government, attending both to an agenda which strengthens the sector and to one which facilitates active collaboration and partnership with government;*
- ♦ *on a continuing basis, organizing roundtables, forums, commissions and possibly a White House Conference to bring together non-profit leaders and government officials to address sector-wide collaboration and to develop mechanisms to advance active partnerships in specific areas of federal concern and initiative; and*
- ♦ *working with the non-profit sector to establish a comprehensive communications system built on a neighborhood-level information gathering and reporting mechanism to allow people to have confidence that their voices are being heard in The White House, and to allow the President to identify issues for which he wishes community-level discussion and to receive organized and substantive comment.*

In his Inaugural Address and from other leadership pulpits, the President might:

- ♦ *acknowledge gratitude for the compassionate work of non-profit organizations, religious institutions, private and corporate foundations, and volunteers in responding to growing human need, environmental, social and economic problems over the past decade;*

PRESIDENTIAL TRANSITION OFFICE – NONPROFIT SECTOR ROUNDTABLE

- ♦ *call upon the non-profit sector to join with the administration in rebuilding an agenda that puts people first, revitalizing civil society and renewing community as a moral and ethical imperative for the Nation, to be addressed in part by increasing its advocacy and public interest efforts;*
- ♦ *call for the non-profit sector to work with the Administration to increase diversity and inclusiveness in governing processes, while concurrently respecting the very real differences and needs of a multicultural society; and*
- ♦ *call on the public to strengthen the non-profit sector, in part through increases in contributed dollars and volunteer time in support of organized non-profit service and advocacy efforts.*

Draw on Experience, Wisdom and Infrastructure of the Non-profit Sector

The diversity of the non-profit sector goes well beyond its demography. It represents a broad spectrum of organizations (from informal neighborhood groups through international institutions), working in all problem areas through a vast array of program models. From prevention to remediation, from community development to advocacy, it employs myriad approaches to our Nation's problems. Quite often, it is closer to the ultimate outcome of government programs than are government officials themselves.

While there are many more independent community-level groups than there are local affiliates of national organizations, the sector has a very broad reach and is increasingly better interlinked and networked. As such, it can provide a very valuable resource in partnership with the federal government.

The Administration can use the wisdom and infrastructure of non-profits by:

- ♦ *working with their leaders and foundation authorities (such as those in problem- and issue-focused "affinity groups") to identify the most effective private programs in priority problem areas and then:*
 - ♦ *using those successful non-profit endeavors as the basis of government program design and modification; and*
 - ♦ *designing mechanisms and identifying ways to provide support to help bring effective non-profit programs "to scale";*

PRESIDENTIAL TRANSITION OFFICE – NONPROFIT SECTOR ROUNDTABLE

- ♦ *working with appropriate non-profit leaders and foundation officials to identify the most effective mechanisms for gaining substantive community involvement in "ground-up" policy development, program design and implementation, funding decisions, and governance;*
- ♦ *identifying the "best and brightest" non-profit leaders (from community-based groups through international organizations) and using them to assure that the sector is represented appropriately on federal boards, commissions, task forces, and committees;*
- ♦ *drawing on relevant non-profits, and their clients, as monitors and evaluators of government programs directed to their areas of concern;*
- ♦ *assuring that relevant non-profits and affected people are involved in the initial formulation of program regulations for new or modified federal initiatives in their areas of topical concern;*
- ♦ *assisting in identifying diverse people for inclusion in government as potential employees with substantive expertise and social commitment;*
- ♦ *providing structural mechanisms at the national, state and local levels to deliver services, attend to development, and represent peoples' interests; and*
- ♦ *organizing relevant non-profit networks to parallel and work in collaboration with various levels of governmental decision-making and other activity, keyed to specific programs.*

Develop New Forms of Collaboration

Beyond their established roles in government-contracted service delivery or as government grantees, there are myriad other ways in which non-profit organizations and the Administration might collaborate in attending to social problems and needs. The Administration might draw on non-profits and foundations to:

- ♦ *undertake risk-taking research and demonstration projects utilizing programmatic concepts or approaches that the Administration wishes to see tested;*
- ♦ *rethink and test, on a research and demonstration basis, the efficacy of consolidating discrete government-contracted (or otherwise supported) non-profit programs into a single funding stream for a comprehensive and coordinated initiative free of categorical restrictions;*

PRESIDENTIAL TRANSITION OFFICE -- NONPROFIT SECTOR ROUNDTABLE

- ♦ *develop mechanisms to cast and test federally-contracted program requirements and regulations in terms of outcomes instead of inputs, allowing greater creative flexibility and entrepreneurship in service design and delivery, and greater accountability for the actual long-range impact of government dollars spent on social needs;*
- ♦ *use tested non-profit outcome-oriented approaches as models for redesign of government operations and programs;*
- ♦ *refuse to allow government programs to supplant the legitimate roles, functions and activities of non-profit organizations;*
- ♦ *create programmatic approaches to community-renewal, environmental, social and economic issues which identify and build on strengths instead of attempting to compensate for individual deficits, which address prevention instead of remediation, and which attend root causes;*
- ♦ *use tested non-profit developmental and preventative approaches as models for redesign of government operations and programs;*
- ♦ *help develop public/private funding and operating partnerships for all types of social, economic and environmental programs at the national, state and local levels in areas of government concern;*
- ♦ *develop prototypical, comprehensive, integrated, multi-problem service and development models, built on public/private partnerships, and tailored to the specific circumstances of unique local communities;*
- ♦ *be a principal instrument of voluntarism under the National Service Trust Fund, allowing non-profits to define and fill qualifying service positions, to train, supervise and utilize volunteers in non-labor displacing ways, and by providing them adequate financial support to administer such endeavors with reasonable quality and social impact, as well as to:*
 - ♦ *help revitalize VISTA and return it to its original mission, including the use of low-income people working through non-profit organizations on the renewal of their own communities, employing it as the principal administrative infrastructure for the National Service Trust Fund;*
 - ♦ *beyond college tuition, allow the use of financial rewards for non-profit job-training and employment programs, and as capitalization for appropriately non-profit-supervised and supported microenterprise development; and*

PRESIDENTIAL TRANSITION OFFICE – NONPROFIT SECTOR ROUNDTABLE

- ♦ *advance an economic conversion agenda by utilizing decommissioned military installations as training and support facilities for volunteers.*

Overcome Barriers to Effective Collaboration

The efficacy of non-profit sector/governmental partnerships should not be constrained by counterproductive and rigid bureaucracies, and by inattention to necessary capacity-building and support activities. To promote effective collaboration, the Administration should:

- ♦ *streamline and standardize requirements, across federal agencies, regarding the application, regulation, assessment, reporting, accounting, auditing and evaluation requirements of contract and grant programs directed to non-profit organizations;*
- ♦ *structure grant and contract requirements to outcomes instead of rigidly defined inputs and operating methods, and popularize this practice by:*
 - ♦ *encouraging state and local governments to use the same standardized procedures and requirements;*
- ♦ *provide support for non-profit organizational infrastructure, including adequate financial allowances for general and administrative expenses (overhead) associated with all government grants and contracts;*
- ♦ *work with the non-profit sector to orient and educate federal civil servants (working at all levels) to collaborate with non-profit organizations and foundations, as well as to support inclusion, diversity, multicultural uniqueness, and multiple language use;*
- ♦ *strengthen and ease non-profit access to government information;*
- ♦ *encourage non-profit advocacy and remove all barriers to organizational free speech, including its conditioning by contract, grant and regulatory requirements;*
- ♦ *establish equity in the lobby expenditure allowances (under tax-exemption/tax-deductibility) between both "direct" and "grassroots" lobbying;*
- ♦ *work with non-profit groups, through funding and other support, to encourage organizational capacity-building and the continuing development of local leadership;*
- ♦ *provide resources for the orientation and training of other non-profits to undertake replication of program activities operated by other groups with demonstrated effectiveness and efficiency;*

PRESIDENTIAL TRANSITION OFFICE – NONPROFIT SECTOR ROUNDTABLE

♦ *through tax legislation and reform of IRS regulations, facilitate the financing of non-profit organizations by:*

- ♦ *removing the 3% floor on charitable and other deductions for itemizers;*
- ♦ *restoring deductibility of charitable contributions for nonitemizers;*
- ♦ *restoring full deductibility for gifts of appreciated value by all Americans;*

♦ *through new mechanisms, increase the financing of non-profit organizations by:*

- ♦ *enacting a "semi-postal stamp" program so that people can support non-profit causes through the voluntary purchase of dedicated stamps (a "homeless stamp" or a "children's stamp" for instance) which carry a slight surcharge above postage rates;*
- ♦ *enacting a federal parallel to the state-level Neighborhood Assistance Act programs which provide tax credits to businesses for charitable contributions in high priority program areas; and*
- ♦ *allowing the creation of tax-exempt "common capital pools" for non-profit investments;*

♦ *improve the non-profit sector's public accountability by making IRS Forms 990 and 990-PF more "user-friendly," and by encouraging state governments to accept them for their own reporting purposes.*

Emphasize Partnerships for Community Renewal

Through his statements, President-elect Clinton has indicated that a high priority will be given to community renewal, which is taken to go beyond human services to include other social, economic and environmental issues. The non-profit sector, with adequate collaborative initiative, can be a tremendously powerful partner in such enterprise. The Administration should:

- ♦ *use non-profits to host visits of government officials to regular community events in order to provide insight and access to the "mother wit" of local people;*
- ♦ *advance inclusion by providing expanded contracting and grant opportunities to community-based groups and helping them to strengthen their capacity to obtain and administer federally-funded programs, including long-term commitments to organizational capacity-building and community organizing;*

PRESIDENTIAL TRANSITION OFFICE -- NONPROFIT SECTOR ROUNDTABLE

- ♦ *recognize and honor the very real differences among neighborhoods and local communities by structuring non-profit programs in ways which build on diverse strengths through flexible grant and contract requirements;*
- ♦ *as illustrative of a particular area of non-profit concern (something to be paralleled in others), strengthen and support the inclusion of non-profit community development corporations and community development banks in enterprise zones and other government economic development activities;*
- ♦ *use non-profits to spur microenterprise development; and*
- ♦ *ease requirements for non-profit access to and use of federally-owned properties in their service to community-benefit purposes, including and going beyond low-income housing.*

Conclusion

These ideas presented here do not exhaust the range of potential initiatives to facilitate non-profit and Administration collaboration in service to the public good. The non-profit and philanthropic sector, as a sector as well as subsets of specific problem- and issue-focused groups, is genuinely excited by the prospect of working in partnership with the federal government under President-elect Clinton. It stands ready to join actively in the renewal our communities and the building of a stronger, environmentally healthy, more just and benevolent nation.

The participants in the Non-profit Roundtable are grateful to the Presidential Transition Office for the opportunity extended by this roundtable and look forward to continued joint effort.

Participants

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PRESIDENTIAL TRANSITION OFFICE -- NONPROFIT SECTOR ROUNDTABLE

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Program Officer, Ford Foundation

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Mr. Gordon Chin
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Mr. Raymond L. Handlan
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