

ANALYSIS OF GIVING: 2002

**Written By: Joseph (Jay) Caporale, CFRE
President and COO**

As a member of the American Association of Fundraising Counsel (AAFRC), RA is pleased to share with you an analysis of giving in 2002 from, Giving USA, an annual report on philanthropy in the United States published by the AAFRC Trust for Philanthropy. Many leaders in the philanthropic community have expressed concern over the effects of a sluggish economy, a war, the downturn in the stock market and the fallout from 9/11. These results indicate that our nation's philanthropic efforts and activity continue to experience growth even with these challenging factors.

The following is a summary of the state of philanthropy for 2002:

- Total giving reached an estimated \$240.92 billion, a growth of one percent from 2001. The source of contributions is as follows:
 - Individuals: \$183.73 billion (76.3%)
 - Corporations: \$12.19 billion (5.1%)
 - Foundations: \$26.90 billion (11.1%)
 - Bequests: \$18.10 billion (7.5%)
- Corporate giving increased an estimated 10.5 percent in 2002, which includes both cash and non-cash gifts claimed by corporations and gifts by corporate foundations.
- Foundation gifts decreased by 1.2 percent in 2002 based on estimates from the Foundation Center.
- Giving by bequest is estimated to have increased 2.0 percent in 2002.
- The five greatest recipients of philanthropy are:
 - Religion: \$84.28 billion (35%)
 - Education: \$31.64 billion (13.15%)
 - Foundation: \$22 billion (9.1%)
 - Health: \$18.87 billion (7.8%)
 - Human Services \$18.65 billion (7.7%)
- Contributions to churches, houses of worship, and other religious purposes grew an estimated 4.9 percent in 2002.
- Giving to educational institutions dropped an estimated 1.1 percent in 2002.
- Health charities received an estimated 2.3 percent less in 2002 than in 2001.
- Human service charities saw the largest drop in 2002, of 9.9 percent.
- Arts, culture, and humanities organizations saw giving change slightly in 2002, up by 0.7 percent.

Since 1993, the number of organizations registered with the Internal Revenue Service and granted tax exempt charitable status under section 501(c)(3) of the Internal Revenue Code has increased by 57.8 percent reaching nearly 910,000 charities in 2002. Churches are not required to register. Using an estimate of 353,606 churches, the total number of charitable organizations in the United States is approximately 1.3 million.

This increase represents the intense competition for the philanthropic resources of our very generous nation. Now more than ever, our clients must focus their energies on communication, cultivation, case development and strategic planning, thus demonstrating to their supporters the viability and significance of their mission and vision.

The needs of our communities are great—our nation's capacity for generosity is extraordinary.

AN IN-SPIRE-ING CAMPAIGN

Photograph courtesy of Robert Bates, Walter B. Melvin Architects, LLC, New York, NY

Grace Church in New York, residing at the bend of Broadway and East 10th in downtown Manhattan, is a historic landmark whose spire has silhouetted the New York skyline since 1844. The church is currently enclosed in scaffolding due to the much needed repair of its bell tower and spire. Originally built in wood due to lack of funds, the spire was replaced by marble in 1883. The last time that repairs were made was in 1953. For the first time in 50 years, architects are seeing first-hand the cause of the leaning topmost 20 feet. Years of wind, sun and rain have caused large chunks of the Vermont marble to crumble, and a rusting iron plate, which serves as the spire's platform, is no longer able to provide adequate support.

The Campaign Committee formed to address the problem initially chose Ruotolo Associates to conduct a feasibility study for a campaign for internal constituents, soliciting donations only from its 300 registered parishioners. In September of 2002, RA's Associate, Pam DeLuca, under the supervision of Senior Vice President Theresa Shubeck, set a realistic goal of \$500,000 for this phase of the campaign – a goal that has since been surpassed, recently reaching the \$512,000 mark. During the four month long "quiet phase" of the campaign, 76% of advanced gift prospects made a significant pledge or gift. Two anonymous parishioners put together a \$125,000 challenge grant to the rest of the parish, giving the campaign its jump start.

One thing that makes this project unique is the sheer height of the 230 foot tall spire, which made it difficult for parishioners to personally see the damage to the structure. DeLuca came up with the idea of bringing the project down to viewing level – she orchestrated a photographic PowerPoint slide presentation depicting the crumbling stone and dangerous leaning of the spire. Architect Robert Bates of Walter B. Melvin Architects, LLC in New York took the telltale photographs that illustrated the dire need to renovate and stabilize the historic structure. The portable presentation was shown at small cultivation receptions and dinners during the quiet phase, and at a February annual meeting to kick off the general phase of the campaign.

Due to the success of the campaign, Grace Church has retained RA to continue its efforts in raising funds toward its need of \$2.5 million. Together they will expand solicitations to include public and private foundations, surrounding businesses, the Grace Church School and extended family. Grace Church has also sold advertising space on the scaffolding that brings in approximately \$20,000 a month in revenues, helping to pay for the cost of the scaffolding rental. Citibank, the first advertiser from March to June will be back beginning in September after an article about the church appeared in the New York Times and New York Post on Easter weekend.

ANDREA EGAN RECEIVES CFRE CERTIFICATION

We are pleased to announce that Andrea Egan, an Associate with our firm, achieved the status of Certified Fundraising Executive (CFRE). This process includes the completion of an extensive application form documenting professional experience, performance, ongoing education, volunteer work and professional affiliations. After the application was made, the Certification Board deemed Andrea eligible to sit for the CFRE exam this past May. Her certification not only documents expertise and accomplishments in the fundraising profession, but also demonstrates a steadfast commitment to the advancement of the philanthropic field and the good work realized by so many non-profits.

The CFRE designation is widely recognized and admired in philanthropic circles, and we congratulate Andrea on her new title.

BY GEORGE

**Written By: George C. Ruotolo, JR, CFRE
Chairman and CEO**

We are very sad to announce the loss of a former client, colleague and friend of RA. Since 1982 Claire Kantor served as Executive Director of Summit Speech School in New Providence, NJ. Her leadership and tireless energy is the primary reason that the Speech School has flourished. Founded in 1967, the school is the only school in New Jersey that provides an auditory/oral approach to teaching young hearing-impaired children to speak for themselves. Its mission is to enable children to take their place in a hearing and speaking world by providing educational, therapeutic and social services. Both Claire and the school are recognized nationally as offering a significant resource to the children and their families. In the early 1990s, with a need for new facilities, the school embarked on a \$3.5 million campaign that exceeded its goal by raising in excess of \$5 million. Her leadership, drive, and perseverance were key ingredients leading to this success for those special children needing this unique type of education. It was our privilege to work with Claire, her staff and the volunteer leadership. She is survived by her husband Joel and son Jeffrey.

Association of Fundraising Professionals (AFP) Luncheon

In July George Ruotolo addressed the AFP monthly luncheon in New Jersey providing an overview of the Giving USA statistics for 2002.

Mark Your Calendar

October 5 - 8, 2003

International Catholic Stewardship Council

2003 ICSC Annual Conference: "Stewardship: A Disciple's Response"

Hyatt Regency Hotel, Chicago, IL

October 11, 2003

Archdiocese of Newark

2003 Stewardship Day - A Day of Discipleship

Ruotolo Associates is proud to be the primary sponsor for this event.

Kozlowski Hall, Seton Hall University, South Orange, NJ

October 21, 2003

Association of Fundraising Professionals (AFP)

2003 Conference on Philanthropy – Massachusetts Chapter

Marriott Copley Place, Boston

Keynote Speaker: Carol B. Kellermann, The September 11th Fund

October 30, 2003

Association of Fundraising Professionals (AFP)

2003 Conference on Philanthropy – New Jersey Chapter

Hanover Marriott, Whippany, NJ

RUOTOLO ASSOCIATES' NEWEST AFFILIATION

Ruotolo Associates is proud to announce its membership in the National Catholic Development Conference, the largest association of religious philanthropies in the United States.

NCDC leads Catholic organizations toward excellence in their development ministries by providing opportunities for growth in leadership and excellence through conferences and networking.

The hallmark of NCDC is the promotion of the integrity of its member organizations to donors, the media and the general public. To this end, all members are required to fully disclose financial information to donors, in accord with the ethical

guidelines outlined in NCDC's Precepts of Stewardship and the U.S. Bishops' Guidelines for Fund-Raising in the United States.*

*Excerpt from NCDC web site – <http://ncdcusa.org/>

CONGRATULATIONS TO OUR CLIENTS!

The following highlights are representative of some of our clients' recent accomplishments.

Blessed John XXIII University Center, Fort Collins, CO – Rev. Don Willette, Pastor: Serving Colorado State University, this parish plans to build a new facility that would house classrooms and meeting spaces, as well as renovate the sanctuary, parish offices and rectory. The parish has raised more than \$540,000 in advanced gifts.

Brooklyn Friends School, Brooklyn, NY, an independent Quaker institution, is completing a mid-campaign evaluation to determine interest in further renovations and a possible vertical expansion of the existing facility. The school is preparing to launch the final phase of its capital campaign under the leadership of Michael Nill, Head of School.

The Diocese of Camden, NJ is in the process of launching a major gifts program to improve facilities, build endowment and better fund services to the more than 430,000 Catholics living in the diocese. The major gifts initiative is under the leadership of His Excellency, Most Reverend Nicholas DiMarzio, and Director of Development, Monsignor Louis Marucci.

Glastonbury Abbey, Hingham, MA, has just completed a planning study for a \$1.5 million capital campaign for a new conference center. It has been our pleasure to work with Mr. Chris Nagle, Business Manager.

Greater Lawrence Family Health Center (GLFHC) is an innovative multi-site health organization with more than 400 employees and 35,000 enrolled patients -- nearly half the total population of the City of Lawrence, MA. RA is conducting a planning study for the possible implementation of a comprehensive development program. Bob Ingala serves as CEO.

Greater Trenton Area YMCA, Trenton, NJ, is working with Ruotolo Associates on a campaign initiative to raise support for the building of a new full-service 70,000 square foot \$10 million facility for which half of the funds they seek to raise philanthropically. Mel Hill serves as Executive Director.

Home for the Armenian Aged, Emerson, NJ: Ruotolo Associates is completing a planning study for Home for the Armenian Aged in Emerson, NJ, to test community support for the building of a new and expanded \$10 million facility. Knarig Khatchadurian serves as Board President.

Hospices of the National Capital Region, Fairfax, VA: Ruotolo Associates is partnering with The Kellogg Organization to conduct a comprehensive development audit. This initiative will be followed by a philanthropic marketing study. Deborah Peeples is President of The Hospices of the National Capital Region Foundation.

New Jersey Center for Visual Arts (NJCV), Summit, NJ, is in the quiet phase of a \$5 million capital campaign raising funds for building expansion and renovations, endowment to develop and support educational programs and professional development. Eric Pryor serves as President and Betsy Smith is the Director of Development.

South Church in Andover, MA (United Church of Christ--Congregational) raised \$1 million towards their \$2 million goal in the first 8 weeks of their capital campaign to build a large addition for a parish center. Although the responses have slowed down during the beginning of summer, the three co-chairs, Dave Floreen, Jay Trageser and Linda Mesler are continuing to be in contact with the campaign cabinet to finalize pledges from the remainder of the congregation by August so that the plans for ground breaking may continue on schedule."

St. John Vianney Parish, S. Burlington, VT – Rev. John Hamilton, Pastor: A capital campaign that has raised more than \$1.2 million dollars for a new parish center is coming to completion for this parish.

St. Joseph High School in Hammonton, NJ has raised \$950,000 toward its \$3.26 million goal to purchase and renovate a former public middle school, which will become the new home of the high school in September 2003. Paul Ordille and James Rodio are co-chairing the campaign.

St. Malachy Parish, Brownsburg, IN – Rev. Dan Staublin, Pastor: After extensive study, this parish decided to relocate and embark on a \$7.0 million capital campaign to construct a new worship space on a new site. The parish has raised over \$5.0 million at this time.

St. Mark's Episcopal Church, Upper Arlington, OH – Rev. Dr. Vicki L. Smith, Rector: The church is approaching its \$1.6 million goal during a multi-phased plan to construct a new parish hall and renovate the sanctuary. They have raised \$1.3 million to date.

St. Peter the Fisherman Parish, Mountain Home, AR – Rev. Jim Fanrak, Pastor: The parish is conducting a \$2 million capital campaign to build a new parish hall/educational building. Including generous gifts from the Knights of Columbus in Mountain Home, the parish has raised approximately \$900,000 toward its goal.

St. Philomena School, a private Catholic school in Portsmouth, RI, is in the advanced gift phase of a capital campaign to raise \$1.2 million for the construction of a new building for grades 6, 7 & 8. Sister Ann Marie Walsh, FCJ is the Principal.

St. Vincent Pallotti Parish, Haddonfield, NJ - Monsignor Louis Marucci, Pastor: The parish is in the final stages of a capital campaign that has achieved its goal. We congratulate Monsignor Marucci for his leadership and the people of the parish for their generosity.

A LISTING OF OUR CURRENT CLIENTS

Aljira	Newark, NJ
American Red Cross	Elmira, NY
Assumption Parish	Atco, NJ
Bayonne Medical Center Foundation	Bayonne, NJ
Blessed John XXIII University Center	Fort Collins, CO
Brooklyn Friends School	Brooklyn, NY
Cathedral Preparatory Seminary	Elmurst, NY
CentraState Health Care Foundation	Freehold, NJ
Diocese of Camden	Camden, NJ
Fairfield Library	Fairfield, CT
Glastonbury Abbey	Hingham, MA
Good Counsel High School	Wheaton, MD
Grace Church in New York	New York, NY
Greater Lawrence Family Health Center	Lawrence, MA
Holy Cross High School	Waterbury, CT
Home for the Armenian Aged	Emerson, NJ
Hospices of the National Capital Region	Fairfax, VA
Mendham Library	Mendham, NJ
Nazareth Regional High School	Brooklyn, NY
New Jersey Center for Visual Arts	Summit, NJ
North Shore Community College	Danvers, MA
Oak Bluffs Public Library	Oak Bluffs, MA
Prevention First	Oakhurst, NJ
Shepherds of Youth	Florham Park, NJ
South Church in Andover	Andover, MA
Springfield Catholic Schools	Springfield, MO
St. Agnes Parish	Atlantic Highlands, NJ
St. Gabriel Parish	Hazleton, PA
St. Isidore Parish	Quakertown, PA
St. John Vianney Parish	South Burlington, VT

NETLINKS: July 2003 Edition - Ruotolo Associates Inc. – www.ruotoloassoc.com

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"A full service Fundraising and Public Relations firm for the non-profit world"

St. John Villa Academy
St. Joseph's Parish
St. Joseph High School
St. Malachy Parish
St. Mark's Episcopal Church
St. Mary's Parish
St. Peter the Fisherman Parish
St. Philomena School
St. Vincent Pallotti Parish
The Mary Louis Academy
Trenton Area YMCA
Xavier University of Louisiana

Staten Island, NY
E. Millstone, NJ
Hammonton, NJ
Brownsburg, IN
Upper Arlington, OH
Barnegat, NJ
Mountain Home, AR
Portsmouth, RI
Haddon Township, NJ
Jamaica Estates, NY
Trenton, NJ
New Orleans, LA

If you have any questions or comments, please call us at 1-800-RUOTOLO

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