

Revolution Redux

Joanna L. Krotz



THE CROWD THAT SHOWED UP AT SIXTH AVENUE and 53rd Street in Manhattan was 2,400 strong and 95 percent women, integrated only by Mayor Mike Bloomberg and a few other guys.

It was an annual benefit, but it was clear from the size of the crowd and the talk in the room that something was different this time: the rising power and profile of women in philanthropy was now plain to see.

With a mission to help economically disadvantaged women and girls throughout the five boroughs of New York City, the 20-year-old New York Women's Foundation relies on its May fundraiser for fully half of its yearly funding—and the most recent one, at the Hilton, took a surprising turn.

Near the 9 a.m. close, Abigail Disney, grand-niece of Walt Disney and granddaughter of the media company's cofounder Roy Disney, got up to accept the organization's Vision Award—but she didn't simply offer thanks. Disney, 47, a long-time advocate for women's causes and a role model within the women's philanthropy movement, boldly asked each woman to pull out her checkbook and give more, right there on the spot.

And that was just for starters. Disney then put her own money on the table. For the next three months, she told the crowd, she would match all contributions up to a total of \$1 million. "We were all astounded by the response," recalls Development Director Tamar Copeland. "She took it all to an entirely different level." To qualify for the match, donors had to give two grants—one to the New York Women's Foundation and the other to any organization that worked for social justice. "With this gesture," Disney told the crowd, "I hope...to unleash new dollars."

It worked. Gifts from that breakfast, alone, jumped 33 percent over those given at the 2006 event—to \$250,000 from the \$77,000 raised the previous year. By Disney's August 3 deadline, her challenge had reaped nearly \$1.62 million for a total of \$2.62 million with Disney's matching dollars.

These days, it seems, when it comes to women's giving, all one needs to do is to ask in the right way.

Tipping Point

Social change, of course, takes hold only bit by bit, well under the radar. Yet at unfathomable points, the process reaches critical mass—so-called tipping points. All at once, shifts in society's expectations or acceptance turn tangible for all to see.



So it is now with women's rising influence in philanthropy. Increasingly since the century turned, women are reconfiguring not only the face of politics and of business, but of giving, as well. "We're at an interesting point in history," says Holland Dunn, a philanthropic advisor at New York Private Bank & Trust. "The time of the 1980s superwoman is over," she says, "yet women from the 1960s have had career choices that previous generations didn't." And because of that, they're more wealthy now than ever—with money ing power, expanding professional skills, profitable businesses of their own, and deepening control over family trusts and inheritances, women are making more decisions about greater wealth every year.

In 2005, the IRS reported that 3.4 million individuals, or nearly half, of the nation's top wealth-holders were women, each with gross assets of \$675,000 (based on 2001 surveys, the latest available). These women had a combined net worth of \$6.3 trillion, up nearly 50 percent from 1998. Women now own almost half (48 percent) of all publicly traded stock, according to The Chicago Network Census, an annual survey that tracks the progress of women. They also account for more than \$3.7 trillion, or 80 percent, of consumer spending and, as business purchasing agents, are responsible for another \$1.5 trillion. As of 2006, women owned half or more of 10.4 million privately-held U.S. companies, employing close to 13 million people and generating about \$2 trillion in sales, according to The National Business Women's Council, a bipartisan

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THE CONTRIBUTE POLL

According to a new survey by Indiana University, 48 percent of nonprofit professionals say the economy is having a negative impact on fundraising. What do you think? Will the economy make donors:

- More likely to donate to charity
- Less likely to donate to charity
- Have no impact on donations to philanthropic organizations

federal advisory group. Female employment is up, too, worldwide: since 1970, women have filled two new jobs for every one taken by a man.

Then there's that oft-mentioned and staggering \$41 trillion of family wealth that's poised to move from the older to the younger generations, according to ten-year-old research by Paul Schervish, director of the Boston College Center on Wealth and Philanthropy. Many experts, including Schervish, have recently dialed down from predicting the imminent transfer of such huge chunks of wealth. But if even half of this amount shifts over the next decade or so, women are most likely to benefit: on average, women live about five years longer than men, marry men older than themselves and, according to the U.S. Census, remarry less frequently after a spouse dies. Women aged 65 and older are now three times more likely to be widowed than their male counterparts. Longevity puts women in line to control their husband's and their family's monies.

Triple Whammy

The upshot of these converging forces is a triple whammy: First, high net-worth individuals in America are increasingly female. Next, more women are shunning the Prince Charming syndrome and fast learning how to manage financial portfolios and steward their own wealth. "Women are no longer like a deer in headlights about finances," says Margaret May Damen, a legacy planning consultant who runs the Women and Wealth Institute, based in Palm City, Fla. "They know profit and loss, understand the balance sheet, and write big checks." Third, and most notably, as America's population ages and women take more control, they are forcefully moving to make a difference on their own terms, both during their lifetimes and in planned giving or bequests. "When women get involved in charitable organizations nowadays, they're not in the background baking cookies, arranging flowers, or volunteering for the gala," says Madelyn Ringgold, senior philanthropic advisor at JP-Morgan Chase Private Client Services. "They're influencing the endowment and joining the board.

Like Hillary Clinton's presidential run, there are signs that the philanthropy world is also at a tipping point when it comes to the influence of women. Fundraisers from charities large and small are now eyeing the growing cohort of wealthy women. Many nonprofits are re-jiggering their marketing campaigns to become more female-friendly and are training staff to re-frame "the ask" because women donors usually don't respond well to direct requests. Even women's foundations are re-thinking their efforts. The list of individual donors kept by the Ms. Foundation, for instance, "tends to be high net-worth older women, 55 or so, with inherited money who feel the women's movement changed their lives," says CEO Sara Gould. "But now we're also growing the donor base among younger women of earned wealth." Not that the Ms. Foundation is hurting for cash: it already has a \$29 million endowment.

Women-for-women online resources
CARE's "I am Powerful" campaign care.org
EMILY's List emilyslist.org
Elizabeth A. Sackler Center for Feminist Art brooklynmuseum.org/easca
International Museum of Women imow.org
Ms. Foundation for Women ms.foundation.org
New York Women's Foundation nywf.org
Women Donors Network womentdonors.org
Women Moving Millions womenmovingmillions.org
Women's Funding Network wfnetwork.org
Women's Campaign Forum Foundation wcfonline
Women's Philanthropy Institute Center on Philanthropy at Indiana University philanthropy.iupui.edu/ PhilanthropicServices/WPI

History of Giving

Charitable involvement is hardly new for women, of course. Women have a long, honorable history of volunteering in the community, patronizing the arts, and even blazing the trail.

In 1907, Margaret Olivia (Mrs. Russell) Sage, at the age of 78 and one year after the death of her robber-baron husband, enthusiastically began giving away his fortune. She founded the Russell Sage Foundation to improve conditions for the poor and the elderly and, in 1918, established the Russell Sage College for Women in Troy, N.Y. Thanks to her vision and stewardship, both are still thriving today. But it's worth noting that while giving back was entirely the idea of the widow Margaret Olivia, she still named all her good works after her late husband.

That unquestioned deference to male stature and money speaks volumes about women's philanthropic engagement, both in the past and in how women are building their role today. "Women are now business school graduates and know how to apply sound financial principles to philanthropy," says advisor Ringgold. "But unlike men, who tend to be driven by power and influence, women are much more likely to talk about the mission of the organization. They're relationship-oriented."



Single females
give almost
TWICE AS MUCH
as single males,
an average \$935
VERSUS
\$470 per year.

PATRICK ROONEY, Research Director,
Center on Philanthropy at Indiana University

Surprise, surprise. Like so much else in life, the sexes diverge when it comes to giving. "Women have always had a different approach to the process, which had to do with how assets were inherited and distributed," agrees estate attorney Robert Sharpe, whose Memphis-based consultancy, The Sharpe Group, provides financial and planning services to nonprofit institutions. "The husband was usually more interested in naming opportunities, raising more than the last college class and advancing his career. It wasn't really philanthropy. It was monument-building." By contrast, says Sharpe, women want to make a difference in society and aren't as motivated by a need for recognition.

Compared to men, say some surveys, women also tend to be more hands-on and involved in the day-to-day details—and more dedicated to social justice. "Women like to combine money with activism," says Donna Hall, executive director of Women Donors Network, a membership group of 170 women around the country who commit to donating at least \$25,000 annually, though many give between \$10 million and \$20 million. "Money is a piece of it, but only one piece," Hall says. Women also tend to form collaborative networks and become partners with nonprofits, which is one reason giving circles have become so popular with women. "They're interested in visiting grantees and making trips together to see what's going on," Hall adds.

Slower to Commit

On the flip side, women's emphasis on forging the relationship before making sizeable donations makes them noticeably slow to commit. "Institutions that approach women for fundraising in the same way they approach men need a big course correction," says Marjorie Huston, director, Planned Giving at Wheaton College, in Norton, Mass. "Men are transactional. They want to hear what's in it for me, plunk down the million, and get on the board. Women don't want it put on the table. They want to be connected and personally engaged. It's a fine line to walk."

In contrast to men, say consultants and program officers, women also tend to make smaller contributions, to give more frequently, and to scatter gifts among a number of organizations versus leveraging their impact by focusing on a single group or cause.

Nonetheless, after allowing for the average disparity in the sexes' income, women seem more likely than men to make charitable contributions, and across the board, their deepening engagement in philanthropy is having an impact on social policy, the choice of grant awards, program development, nonprofit management, fundraising—and even grantor-grantee relationships.

A study conducted by Patrick Rooney, director of research at the Center on Philanthropy at Indiana University, which has tracked gender differences in volunteering and giving for the past seven years, found that single women are much more likely to be donors than single males. Plus, says Rooney, "single females give almost twice as much as single males, an average \$935 versus \$470 per year."

While single men and women volunteer at about the same rate, single women give more of their time, 234 hours compared to men's 105 hours per year. Rooney's findings also show that married men and married women usually make larger gifts than single men— leading researchers to conclude that it's women who influence what husbands decide to give. And further, given time and experience, women's philanthropic engagement seems to turn ever more strategic: upon completion of donor education programs, their gifts tend to become larger and unrestricted.

Demand for ROI

Why fund women? "Women have really big visions for how we think the world can look, how it should be run, and how we would treat other people's children," says Kathy LeMay, who runs Raising Change, in Northampton, Mass., a planning consultancy for nonprofits and donors. "But until recently, we weren't able to write checks that could match the size of our vision."

In light of their growing power, women are requiring tangible results from their funding and they are insistent on moving the needle. "Donors are saying, 'Walk me through it. Show me the impact,'" says LeMay. This rising demand for a return-on-investment for every philanthropic dollar spent—a generational value as much as a gender one— has led increasing numbers of donors and public policy experts to look harder at the leveraging effects that flow from supporting women's rights and economic development, both at home and abroad.

Even some of the larger, more established charities are sitting up and taking notice. CARE, for example, following months of careful research and market testing, repositioned its brand to focus on women's global empowerment themes while shifting its fundraising sites to target mostly women donors. Debra Neuman, CARE's senior vice president of external relations, says that "CARE recognized that one of the best investments you can make in fighting poverty is helping women gain access to education, health care, and economic development. That spreads to children, the family, and the community." But CARE's overhaul, she says, also was fueled by a desire to tap into the new funding goldmine that women donors have been starting to represent. When CARE surveyed Americans to find its best targets for fundraising and support, says Neuman, "we found that women control wealth and giving." CARE's two-year-old "I Am Powerful" campaign enlists marquee spokespeople to help spread the word, like actress Meg Ryan, model Christy Turlington Burns, and billionaire activist Sheila Johnson, co-founder of the Black Entertainment Network (BET). Johnson has donated \$4 million to CARE and pledged a dollar-for-dollar challenge match that debuted last June.

When commitments like that are set alongside the latest hoopla over microfinancing—not to mention the Nobel Prize awarded to Muhammad Yunus for his Grameen Bank microloans to women—there's tangible evidence for the traction of funding disadvantaged women. "We know that poor women in the developing world save in considerable amounts," says Guy Stuart, associate professor of public policy at Harvard's Kennedy School of Government. What's more, he says, "there's considerable evidence to suggest that putting \$1 in the hands of a woman, even if the \$1 is used by a man, has a significant impact on the household."

The Economist summed up this social agenda very simply last spring in a feature about the rising wealth of women called "A Guide to Womenomics": "Arguably," the magazine said, "women are now the most powerful engine of global growth."

Earned and Inherited Wealth

So what causes are women starting to fund philanthropically? In the United States, funding that goes directly to women and girls' concerns still represents less than 7 percent, or about \$1 billion, of all awards to special interest groups from the country's largest foundations, says The Foundation Center in New York.

But a growing group of wealthy activist women are now trying to up that ante considerably. A few months ago, in an imposing boardroom high above Rockefeller Center at the Paley Center for Media, Helen LaKelly Hunt, daughter of oil tycoon H. L. Hunt, joined Disney and several other leading women philanthropists to kick off an unprecedented fundraising campaign called Women Moving Millions—referring to both dollars and women.

Over the next two years, the campaign, launched in November, will work to raise \$150 million from individual donors who each give \$1 million or more to fund women's rights, safety, and economic development locally and internationally. Hunt and her younger sister, Swanee, who directs the Women and Public Policy Program at Harvard University's Kennedy School of Government, cooked up the idea for the campaign a few years back: it is in partnership with the Women's Funding Network, a member association of more than 130 women's foundations around the globe.

The Hunt sisters, luminaries in the women's philanthropy firmament, have long put their millions behind their public calls for change. Helen has helped to found and fund the Dallas Women's Foundation, the Ms. Foundation for Women, the New York Women's Foundation, and the Women's Funding Network. She also runs a private, New York-based foundation called The Sister Fund. Swanee, for her part, served as U.S. Ambassador to Austria during Bill Clinton's first term and, in addition to her work at Harvard, helped negotiate the peace in Bosnia. Her foundation, the Hunt Alternatives Fund, based in Cambridge, Mass., focuses on "provoking social change," often beyond American borders. According to Swanee, she's so far given away about \$125 million—\$60 million in direct grants and \$65 million awaiting disbursement in her foundation. "About \$40 million of it has gone to fund women's activities," she says.

But Swanee wasn't always so active philanthropically. In 2005, she was expecting to take a diplomatic job in Liberia (which ultimately didn't materialize). "It's easy to die in a war zone," she says. So she made sure her affairs were in order. "I went over the will and thought, Well, Helen is the godmother of women's philanthropy, in terms of living people, so I should leave her \$5 million for her work. I got all teary talking to the lawyers and thought how beautiful it would be when Helen hears about this and I'm dead."

Then it dawned on Swanee that she might outlive her sister— or, by the time Helen inherited, she might be too old to do the work. "That was the turning point," says Swanee. "I realized I could do this right now." Each year, Swanee puts half of her income from portfolio earnings into her foundation. "Change," says Swanee, "is not only what's in your pocket. It's also what's in your heart."



*"More women are earning the wealth
versus merely inheriting it.
WHEN YOU EARN IT, YOU WANT TO
go the extra mile making sure it's going
to be spent wisely."*

Heiress and philanthropist ABIGAIL DISNEY

It took a while for Helen to get the news. The sisters keep busy schedules and, says Swanee, "I couldn't do

this over the phone." A few months later, after a long day of family meetings at a hotel in Dallas, Swanee called Helen's room around 11 p.m. and asked to see her right away. "Well, of course, she thought it was something dreadful, and hurried down," Swanee recalls. "I said, 'I'm giving you \$5 million to do something wonderful because \$5 million has a nice ring. It's really big compared to what others have done.' Helen started crying." But within moments, Helen mentioned that \$10 million had a much better ring.

Good-naturedly, the two began negotiating. "I agreed to do \$8 million if she'd do \$2 million," says Swanee. "But you know, we're sisters. We're competitive. So within two minutes, we decided I'd do \$6 million and she'd do \$4 million. That's the amazing thing about people with great wealth compared to people with less. It's the same dynamic. As sisters, we could have been talking about \$8,000 and \$2,000 instead of millions."

Women Moving Millions

The Hunts' \$10 million seed money was the call to action for the now three-month-old Women Moving Millions campaign. There were initial doubts: the sisters held months of meetings that featured flip charts and soliciting advice from "smart friends" and reviewing organizational options. Finally, though, the Hunts decided to partner with the Women's Funding Network—which, founded in 1985, "had never handled anything this big," Swanee says. "We didn't have complete confidence that it was the right vehicle, but at some point, you have to risk."

So far, so good. At press time, Women Moving Millions had already raised more than \$73 million, including an impressive \$20 million from one anonymous donor. The campaign expects to easily surpass the \$150 million mark.

Perhaps as a sign of the times, the campaign is drawing a diverse range of women's wealth and star power, from Tracy Gary, scion of the Pillsbury family and a long-time women's activist, to Catherine Muther, a former senior marketing officer at Cisco Systems and now founder and president of Three Guineas Fund, a nonprofit to promote social equity and economic opportunity for women and girls. Also involved is well-known New York philanthropist Liz Sackler, who donated a 8,300-foot center and gallery at the Brooklyn museum, the Elizabeth A. Sackler Center for Feminist Art, which opened its doors in March 2007. "Women don't necessarily fund only humanistic or feminist issues around the world," says Sackler about her decision to establish the center, which provides a permanent home for artist Judy Chicago's famed work, *The Dinner Party*, also a gift from Sackler. "But I needed an institution to make a commitment to women and community, to really push the envelope."

No question there are more outlets around now, philanthropically, to do just that. But there's also a new movement afoot—and this time, it's got some real money behind it, as well as a different type of energy. The early days of women's involvement in social change was all about issues women were against, says Helen Hunt. "Now we're for issues," she says, "like the eradication of poverty and the chance for decent health care and education for every human being on the planet. We know this is the women's hour."

Or, as one woman donor puts it, "It feels to me like we're sitting on Fort Knox."



Joanna L. Krotz is a New York journalist who writes about entrepreneurship and philanthropy. Her work has appeared in such outlets as *Town & Country*, *The New York Times*, *Money*, and *Worth*.

Illustration by Melinda Beck

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