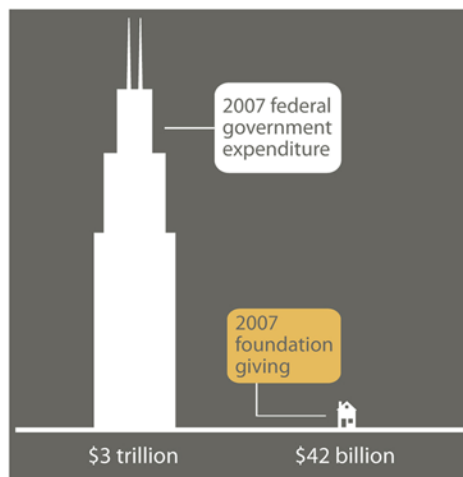


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What Foundations Can and Can't Do in Tight Financial Times

Throughout this decade, nonprofits have faced reduced government funding. Recent state and local fiscal shortfalls will mean even more cutbacks for nonprofits in Maricopa County and other communities throughout the nation. While more than 80 percent of all funding for nonprofits comes from generous individuals, nevertheless, government contracts and grants, corporate and foundation giving also provide critical support. Organizations ranging from those that care for the vulnerable to ones that nourish the spirit through the arts depend on public dollars as well as private giving to keep their doors open.



Some people have called for foundations to step into the financial breach. The relative size of budgets, though, shows just how impossible that is: Foundation grants totaled about \$42 billion in 2007, yet the federal government's expenditures last year were nearly \$3 trillion. That is like comparing a small two-story house with Sears Tower.

“Virginia G. Piper Charitable Trust was launched in the very first years of this decade just as reduced funding began to create significant gaps,” said Judy Jolley Mohraz, Piper Trust president and CEO. “From the beginning, our board of trustees set a policy that the Trust could not and would not replace public funding. Philanthropy can't take on government's role.”

What the Trust could do was forge strategic partnerships with the public sector in order to introduce national models and support incubator projects. Often in collaboration with other foundations, Piper has worked side by side with government partners, handing off programs once established to state government, in particular, to sustain.

The Translational Genomics Research Institute (TGen) is a national model of a public-private partnership, receiving its initial funding from the state of Arizona, the city of Phoenix and a number of foundations. Today, TGen is delivering on its promise, and the Partnership for Personalized Medicine, funded by Piper Trust and Flinn Foundation, links the Biodesign Institute at ASU with TGen and Fred Hutchinson Cancer Center in Seattle. The Partnership has set its sights on nothing less than bringing fundamental change to health care.

Important national models have successfully come to Arizona through public-private support. Piper Trust, in collaboration with St. Luke's Health Initiatives and the BHHS Legacy Foundation, introduced BenefitsCheckUp.com, a web-based interactive tool developed by the National Council on Aging, to help older adults in Maricopa County find resources and benefits available to them; the program is now a statewide service supported by the Arizona Department of Economic Security.

The Trust developed and launched the Arizona Parents Kit, distributed to new parents through birthing hospitals in Maricopa County. The program, originally created by First 5 California with UC Berkeley, is now transitioning to First Things First, an Arizona state agency established to help all Arizona children birth through age five gain opportunities to achieve their maximum potential. Piper Trust will continue project funding in Maricopa County for three additional years as First Things First ramps up a full statewide program.

Public education is another area where philanthropy must be strategic if it is to have impact. Chandler Education Foundation came to Piper Trust concerning the Chandler Unified School District school readiness program for immigrant children and families. The Trust does not provide ongoing public school funding, but a dialogue with district staff revealed that rather than the prepackaged program they were using they really wanted to create their own learning program for immigrant children. The Trust funded the development of the new and very successful curriculum—Giggles, Squiggles & Squirms.

“Foundations are no substitute for public dollars,” said Mohraz, “but they can be nimble partners.”