

# Fundraising picks up as recession jitters settle

BY SHAWN WRIGHT

SPECIAL TO CRAIN'S DETROIT BUSINESS

Charles Hammond remembers sitting at Chicago's O'Hare International Airport, watching a line of planes on the runway waiting to take off.

Years later, the indelible image reminded him of the current fundraising climate.

"What I'm sensing is there are a number of campaigns in the quiet or planning phase and they're starting to line up," said Hammond, president and CEO of

Highland-based **Hammond & Associates LLC**. "They've been retooling during the recession."

Since founding Hammond & Associates in 2005, the fundraiser has worked with 35 clients, including **Children's Hospital of Michigan**, **Greenhills School** in Ann Arbor and **Marygrove College** in Detroit. Hammond started his fundraising ca-

reer in 1980 with the **United Way for Southeastern Michigan** and went on to work for organizations such as Detroit-based **Henry Ford Health System** and the **Detroit Zoo**.

Some of Hammond's current projects include the **Neighborhood Service Organization's** \$52 million campaign and the **Detroit Riverfront Conservancy's** \$140 million campaign. Other clients are still in the quiet phase and are talking through the merits of a public launch.

"We help them determine if there's an appetite for their project in the philanthropic community sufficient to raise the dollars they need to complete the project," Hammond said.

But the answer to the question, increasingly, is yes, according to Hammond and other fundraisers.

## Warming up

Mary Barden, president of the **Association of Fundraising Professionals**, Greater Detroit Chapter, said she's seen an uptick in fundraising. Barden also is the director of major and planned gifts for Lake Orion-based nonprofit **Guest House**, which helps



Barden

members of the clergy and other religious people overcome addictions.

"Almost all of these groups are starting to do capital campaigns now. It's either in a silent phase, just starting to become public or it's very public," Barden said. "There's a huge amount of activity."

Through the AFP, she's seen first-hand evidence. In 2011, Barden said the AFP posted more nonprofit jobs on its website than in previous years.

"That's when I started to say, 'Hmm, you know, hiring is really good and, therefore, people are managing bigger campaigns and growing their departments,'" Barden said.

Donors are beginning to loosen their purse strings, too. Several years ago, Hammond's consulting firm was seeing someone who supported 10 charities cut back to five. A lot of the family foundations,

even the big foundations, lost a lot of their assets, which declined significantly since 2009, he said. Through investments, a lot have since recouped their losses.

"I don't think anybody is feeling as good as they did before 2008, but people are feeling the best they have since (then)," Hammond said. "Fundraising is all about heightening donor confidence. The fact is that people are feeling better and are getting back in the habit of supporting a lot of charities on their list."

National data supports the assertion. Total estimated U.S. charitable giving increased 3.5 percent last year to more than \$316 billion, according to **Giving USA's** recent annual report on philanthropy. Giving by individuals and foundations increased an estimated 3.9 percent and 4.4 percent, respectively, according to the report.

On the individual front, Hammond said people are feeling greater confidence in the future. Individuals who lost significant money in 2009, in terms of assets, have gained much of it back as well.

"(But) I don't know that people have completely recovered, psychologically, from what happened in 2008 and 2009," Hammond said. "There's still a sense that the world is not the way it used to be and that it may never be like that again, at least for the foreseeable future."

## Future forward

For the **Jewish Federation of Metropolitan Detroit**, the recession was actually a catalyst to strive for the loftiest campaign in its history.

It's why, in 2011, the Bloomfield Hills-based nonprofit decided to launch its \$250 million Centennial Fund. It is the largest campaign in the federation's history, surpassing its \$85 million Millennium Fund.

The campaign puts the federation in a tie with **Henry Ford Health System** for No. 3 on this year's *Crain's* List of Largest Capital Campaigns.

"Coming out of the recession, we see that you can't predict what's going to happen, how the economy is going to shift and the very dramatic changes," said Ted Cohen, senior director of marketing of the federation.

"With this large fund in place, we'll really have a foundation that will make sure the needs are always taken care of. It's the most important thing we're doing for the long-term health of the community."

The goal of the campaign, which will last until 2017, focuses on the nonprofit's long-term welfare and educational needs such as social welfare for the Jewish population, Jewish identity and education to provide dollars for the federation's day schools, among others, for decades to come.

"We have an annual campaign each year and a challenge fund," said Nancy Grosfeld, chairwoman of the Centennial Fund and a federation past president. "However, we realized that in order to secure our future, we had to do more. We had to embark on this Centennial Fund campaign."

## Out of the 'doldrums'

By 2009, **Detroit Public Television** was nearing the finish line of its \$22

million capital campaign to fund digital conversion, a move into a new headquarters and studio building and buying other equipment. Needless to say, the 2008 and 2009 fundraising years weren't easy.

"Can you imagine a worse time to try to conclude a capital campaign?" said Dan Alpert, senior vice president of development and communications for Wixom-based **Detroit Public Television**.

"Somewhere early in 2008, we began to feel there was a slowdown. We had gotten to about \$16 million, and then we just hit the doldrums."

Finally, with help from a \$1.5 million donation by the **Kresge Foundation**, DPTV reached its goal. The station decided to lie low with major fundraising, other than its annual on-air pledge drives.

"It was good that we waited a little bit," Alpert said. "Some people say, 'You should come out of one campaign and go right into the next one.'"

It wasn't until last September that DPTV felt comfortable to ignite a bigger campaign. Longtime supporter William Smith had approached the station with a \$1 million challenge grant to establish the William H. Smith Family Leadership Circle. The goal is to raise \$4 million by 2017 and then continue on as a growing group of donors. The campaign came in at No. 14 on *Crain's* list of campaigns.

"The timing felt right," Alpert said. "Bill came along with this idea of, 'What can I do as a catalyst for the production side of it, the major manufacturing of the content, with these great tools you have?'"

Smith and his late wife, Patsy, were major donors to DPTV. He wanted to encourage the sustained support of leadership-level donors who would commit \$10,000 or more toward growing annual operations in the station's five program categories of emphasis: arts and culture; children and education; energy and environment; leadership and public affairs; and health and wellness.

Programming is a passion for Smith, who founded **Allied Film & Video** in 1960, creating educational and corporate training films with production and duplication services. He sold the company in 1995.

The Smiths were one of DPTV's lead donors, providing funding for the Smith Family Broadcast Operations Center at DPTV. Following his wife's death in 2006, Smith made an additional major commitment to name a new studio at the Riley Broadcast Center in her memory.

In the past year, Alpert said, 22 donors have come forward to join the Smith Leadership Circle, committing \$1.9 million, including the **Richard C. Devereaux Foundation** with a \$200,000 gift to name the energy and environment category, and Bill and Shirlee Fox with a \$200,000 gift to name the leadership and public affairs category.

"We just recently celebrated our 58th birthday," Alpert said. "You think about it — and that's happened almost entirely out of voluntary contributions."

"WITH SELF-DISCIPLINE,  
ALMOST ANYTHING IS POSSIBLE."

—Theodore Roosevelt



Teddy knew that experience and success teach us what is possible. At **Legacy Wealth Management Group of Wells Fargo Advisors**, we know from experience that wealth is built and maintained with discipline and perseverance. Let our team of dedicated financial professionals formulate a long-term plan for you.



**LEGACY**  
Wealth Management Group  
Of Wells Fargo Advisors

Custom Solutions for a Complex Financial World

Grosse Pointe: (313) 885-6095 Scottsdale: (480) 443-5717

LegacyWealthManagementGroup.biz

Wells Fargo Advisors, LLC, Member SIPC

Thomas Buhl | Kenneth Fruehauf | Keeland Howe | Christopher Zich  
First Vice President, Investments | Managing Director, Investments | Associate Vice President, Investments | First Vice President, Investments

# UM top beneficiary on Crain's list of gifts

The University of Michigan-Ann Arbor received the most philanthropic gifts between September 2012 and September 2013 with more than \$400 million in donations. Below, read *Crain's* list of top gifts — and see the givers — in metro Detroit in that period.

## \$200 million

■ **To: University of Michigan, Ann Arbor**

■ **From: Stephen Ross**

■ **Details:** The gift from the billionaire UM alumnus — founder and chairman of New York City-based real estate firm **Related Cos. LP** and owner of the **National Football League's Miami Dolphins** — was divided between the **Stephen M. Ross School of Business** and the university's athletic department. It is the largest gift in UM history.

Goals for the gift are to create new spaces to move toward making the business school its own campus and develop facilities and other resources within UM athletics.

Ross donated \$100 million in 2004 to the business school, which was named for him, and the \$300 million total he has given makes him the third-largest donor to a business school in the United States, UM said.

## \$110 million

■ **To: University of Michigan, Ann Arbor**

■ **From: Charles Munger**

■ **Details:** The gift of stock from the Los Angeles-based investor and philanthropist and **Berkshire Hathaway Inc.** vice chairman is intended for a graduate school residence hall expected to open in 2015.

It also includes \$10 million for fellowships offered to students of UM's 19 schools and colleges.

## \$50 million

■ **To: University of Michigan, Ann Arbor**

■ **From: Helen Zell/Zell Family Foundation**

■ **Details:** Zell, the wife of real estate mogul Sam Zell, gave the gift to support UM's acclaimed graduate writing program. Helen Zell, who earned her English degree at Michigan in 1964, has been supporting the program with smaller gifts totaling more than \$10 million over more than a decade.

In an interview with *The Associated Press* when the gift was announced, Zell described the donation as an investment of some of the world's promising young poets and novelists.

The gift comes from the Chicago-based Zell Family Foundation, where Helen Zell is executive director, and is in her name.

## \$32.5 million

■ **To: University of Michigan, Ann Arbor**

■ **From: Penny and E. Roe Stamps**

■ **Details:** Penny Stamps, a 1966 art and design graduate of UM, and her husband made the donation to the art and design school, with the university contributing a matching gift of \$7.5 million.

The art school has been renamed the **Penny W. Stamps School of Art and Design**.

Penny Stamps founded and for years was principal designer for Boston-based **Penny W. Stamps Interiors**. E. Roe Stamps, a financier and venture capitalist, co-founded Boston-based **Summit Partners**, a growth equity investment company.

## \$25 million

■ **To: University of Michigan Health System (Michigan Health Corp.), Ann Arbor**

■ **From: Samuel and Jean Frankel Foundation**

■ **Details:** The Troy-based Samuel and Jean Frankel Foundation awarded UM a second \$25 million gift, and the university renamed its cardiovascular center in honor of the late couple.

In 2007, the foundation gave an anonymous \$25 million gift to the university to support cardiovascular care, with several conditions that needed to be met for the second \$25 million gift to be issued.

Jean Frankel graduated from UM in 1936. Her husband was a Detroit-area real estate developer.

## \$20 million

■ **To: Lawrence Technological University, Southfield**

■ **From: Anonymous**

■ **Details:** The largest alumni cash gift in the history of LTU gives new legs to its plans for a \$55 million complex — and accelerates the school's work on that project and efforts to attract more students to engineering and science careers.

About half of the gift will go toward building the revised A. Alfred Taubman Engineering, Life Sciences and Architecture Complex with a newly added Richard E. Marburger STEM Center.

The proposed Marburger center, named for the former university president, expands on programs LTU offers to attract middle and high school students into careers in the fields of science, technology, engineering and mathematics.

## \$10 million

■ **To: Detroit Zoological Society, Royal Oak**

■ **From: Stephen Polk**

■ **Details:** The gift by **IHS Automotive Inc.** Chairman Stephen Polk sets in motion fundraising for a \$21 million penguin aquarium, the Polk Family Penguin Conservation Center, to open in 2015.

The donation from Polk and his family is the largest by a private donor in the zoo's history, zoo officials said. **IHS Inc.** acquired Southfield-based **R.L. Polk & Co.**, of which Polk was chairman, president and CEO, this year. Polk is vice chairman of the Detroit Zoological Society board.



Polk

The zoo has raised about \$1 million of the \$11 million needed to complete the project and plans to use some of its reserves to pay for it. The zoo plans to raise about \$8 million in the next two years to complete the project.

## \$8 million

■ **To: University of Michigan, Ann Arbor**

■ **From: William and Delores Brehm**

■ **Details:** William Brehm, former assistant secretary of the Army and assistant secretary of defense, and his wife made their gift to the **UM School of Music, Theatre & Dance**. The gift to the alma mater of William Brehm, who is chairman emeritus of Fairfax, Va.-based **SRA International Inc.**, will fund renovation and expansion of the school's Earl V. Moore Building.

The \$23 million project is expected to begin in early 2014 and to be completed within two years.

The Brehms' gift caps more than \$60 million in prior gifts made to UM, which funded, among other things, a 230,000-square-foot addition to the Kellogg Eye Center and establishment of the Brehm Center for Diabetes Research.

## \$5 million

■ **To: Wayne State University, Detroit**

■ **From: Mort and Brigitte Harris**

■ **Details:** The gift was divided between scholarships for Wayne State's medical school and support for the university's community outreach adult literacy program.

WSU said the gift will create the **Mort and Brigitte Harris Endowed Scholarship Fund (Harris Scholars)** in the **School of Medicine** and the **Mort and Brigitte Harris Office for Adult Literacy Endowment Fund** in the **Irvin D. Reid Honors College**.

Mort Harris, who began taking engineering classes at what was then Wayne University in 1939, has owned several companies, including Detroit-based **American Axle and Manufacturing Inc.**, which he co-founded, and invested in real estate.

## \$4.3 million

■ **To: University Liggett School, Grosse Pointe Woods**

■ **From: John A. and Marlene L. Boll Foundation**

■ **Details:** The donation from the St. Clair Shores-based Boll Foundation is the largest made to University Liggett and will support a new athletics facility at the school, which has graduated or currently teaches six of the Bolls' grandchildren.

The latest gift follows a \$1 million gift made by the Bolls in 2006 to fund creation of a department of student support.

The Bolls have supported numerous programs and projects around the region, including the **Boll Family YMCA** in Detroit, the **Marlene L. and John A. Boll Gallery** at the **Dossin Great Lakes Museum** in Detroit and

the **Grosse Pointe Foundation for Public Education**.

## \$2 million

■ **To: University of Michigan, Ann Arbor**

■ **From: Tim Manganello/BorgWarner Foundation**

■ **Details:** Former **BorgWarner Inc.** CEO Manganello and the



Manganello

company's charitable foundation provided an endowment to fund research and teaching in the **UM College of Engineering**. The gift creates the first endowed department chair within the engineering school, the **Tim Manganello/BorgWarner Department Chair of Mechanical Engineering**, and is expected to generate an additional \$100,000 in endowment interest per year.

Manganello is a College of Engineering alumnus and a former member of the Michigan Engineering Advisory Council.

## \$2 million

■ **To: Lawrence Technological University, Southfield**

■ **From: Siemens PLM Software**

■ **Details:** This is part of a \$40 million in-kind software grant from Plano, Texas-based Siemens that will allow students to develop products in industries such as automotive, aerospace, defense, machinery, medical, high-tech and electronics.

School officials noted that Lawrence Tech is joining other leading universities that have similar academic partnerships with Siemens PLM Software to promote education in the STEM fields.



Peter and Danialle Karmanos



## \$1 million

■ **To: College for Creative Studies, Detroit**

■ **From: Peter and Danialle Karmanos**

■ **Details:** The gift from Peter Karmanos Jr., co-founder and former CEO of **Compuware Corp.**, and his wife, Danialle, a CCS board member, has been used to establish the **Danialle and Peter Karmanos Jr. Graphic Design Studios**.

The new studio is within the **A. Alfred Taubman Center for Design Education**, a \$145-million integrated educational and creative facility focused on art and design.

## \$1 million

■ **To: St. John Providence Health System, Warren**

■ **From: Anonymous**

■ **Details:** Local donors gave \$1 million to **St. John Maccomb-**

**Oakland Hospital** to renovate and expand the emergency room at the **Macomb Center** campus in Warren.

According to a statement from the health system, the gift was made in response to news about the substantial increase in the number of patients visiting the Macomb Center's emergency room in the wake of the closing of **Henry Ford Hospital-Warren** in 2012.

## \$1 million

■ **To: Detroit Educational Television Foundation (Detroit Public Television), Wixom**

■ **From: William H. Smith family**

■ **Details:** This gift established the **William H. Smith Family Leadership Circle** for donors making operating gifts to DPTV of \$10,000 or more per year, and to challenge five donors of \$200,000 each to lead funding in DPTV's five categories of program development: art and culture, children and education, energy and environment, leadership and public affairs, and health and wellness.

Members can direct gifts to one of the five program categories and will be provided with reports on how their funds are being invested.

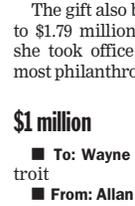
## \$1 million

■ **To: University of Michigan, Ann Arbor**

■ **From: Mary Sue and Kenneth Coleman**

■ **Details:** The donation by UM President Mary Sue Coleman and her husband will fund scholarships for international study, internships and service programs. The Colemans are giving to the **Mary Sue Coleman and Kenneth M. Coleman Student Global Experience Fund**, which the couple seeded with \$25,000 in 2009. Mary Sue Coleman, who became the first UM president in 2002, has announced she will retire in July 2014.

The gift also brings the Colemans to \$1.79 million in total gifts since she took office, making her UM's most philanthropic president.



Coleman

## \$1 million

■ **To: Wayne State University, Detroit**

■ **From: Allan Gilmour**

■ **Details:** On the eve of his retirement as Wayne State president, Gilmour announced the gift of \$1 million to the university — an amount greater than after-tax compensation earned by Gilmour during his three-year tenure.

A statement by Wayne State said the gift will be in an endowment, with one-fourth in the name of Gilmour's partner, Eric Jirgens. The endowment will pay out at 4.5 percent a year, funding education for students with financial need.



Gilmour



Ross



Zell