

# THE CHRONICLE OF PHILANTHROPY.

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The Newspaper of the Non-Profit World

Vol. IX, No. 18 • July 10, 1997 • \$4

## Cultivating Philanthropy by Women

*Female donors now have the means, but they're still not as willing as men to part with their money*

By HOLLY HALL

**T**HIS MONTH the Milwaukee Women's Fund will broaden its fund-raising appeals to reach a new constituency: female babies.

Its Little Women's Fund will seek gifts of \$1,000 or more to be made in an infant's name. From the time the girl turns 5 until she reaches adulthood, the fund will send her educational materials so she can learn how to give wisely, volunteer, and manage her money. By the time she reaches her 30s, she will be encouraged to direct the money in her fund—which will by then have grown to many thousands of dollars—to her favorite charitable causes.

The idea is to cultivate a new kind of female philanthropist. In Milwaukee and elsewhere, many fund raisers say they need to find new ways to combat what they say is a persistent gender gap in charitable giving.

"Women still have not assumed the full financial power of their purse in philanthropy," says Tracy Wayson, director of the Milwaukee fund. "If we indoctrinate young girls with the information and the education and the money at the earliest possible age, we hope to see fewer of the barriers that we hear women refer to when they talk about why they give or don't."

Many more women than ever before have the resources to give generously. The number of women who make at least \$75,000 a year annually more

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**Kavita Ramdas, president of the Global Fund for Women: "Women in general have a lot less security about finances than men do. It is hard for us to actually believe that we have enough to give away."**

MURIEL CURTIS FOR THE CHRONICLE

# As Women Gain Financial Freedom, Fund Raisers Hope to Gain Gifts

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than quadrupled from 1980 to 1995, according to the Census Bureau, and the wage gap between women and men has been shrinking.

But many fund raisers and charity leaders say that women are still more reluctant to part with money and tend to make smaller gifts than men do, even when they have comparable assets.

Martha Taylor, a vice-president of the University of Wisconsin Foundation and a founder of the new Women's Philanthropy Institute in Madison, says she is concerned by the size of the donations that women make. The new institute's first priority, she says, will be training a group of volunteers to give speeches designed to encourage women to give more.

Ms. Taylor says that she is also worried that women do not know how to give effectively to advance the causes they care about the most.

"Women need to learn how to influence society with their gifts," she says. "Men have generally been active philanthropists, not shy in telling organizations what their values are and what they want done with a gift. Women want accountability, but a lot of them won't demand it."

"We need to teach being an activist philanthropist, not being a passive philanthropist."

## Differences at All Levels

Few large-scale studies have been done to compare the size and nature of donations by men and women of comparable means, but the evidence suggests that differences exist at all income levels.

Biennial surveys taken since 1987 by Independent Sector, a Washington coalition of grant makers and charities, have found that, although the gap has narrowed, men consistently report a higher average household contribution than women.

An analysis of giving by donors to the University of California at Los Angeles during the 1995-96 fiscal year found that woman donors made much smaller contributions, on average, than male donors did. For 15,035 female donors, the average gift was \$338.76. For 19,178 male donors, it was more than three times higher: \$1,159.67.

Fund raisers say they have noticed a significant difference between men and women during capital campaigns and other drives to secure large gifts.

"I see it all the time," says Madeline Levitt, a Des Moines philanthropist who has given \$5-million to Drake University and who raises money for a number of causes. "Women are paranoid about parting with money, particularly single women."

Says Christine Grumm, executive director of the Chicago Foundation for Women: "We know going in for a gift that we're up against women undervaluing their giving ability. Oftentimes when we're asking for \$1,000 and up, women think of giving less than when we were approaching men with



Catherine Muther, who made enough money in the computer business to retire at age 47, is creating a non-profit organization to help women start technology companies and learn "that being a business leader means giving to the community."

similar salaries. We have to get women to think bigger."

Kavita Ramdas, president of the Global Fund for Women in Palo Alto, Cal., says she too has witnessed instances in which women gave less than they could afford, but she says that is mainly because financial independence is new to many women.

"Women in general," she says, "have a lot less security about finances than men do. Those of us who have earned money are often the first generation in our family to have done so. It is hard for us to actually believe that we have enough to give away. It is not a lack of generosity. But it shows you how far we need to go."

## Cling to Old Roles

Another big obstacle, say veteran fund raisers, is that many women cling to their traditional role in philanthropy.

While women have often founded charities, they have tended to leave financial management to men and to spend more time on the mission, programs, and services of the organization. That has not changed dramatically, even though more women now hold powerful jobs and have increased their earning power, says Abbie von Schlegel, a Chicago fund-raising consultant who edited the book *Women as Donors, Women as Philanthropists* (Jossey-Bass).

When it comes to philanthropy,

she says, women are still more likely to plan galas and other special events than they are to make a big gift themselves. That puts them at a disadvantage in gaining power at an organization, says Ma von Schlegel. Many charity leaders, she notes, view special events as an expensive, time-consuming, and ineffective way to raise money and tend to accord more respect to donors who make large outright gifts.

## Women's Charities Struggling

The shortage of big gifts by women has made it especially difficult for many charities that focus on serving women to raise enough money to survive.

Many leaders of women's groups were hopeful that their finances would be bolstered by the growth of women's funds, like the one in Milwaukee, that seek out donations from women. But despite a sharp rise in the number of such funds, they have relatively few assets.

Some 75 women's funds are now in operation, up from 20 in 1985, according to the Women's Funding Network in St. Paul. All but a handful have assets of under \$5-million and give away less than \$1-million each year in small grants of \$10,000 or less.

Some experts say that the amount of money available for women's causes is not going to increase substantially until individ-

ual women start making bigger gifts—and women's groups start spending more on fund raising.

"Many women's organizations have relied heavily on mainstream corporations and foundations and

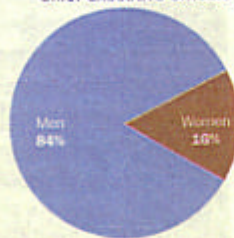
have not explored individual donors," says Ma von Schlegel. "What we need to do is get more women to make major gifts."

Some women's groups have come to the same conclusion. In

## Women in the Non-Profit World

### Leadership

#### Chief executive officers of non-profit organizations

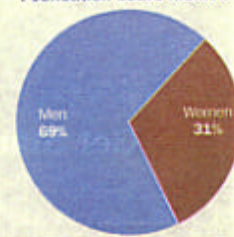


Female chief executives have a median salary of \$163,100, compared with a median salary of \$192,125 for men.

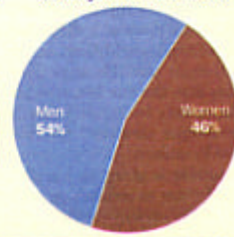
Note: Based on a Chronicle survey of 188 of the nation's largest charities.

### Governing Boards

#### Foundation board members



#### Charity board members



SOURCE: Council on Foundations, National Center for Nonprofit Boards

ILLUSTRATION BY SHERRIE COOK

## Women and Men: The Shrinking Wage Gap

1979		1995
4.6%	Percentage of men making \$75,000 or more per year	6.3%
0.3%	Percentage of women making \$75,000 or more per year	1.3%
62.5%	Women's salaries as a percentage of men's salaries	75.5%

SOURCE: Census Bureau and U.S. Bureau of Labor Statistics

May, the Ms. Foundation for Women, one of the oldest and largest of the women's funds, hired Judith Boerner to be its first-ever vice-president for development and communications and asked her to concentrate on getting large gifts. While the Ms. Foundation has had fund raisers on its staff before, they have sought money largely from grant makers.

Other charities are trying new methods of educating donors and other women about money matters, in hopes that the training will strengthen women's control over their financial assets—and their inclination to give.

The Chicago Foundation for Women, for example, plans to collaborate with Resourceful Women, a San Francisco group that provides courses in financial management and philanthropy to women who have inherited or earned wealth. The foundation wants to offer investment counseling, estate-planning assistance, and other such resources for women who live in and around Chicago.

Another new effort, to offer financial training to girls aged 6 to 18, is being created by Girls Incorporated, a national charity that provides recreational and other activities for young women.

OppenheimerFunds, a New York mutual-fund company, has given Girls Inc. \$50,000 to design classroom lessons and after-school activities to teach girls basic money management, financial planning, and investment principles. The training will also help girls understand the importance of charitable giving, in addition to other aspects of financial decision making.

The idea for the new program, say leaders of the charity, came from the results of a survey of 522 women released in April. Three-fourths of the women said they wished they had been encouraged to learn more about money and investing when they were growing up, and 87 per cent said that they would like their daughters to attend a course on money and investing.

### Finance Skills Lacking

Such training could help counteract what experts say is a widespread lack of financial-management skills among women, particularly those who are 40 and older. Even women who have inherited wealth or who earn big salaries are often insecure or lack knowledge about money and how to manage it, says Kathy Boyle, senior vice-president of investments in the New York office of Wheat First Butcher Singer, a securities company.

Ms. Boyle recalls one female client in her 40s who had been making at least \$200,000 annually for

many years but had saved virtually nothing and had to borrow from her parents to buy an apartment.

Younger women may be different, Ms. Boyle says, noting that several female interns in her office who are in their 20s have already set up individual retirement ac-

counts and are taking other steps to save and invest. But many baby-boomer women, she says, "have no financial plans."

Other women suffer from what some fund raisers refer to as the "bag-lady syndrome." Ms. Grumm of the Chicago Foundation for

Women recalls a recent presentation she made to about 40 potential donors. "I asked them, 'How many of you are worried about being one shopping cart away from homelessness?'" she says. "Almost every hand went up. We all see women who get divorced and lose everything or end up in poverty. We must overcome this fear."

### Wage Gap Persists

Part of the fear is justified, since the wage gap between men and women has not yet been eliminated.

Women earned 75 cents for every dollar men did last year. That is an improvement from 1979, when women earned only 63 per cent of what men did, according to the Bureau of Labor Statistics.

Even so, many charity leaders are seeking ways to close the gap entirely—and they hope that philanthropy will benefit as a result.

Many women's groups have begun active efforts to place more women on the boards of the nation's largest, wealthiest charities and corporations, particularly on finance and investment committees and in other positions where money is controlled, salaries are determined, and philanthropic allocations are made.

According to the National Center for Nonprofit Boards, women hold 46 per cent of the seats on charity boards, but that figure drops to 36 per cent for institutions with annual revenue of \$10-million or more. Among foundations,

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Tracy Wayson, director of the Milwaukee Women's Fund: "Women still have not assumed the full financial power of their purse in philanthropy."



Martha Taylor, founder of the Women's Philanthropy Institute: "Women need to learn how to influence society with their gifts."

## Fund Raisers Encourage Wealthy Women to Flex Their Philanthropic Muscles

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31 per cent of the board seats are occupied by women. The situation in the business world is much bleaker: Women hold only 10 per cent of the board slots of Fortune 500 companies.

The Michigan Women's Foundation tried to change that balance of power by asking *Crain's Detroit Business* and Executive Recruiters International, a Detroit headhunting company, to help it develop a list of more than 300 women with the financial-management and other skills needed to govern large corporations and non-profit organizations.

In April, *Crain's* published a special issue containing detailed profiles of 100 such women. The Michigan Women's Foundation refers to the *Crain's* list when it is asked for help in finding candidates for board jobs at non-profit organizations, while the recruiting company is handling requests from corporations. The two organizations say that as a result of the publicity, they now have 10 searches for female board members under way.

### Female Role Models

In spite of the grumbling about how slow women have been to exert their philanthropy, even the

most frustrated fund raisers can point to examples of women who have overcome psychological and other barriers to serve as role models to other female donors.

For example, Iris Cantor, a philanthropist who is active in both New York and Los Angeles announced a multimillion-dollar gift two years ago to establish the Iris Cantor-UCLA Women's Health Center.

Catherine Muther, who made enough money in the computer-network business to retire three years ago, when she was just 47, has made a series of five- and six-figure gifts designed to help wom-

en gain financial independence and excel in business and the professions.

Her latest project: putting up \$100,000 to create a non-profit organization to help women start technology companies. Ms. Muther says that she hopes to have the project in operation by January.

The new non-profit group, she says, will help provide low-cost office space for up to 25 businesses being started by women. It will provide training on business planning, risk management, marketing, how to obtain credit and capital, and other aspects of running a business. The organization will also introduce the woman entrepreneurs to business leaders who have contributed heavily to charity and will encourage the women to donate 1 or 2 per cent of their earnings to a group fund.

"They will learn about best practices in philanthropy, that being a business leader means giving to the community," Ms. Muther says.

### Donors' Demands at Harvard

A small but growing number of female donors have begun to exert their influence by refusing to give unless charities do more to improve their treatment of women.

At Harvard University, 2,000 people have formed the Committee for the Equality of Women at Harvard. The committee, made up mostly of female alumni, has placed \$500,000 in an escrow account and has said it will not give the money to Harvard until it shows it is taking steps to increase the number of women on its faculty. Only 11 per cent of tenured faculty positions are held by women.

"That is egregious," says Peggy Schmeitzler, head of the committee. "There are so many more women in the pipeline."

So far, Harvard has not commented publicly on the decision to put the donations in escrow.

In Des Moines, Ms. Levitt, the philanthropist and fund raiser, recently cut in half her annual contribution to a religious organization that she declined to name. "The organization is run mostly by men, although they have a few women on board and staff," she says. "The only time I ever hear from this group is when they want money."

Ms. Levitt, the organization's largest individual contributor says that when she complains about not being asked to assume a greater role in the organization "they said, 'Maddie, you have to think of this as paying your dues.' That remark, she says, led her to slash her donation.

"Sometimes this is the only way to get people's attention," she says. "Money does talk."

Leaders of women's organizations say that it is time for male donors like Ms. Levitt to come forward.

"Women have gotten to the point where it is clear to them that change is important on issues such as equal pay for women, domestic violence, health, and child care," says Ms. Grumm of the Chica Foundation for Women. "None of that is going to come to fruition there is not a major shift in women's control over economics and philanthropy."

She adds: "Men have understood for years their economic power brings about change—or maintains the status quo. Women have so many real answers for problems facing our society, but there is not enough respect for their ideas."

"The reason is that we have not flexed our muscle enough in terms of money."