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 career 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 $62 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 upturn in fundraising. Barden also is the director of major and planned gifts for Lake Orion-based nonprofit Guest House, which helps 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 other 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 has significantly since 2009, he said. Through investments, a lot have since recouped those losses.

“I don’t think anybody is feeling as good as they did before 2008, but people are feeling the best they have in a long time,” 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 the 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 2008, in terms of assets, have gained much of it back again.

“(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 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.

“This with 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 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 Wixon-based Detroit Public Television.

“Somewhere ear-ly in 2008, we began to feel there was a slowdown. We had gotten to about $16 million, and then we just hit the doldrums.”

Final funding came from a $1.5 million donation by the Kresge Foundation, DPTV reached its goal. The station decided to tie low with major fundraising, other than its annual on-air pledge drives.

“The timing felt right,” 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 $14 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’s 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 $1.5 million, including the Richard C. Davenport Foundation with a $200,000 gift to name the energy and environment category, and Bill and Shiree 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.”
The University of Michigan—Ann Arbor received the most philanthropic gift, a $325 million writing program. Helen Zell, a philanthropist 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 “modern and future-oriented.”

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.

$200 million
■ To: University of Michigan, Ann Arbor
■ From: Stephen Ross
■ Details: The gift from the billion-aires UM alumna 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.

$325 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 school and design school, which received a university contributing a matching gift of $7.5 million. The school has been renamed the Penny W. Stamps School of Art and Design.

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 a Boston-based Penny W. Stamps Interiors. E. Roe, a financier, and his wife, a University of Michigan graduate, invested in Boston-based Summit Partners, a growth equity investment company.

$25 million
■ To: University of Michigan Health System (Michigan HealthCorp.), Ann Arbor
■ From: Samuel and Jean Frankel Foundation
■ Details: The Troy-based Samuel and Jean Frankel Foundation awarded UM a second $25 million gift in 2013. The funds will establish a new $10.5 million endowment for the university’s 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: University of Michigan, Ann Arbor
■ From: Charles Munger
■ Details: The gift of stock from the Los Angeles-based investor and philanthropist and head of the discount brokerage Vanguard, worth approximately $8 million in the form of 100,000 shares of Vanguard, Vanguard’s share of the company’s profits paid to shareholders at the end of the fiscal year, will be given to the university’s School of Engineering and Mathematics.

The gift, the largest alumni cash gift in the history of LTU gives $20 million in prior gifts made to LTU. It also represents the largest anonymous donation to LTU.

$10 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 accomplished graduate writing program. Helen Zell, who earned her English degree at Michigan in 1964, supports 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
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$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, Theater & Dance. The gift to the alma mater of William Brehm, who is chairman emeritus of Park Nicollet HealthCare, and President of International Inc., will fund renovation and expansion of the school’s Earl V. Moore Building. The $8 million gift is expected to begin in early 2014 and to be completed within two years.

The latest $8 million gift caps more than $60 million in prior gifts made to UM, which, funded, among other things, a new School of Music building addition to the Kogod 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 programs. The gift was divided equally between scholarships for Wayne State’s medical school and support for the university’s community outreach programs.

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 LTOU 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 and his wife, Mardie, a division of IHS Inc., will support the $21 million penguin aquarium, the Polk Family Penguin Conservatory, to open in 2013.

The donation from Polk and his family is the largest by a private donor in the zoo’s history, zoo officials said.

The zoo has raised about $11 million needed to complete the project and plans to use some of its re- servation interest to fund it. The zoo plans to raise about $8 million in the next two years to complete the project.

$2 million
■ To: University of Michigan, Ann Arbor
■ From: Tim Manganello/Borg Warner Foundation
■ Details: Former Borg Warner Inc. CEO Manganello and the 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 within the engineering school, the Tim Manganello/Borg Warner Department Chair of Mechanical Engineering, and is expected to generate an additional $100,000 in endowed interest per year.

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

$1 million
■ To: Detroit Educational Television Foundation (Detroit Public Television), Wixom
■ From: William H. Smith family
■ Details: The donation by UM President Mary Sue Coleman and her husband will fund scholarships 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 million 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 UM’s most philanthropic president.

$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. It is 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 Jurgens. The endowment will pay out at 4.5 percent a year, funding education for students with financial need.