

The Philanthropic Collaborative

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Charities, Foundations, Elected Officials Launch New Collaborative to Ensure Philanthropy Can Address Growing, Unmet Needs of U.S. Communities *Significant Economic Benefits May Be At Risk, According to New Study*

(Washington, DC – December 3, 2008) With severe economic pressure mounting on all sectors of the economy, a broad-cross section of interests announced today they have formed The Philanthropic Collaborative (TPC). The organization’s mission is to educate federal and state policymakers about the critical benefits of philanthropic dollars in communities across the nation, and to work with policymakers to ensure this much-needed source of funding is not restricted by new federal economic policies.

Members of the new group expressed concern that economic pressures at the federal level might prompt new tax or other policies that could directly or inadvertently limit the ability of private and community foundations to provide much-needed resources to America’s charities. Mayor David Cicilline, President of the National Conference of Democratic Mayors and a founding member of TPC, explained it this way: “In difficult times, we have to resist the temptation of short-term thinking. It will cost us much more tomorrow if we undercut our investments in the foundations that support our communities today,”

To support this point, TPC released a study prepared by economist Robert Shapiro, a former top Clinton Administration economic official. The study demonstrates that, for every dollar foundations spend, more than \$8 is generated in local and national economic benefits.

The study by Dr. Shapiro, former Under Secretary of Commerce and a leading economic advisor to President Clinton’s 1992 campaign, is the first comprehensive effort to quantify the rate of return on charitable giving nationwide. In the analysis, Dr. Shapiro concluded that “for every \$1 a foundation gives to a charity, there is -- on average -- more than an \$8 return to the economy. That’s a tremendous rate of return.” Shapiro is currently the chairman of the independent economic analysis firm Sonecon, LLC

Said Robert Egger, founder and president of DC Central Kitchen, “The conclusions reached in this analysis are no surprise to those of us in the nonprofit community who have long sought conclusive evidence of the economic impact our work generates in every community.”

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Leaders of the non-profit community praised the study and argued there is an urgent need to educate federal policymakers about the risk of precipitous changes to tax and operating rules that affect private and community foundations. Brent Christopher, CEO of the Communities Foundation of Texas, noted, “All of us who may be impacted by hastily made tax policy decisions -- charities, foundations, public officials and other community leaders -- must work together to inform Members of Congress and the Administration of what could be lost if they overreach. During these challenging economic times, that is our pressing, common mission.”

TPC was formed as an education and advocacy collaborative, and grew from an interest among participating charities, foundations, elected officials and policy experts who seek to sustain and expand charitable giving.

To learn more about The Philanthropic Collaborative and to read the full text of Dr. Shapiro’s study, please visit www.philanthropycollaborative.org.

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