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COMMUNICATIONS STRATEGIES

TRUTH ON THE SIDELINES:

Philanthropy and Foundations in the Media

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TABLE OF CONTENTS

OVERVIEW	3
MAJOR FINDINGS	4
PART ONE: ANALYSIS OF PHILANTHROPY IN THE MEDIA	
METHODOLOGY	5
CLASSIFYING THE COVERAGE	6
DETAILED TOPIC ANALYSIS	9
SPOKESPERSON ANALYSIS	14
COMPARATIVE ANALYSIS	20
PART TWO: SNAPSHOT ON FOUNDATIONS IN THE MEDIA	
METHODOLOGY	24
CLASSIFYING THE COVERAGE	24
DETAILED TOPIC ANALYSIS	27
SPOKESPERSON ANALYSIS	31
CONCLUSIONS AND RECOMMENDATIONS	35
APPENDIX A: List of Reporters	37
APPENDIX B: Article Citations	40

Overview

This analysis was conducted to examine what policymakers and opinion leaders are learning about philanthropy from the media at a time when major decisions are being made about the field and the work of foundations. Although one might expect news coverage of philanthropy to be largely positive, the image of philanthropy is being tarnished by stories on scandal, fraud, and negative coverage of some foundation executives.

News coverage of the good work of foundations – although mostly positive – is somewhat overshadowed by reports of foundations giving away too little and spending too much on salaries and expenses. This problem is compounded by the fact that too often foundations fail to speak for themselves. Foundation staff remain on the sidelines of debate, allowing outside actors to shape public perceptions of their work and their role in society. This tends to result in a distorted view of foundations and philanthropy. The good news is that foundations are not portrayed overall as greedy or corrupt. Rather, readers are given the impression that a few foundations are “bad apples.”

Foundations and other nonprofits are portrayed as struggling to survive and do good work in a challenging environment. But they are also under attack, and feeling pressure from many sources. Currently, Congress is considering a new law (referred to throughout this report as HR 7) that would require foundations to disburse a larger share of their assets every year. At the same time, the economy is faltering, and some donors are angry about charity scandals. This analysis will determine how the media has recently covered foundations in light of these developments.

The first part of this report shows how the media covered philanthropy and charitable giving during two six-month periods – one from July 1997 to January 1998 and the second from July 2002 to January 2003 – and how the nature of this coverage may have changed over the past five years. The second part of the report analyzes more specific media coverage of foundations during a three-month period in the spring and summer of 2003.

This analysis covers:

- The nature and extent of media coverage of foundations and philanthropy
- How the issues are being framed
- The spokespeople who are identified and quoted in the news stories
- The reporters and outlets that are covering foundations and philanthropy

This report was prepared by Douglas Gould & Co., Inc. as a service to foundations and philanthropic organizations and is intended for use by funders and public interest organizations to strengthen positive, accurate media coverage of the philanthropic sector.

Major findings and strategic recommendations

Overall, the media evaluation suggests that there are opportunities for foundations to improve and expand how the media covers them.

- Foundations are covered by major outlets across the nation, but coverage needs to expand to more parts of the country. The *New York Times*, *Los Angeles Times*, and the *Washington Post* were the outlets with the most stories on philanthropy. The *New York Times*, *Boston Globe*, and *San Francisco Chronicle* were the outlets with the most stories on foundations. In contrast, there was a surprising scarcity of coverage of philanthropy and foundations in key national outlets that help shape public opinion such as *Time*, *Newsweek* and *National Public Radio*. Foundations must increase outreach to key news outlets, highlighting ways that their work may be affected if legislation is passed that would force them to disburse a higher percentage of their assets.
- Philanthropy and foundations are not widely covered by national broadcast media or on the opinion pages of newspapers. This lack of coverage presents an opportunity to pitch philanthropy-related stories to select broadcast outlets. Foundations also should send letters to the editor, write and place op-eds, and offer comment on current issues such as the HR 7 debate so that their side of the story can be articulated and understood by policymakers and the general public.
- When it comes to public attitudes, foundations have allowed other actors to define their work and role. In covering philanthropic issues, the media often quote people not directly associated with foundations, and this allows important issues about foundation work to be framed without input from the foundations themselves. Foundations must take charge of how they are understood by being intentional about both the substance and style they wish to convey. They must help the American public better understand the nature and character of philanthropy and foundations' role in civil society.
- Foundation staff are not often quoted in the press, so foundations must reach out to the media to amplify their voices, especially in debates about their organizational rights and responsibilities. Foundations must emphasize how much good they have done for their communities, states, and their nation, and point out the ways that HR 7 could be counterproductive.
- There was a dramatic decrease in positive coverage of philanthropy between comparable six-months periods in 1997-1998 and 2002-2003. While the percentage of stories related to fraud increased, stories on individual major donors or fundraising campaigns dropped significantly. This is an alarming trend that foundations must work to reverse.
- Philanthropy stories often lend themselves to in-depth analyses or profiles. Therefore, it is recommended that nonprofit organizations and foundations

aggressively and persistently approach media outlets with ideas for feature stories. Stories that describe an individual contribution or fundraising campaign are common, as are news pieces that focus on trends in charitable giving. Foundations should approach media using these story hooks.

- Recent stories about philanthropy were more likely to focus on “everyday people” rather than wealthy contributors or corporate philanthropists.
- There was more media coverage related to philanthropy around Thanksgiving and Christmas, so this is a good time of year for nonprofit groups and foundations to interest journalists in doing philanthropy-related stories.

PART ONE: ANALYSIS OF PHILANTHROPY IN THE MEDIA

In order to gain a general sense of how the media has covered philanthropy and charitable giving – and how such coverage may have changed over the past five years – articles from the top media outlets across the country were examined.

METHODOLOGY

Electronic searches were performed using Nexis.com and Dow Jones.com, with a total of 24 media outlets scrutinized over a six-month period from July 2002 to January 2003. The sample consisted of the top 10 daily newspapers in the country, the top two nationally circulated newspapers, three national news magazines, six national broadcast outlets, two wire services and one Internet news source. These outlets were searched because they reach a large segment of the population, especially opinion leaders, in the largest U.S. media markets.

The outlets in the analysis were:

<i>The New York Times</i>	<i>The Wall Street Journal</i>	<i>National Public Radio</i>
<i>The Los Angeles Times</i>	<i>USA Today</i>	<i>CNN</i>
<i>The Boston Globe</i>	<i>Newsweek</i>	<i>Fox News Channel</i>
<i>The Washington Post</i>	<i>Time</i>	<i>NBC News</i>
<i>The Chicago Tribune</i>	<i>U.S. News & World Report</i>	<i>ABC News</i>
<i>The Atlanta Journal-Constitution</i>	<i>Associated Press</i>	<i>CBS News</i>
<i>The San Francisco Chronicle</i>	<i>Reuters</i>	<i>Salon.com</i>
<i>The Philadelphia Inquirer</i>		
<i>The Dallas Morning News</i>		
<i>The Detroit Free Press</i>		

Parameters of the search

Using electronic search engines, the following criteria were used to define the search:

- The story content had to focus on philanthropy.
- The story had to have the word “philanthropy” in it or the alternate search terms: “charitable giving” and “regulation” or “mismanagement” or “lobbying” or “tax.” These terms were used to zero in on specific topics related to philanthropy. The term “foundation” alone could not be used because of its multiple meanings, but in the foundation snapshot – part two of this analysis – “foundation” was used as a search term.
- The story had to be 200 words or more, unless it was an opinion piece.
- The story had to appear between July 2002 and January 2003.

Initially, 602 articles were retrieved from the 24 outlets that contained the words “philanthropy” or the alternate search terms and appeared during the selected time period. But a quick look at the retrieved stories showed that while some of the stories focused on philanthropy, many just mentioned the word in passing without actually focusing on it.

The sample was narrowed by selecting every third article that focused exclusively on philanthropy, resulting in a sample of 139 articles.

CLASSIFYING THE COVERAGE OF PHILANTHROPY

A closer look at the sample revealed that stories about philanthropy and charitable giving were most often hard news accounts.

ARTICLE TYPE (2002-2003)

<u>Type</u>	<u>No. of stories</u>	<u>% of total</u>
News	84	60%
Features	27	19%
Broadcast	15	11%
Op-eds, editorials, columns	9	6%
Letters	4	3%

TOTAL	139 stories	

The majority of stories (60%) were news pieces. In typical media analysis findings, news stories usually represent about three-quarters (75%) of the stories found on a particular topic. So while the media wrote mostly straight news stories about philanthropy, reporters writing on this topic explored more opportunities for feature stories than did journalists writing on other issues.

Notably, national broadcast news pieces comprised only 11 percent of stories. Philanthropy was not widely covered in broadcast media. National radio and television reporters simply were not inclined to cover this topic as much as print reporters. This lack of coverage suggests that philanthropy and charitable giving were not seen as significant issues of national interest, or perhaps that philanthropy was not seen by producers as particularly “good television.” Most Americans get their information from television news, so this is a discouraging finding.

Opinion pieces (including letters) made up only nine percent of stories. Opinion pieces usually account for about 15 percent of a typical media analysis sample. The lack of coverage on op-ed pages suggests that leaders in the field of philanthropy are not responding to current events, nor are they trying to shape public opinion. Instead, they stand on the sidelines while others speak on their behalf, and not always accurately.

A closer look at the location of the pieces in the philanthropy sample reveals even more about how the media covered philanthropy issues and stories.

Section	Stories (2002-2003)	Pct. of Sample
Metro/Local	36	26%
Business	33	24%
National	15	11%
TV or Radio	15	11%
Front Page	13	9%
Opinion (editorial/op-ed)	10	7%
Lifestyles/Arts	10	7%
Special Section	6	4%
Sports	1	1%

The table above shows that philanthropy and charitable giving were largely seen as local issues (26%) or as business issues (24%). The stories in the business sections focused mostly on trends, charitable giving tips and individual major donors or fundraising campaigns. Just 11 percent of coverage was found in the national sections of newspapers, and these stories focused on individual contributions, trends, and religious charities. Fewer than one in ten stories (9%) were front-page news.

BREAKDOWN OF PHILANTHROPY STORIES BY NEWS OUTLET (2002-2003)

Outlet	No. of stories	Pct. of sample
<i>New York Times</i>	26	19%
<i>Los Angeles Times</i>	22	16%
<i>Washington Post</i>	15	11%
<i>Boston Globe</i>	12	9%
<i>Chicago Tribune</i>	13	9%
<i>Atlanta Journal-Constitution</i>	8	6%
<i>Associated Press</i>	7	5%
<i>CNN</i>	7	5%
<i>Dallas Morning News</i>	6	4%
<i>National Public Radio</i>	5	4%
<i>Wall Street Journal</i>	5	4%
<i>San Francisco Chronicle</i>	4	3%
<i>Philadelphia Inquirer</i>	3	2%
<i>USA Today</i>	2	1%
<i>Fox News Channel</i>	1	1%
<i>CBS News</i>	1	1%
<i>ABC News</i>	1	1%
<i>U.S. News & World Report</i>	1	1%

TOTAL	139	

The table above shows us that coverage was neither national nor distributed evenly among news outlets, and nearly half of the philanthropy coverage (46%) was in three newspapers. Most Americans simply could not find much about philanthropy in their hometown news outlets during the time period analyzed.

The *New York Times* was the leader in covering philanthropy-related issues in the time period analyzed, with 19 percent of coverage. The *Los Angeles Times* was a close second with 16 percent, followed by the *Washington Post* (11%), *Boston Globe* (9%), *Chicago Tribune* (9%), and *Atlanta Journal-Constitution* (6%).

It is not surprising to see that the *New York Times* has covered philanthropy more than any other newspaper, given the fact that New York is a philanthropy hub, according to one of the articles in the sample.¹

Given the demographics of the reading and listening audiences of the *Wall Street Journal* and *National Public Radio*, one would expect more stories on charitable giving in these outlets. *National Public Radio* is arguably the most important news outlet for nonprofit and progressive organizations. Furthermore, *NPR* is supported by philanthropy. Therefore, it is both surprising and problematic that there was so little coverage of philanthropy on *NPR*. Foundations and nonprofit groups should create more opportunities to have their voices heard on *NPR* news programs and talk shows.

Notably, the *Wall Street Journal* pieces focused mostly on trends in charitable giving or in public policy, but this publication had no stories on individual major donors or fundraising campaigns. *National Public Radio* also focused mostly on trends in giving, with other coverage focused on giving tips and the “high-impact” giving of individuals such as Ted Turner and George Soros.

In addition to searching the outlets listed above, the following sources were searched, but no articles on philanthropy were found during the time period analyzed: *NBC News*, *Newsweek*, *Salon.com*, *Reuters*, *Detroit Free Press*, and *Time*. This lack of attention supports the notion that philanthropy is not deemed an issue of national significance to important editors and reporters, and that interest in philanthropy-related issues is confined to just a few U.S. cities.

DETAILED TOPIC ANALYSIS OF PHILANTHROPY STORIES

The following list is a numerical breakdown of all the stories in the sample by category. When a story mentioned more than one issue, it was placed into a category based upon the principal subject it covered. A full description and detailed analysis of categories follows this list.

TOPICAL BREAKDOWN

Topic	Number of Stories	Percentage of Total
Individual contribution, major donor, or fundraising campaign	38	27%
Trends in charitable giving	27	19%
Charitable giving tips	13	9%
Fraud	11	8%
Miscellaneous	11	8%
Regional giving/regional nonprofit trends	9	6%
Faith-based funds/religious charities	7	5%
Corporate philanthropy	7	5%
Politics	6	4%
Scandal	6	4%
Donor control of gifts	3	2%
Psychology of gift giving	1	1%

Individual contribution, major donor, or fundraising campaign (27%)

More of the philanthropy stories concentrated on individual contributions, major donors or campaigns than any other topic. A majority of these stories (68%) had a local focus and dealt with local donors or people active in the community, the “local heroes.” For example, one *Chicago Tribune* story described a new local coffee shop that gives away 10% of profits.² Another focused on a local entrepreneur who started a charity bike ride to benefit cancer research.³ A third story focused on two local Los Angeles residents who coordinated a Rotary Club campaign to bring food and supplies to orphans.⁴ Stories in this category also focused on donations to local hospitals and universities.

Twelve of the “individual contribution, major donor, or fundraising campaign” stories (32%) had a national scope, discussing major contributions to national organizations or famous major donors who are often in the spotlight such as Ted Turner, Warren Buffett, and Bill Gates. Some stories in this category were national “feel-good” or “local hero” pieces. For example, one story focused on how an anonymous donor gave envelopes of cash to Indiana church members to donate to causes of their choice.⁵ Three stories in this group were about a \$100 million donation to *Poetry* magazine by Ruth Lilly, a granddaughter of Eli Lilly.

Trends in charitable giving (19%)

Twenty-seven stories in the sample (19%) shed light on trends in philanthropy. This finding is not surprising, as trends are a favorite theme of journalists. Most of the stories in the trend group (57%) focused on a decline in giving, while only one story in the trend category presented a more optimistic view that charitable giving would soon grow.

Five stories in the trend group explored how private money is going to public schools to help offset budget shortfalls. Two of the stories dealt with teaching children about philanthropy. Another article presented one woman’s decision to create a charitable annuity, the “hottest thing in giving.”⁶ Another article explored charity on the Internet; and a final piece shed light on women’s increasing role in philanthropy.

The prevalence of these articles suggests that many reporters are looking for new angles to cover philanthropy and giving. They are interested in the latest ways that people are being charitable. Creative fundraising campaigns pitched as the “newest” or “hottest” trend will likely garner media attention.

Charitable giving tips (9%)

Stories providing tips on charitable giving comprised 13 articles or nine percent of the sample. The majority of these pieces (77%) were written or aired during the holiday season – between Thanksgiving and the end of the year, when most people who give to charity focus their attention on determining which groups are most deserving of their contributions.

One *Associated Press* piece warned that donors should request information on a charity’s finances and activities, check how much of the charity’s revenues go to its programs, find out about the charity’s board of directors, and consult charity rankings.⁷ Another piece focused on how charitable giving intersects with self-interest when taxpayers get a deduction for their donations.⁸ Another story warned readers who made large contributions after 9/11 to get a record of their gifts.⁹ A final piece advised readers on how to give to charities that would use their resources most wisely, using a local scandal as the hook. Regardless of the time of year that these stories appeared, they all shared a “donor beware” theme.

“Tips” stories are never surprising, given the media’s obsession with “how to” and “buyer beware” articles. Charities and foundations that are pitching the media should

always provide detailed information about where contributions are going, and how to find out more information about their campaigns and causes.

Fraud (8%)

Articles that focused on fraud comprised eight percent of the total sample. Of these 11 articles, five focused on nonprofits that received donations tainted by corporate scandal, such as when former Tyco CEO L. Dennis Kozlowski was found to have made personal donations to charity with the company's money. A *New York Times* article said that Senators Hillary Clinton and Charles Schumer, as well as New York Governor George Pataki, had chosen to return contributions that were tied to business scandals.¹⁰

Three articles in the fraud category dealt with the troubles of the United Way of Washington, D.C., as a federal grand jury was investigating allegations that it mishandled contributions, leading to a crisis of confidence for some nonprofit organizations and businesses.

Given the media's preoccupation with negative stories, exposing deception and seeing the "high and mighty" fall from their pedestals, allegations about fraudulent charities will likely always attract media attention.

Miscellaneous (8%)

Stories that did not fall neatly into any other category were classified as miscellaneous, and represented eight percent of the sample. Some of these stories focused on the philanthropic response to the September 11th attacks, patent donations, and new presidents of major nonprofit groups.

Regional giving/regional nonprofit trends (6%)

News pieces in the regional giving category made up six percent of the total sample. Stories in this category revealed how people who live in different parts of the country have a better or worse track record in giving than do residents of other areas.

Four stories in this group mentioned the "generosity index," a measurement of the levels of giving in communities across the nation. A story from the *New York Times* focused on how New York is seen as a hub of philanthropy.¹¹

There were four stories in this category from the *Los Angeles Times*. Two were columns by Steve Lopez challenging residents of Los Angeles to give more generously.¹² One was a story about how LA's nonprofit arts organizations were somewhat overlooked when *Worth* magazine ranked arts groups across the country.¹³ Finally, the other *Los Angeles Times* piece in this group explored giving in the Latino community.¹⁴

These articles reflect that the media is always interested in the "us versus them" angle, and how the area they cover compares to other areas across the nation. These articles also reinforce the notion that the media sees philanthropy as largely a local story.

Faith-based funds/religious charities (5%)

Only five percent of the stories in the sample focused on faith-based giving or religious charities. Two of the stories in this category were about President Bush's faith-based initiative to fund social services that are run by religious groups. Given the far-reaching implications of this initiative, it was surprising that there was not more coverage on it.

Three stories explored Saudi Arabia's release of a terrorism report outlining how that country was monitoring charitable donations to make sure the funds were not supporting terrorism.

Two of the stories in this category shed light on the debate over Muslim charities. One of these stories was about Jesse Maali, owner of a chain of gift shops in Florida whose donations to Palestinian and Muslim charities attracted suspicion of federal prosecutors.¹⁵ Another story outlined the shift in giving among Muslims from mosques and international humanitarian groups to organizations that defend the civil liberties of Muslim Americans.¹⁶

Scandal (5%)

Scandal articles, defined as having a focus on deception and wrongdoing, comprised five percent of the total sample. From family feuds over inherited trust funds, to individuals making false pledges to organizations, to eliminating donations to the Boston Catholic Archdiocese, these stories focused on controversies that have affected charitable giving. Several stories, including one from the *Wall Street Journal*, shed light on the controversy surrounding Citigroup CEO Sanford I. Weill's promise to assist stock researcher Jack Grubman's children to get accepted into an exclusive Manhattan school in exchange for an upgraded rating on Weill's AT&T shares.¹⁷ Until this scandal, Mr. Weill's media coverage was mostly limited to his philanthropy.

Politics (4%)

Six stories in the analysis (4%) focused on politics, from the controversy surrounding California gubernatorial candidate Bill Simon's charitable giving (one story)¹⁸ to public policy initiatives (three stories). Another story explored how U.S. international aid compares to aid from other nations.¹⁹ A final story dealt with an increase in donations to environmental groups due to a Republican-controlled Senate.²⁰

Corporate philanthropy (4%)

Just five stories in the analysis explored corporate philanthropy. Notably, these positive stories were outnumbered by negative pieces on scandal and fraud, which comprised a combined total of 12 percent of the sample.

Two of the pieces were "CEO of the week" features on CNN's Lou Dobbs Moneyline.²¹ Another story focused on a partnership between a financial institution and a charitable organization.²² An additional piece shed light on how Freddie Mac supports various nonprofit groups in the Washington area.²³ A final story in this group drew attention to Viacom's AIDS awareness campaign.²⁴

Donor control (2%)

Just three stories in the philanthropy sample explored donor control of gifts. Not surprisingly, two of these stories focused on controversies related to donors having second thoughts about giving.

One piece focused on the controversy surrounding David Mugar's \$3 million gift to Boston University. Mugar made his donation in 1993 to expand the University's library, but University officials misplaced the funds and did not follow through with the construction project. Mugar asked for the gift to be returned and threatened to sue.²⁵ A second story explored Peter B. Lewis' anger over the cost of constructing a business school at Case Western University. The project was originally estimated to cost \$25 million, but later ended up costing more than \$61 million. The article described Lewis' anger toward the board of trustees, and his personal boycott of every cultural and charitable organization that he previously supported in Cleveland, until the board members were forced to resign.²⁶ Meanwhile, the third story focused on donors who placed limitations on how their contributions to the Democratic National Convention would be used.²⁷

Psychology of gift giving (1%)

One story in the sample focused on why people give. The piece was an interview with James Andreoni, a professor of economics at the University of Wisconsin at Madison. He explained what types of people are most likely to donate money to charity, and spoke about politics and charities, gender differences in giving, and people's motives for giving.²⁸

SPOKESPERSON ANALYSIS OF PHILANTHROPY STORIES

In any communications effort, the messenger is as important as the message. Whoever is quoted about a particular issue within a story has a huge impact on how that issue is covered and portrayed. In order to get a better idea of who was quoted in the sample and what they said, quotes from the philanthropy stories were tallied, yielding the following results:

Category	Total Articles	Percentage of Total Quotes
Nonprofit staff	116	23%
General Public	92	19%
Foundation staff	63	13%
Public officials	58	12%
Academics/researchers/authors	38	8%
Major donors	35	7%
Corporate professionals	29	6%
Consultants	19	4%
Lawyers	18	3%
Watchdogs/whistleblowers	14	3%
Journalists, editors, publishers	9	2%
Religious leaders	6	1%

Nonprofit Staff (23%)

Staff members at nonprofit organizations were the most heavily quoted group in the philanthropy search, accounting for 23 percent of total quotes. People quoted in this category included those that work for the Red Cross, the Boys and Girls Club, Habitat for Humanity, the Wildlife Conservation Society, and others. Groups working to fight AIDS, hunger, and poverty as well as various arts groups were also represented. It was not particularly surprising to see that quotes from people who work for nonprofit groups made up the largest percentage of people quoted since they were most likely to be speaking on philanthropy and the needs of their group.

Reporters used spokespeople from nonprofit groups as experts for a range of stories, from online donations to the decline in charitable giving. Reporters also quoted nonprofit staff as experts in stories about regional giving.

In one story that focused on the likelihood of donors giving to charity over the Internet, a spokesman for the Red Cross was quoted as saying that despite the fact that people go to their computers to make a donation to the Red Cross when there is a disaster, little of the Red Cross' donations come through online giving.²⁹

Another story shed light on an overall decline in charitable giving. It quoted Jennifer Herring, the person in charge of private fundraising for the Wildlife Conservation Society at the Bronx Zoo. She said that they have had to cut back to the minimum of maintenance because of a lack of funds. She discussed staff reductions and shrinking budgets.³⁰

General Public (19%)

Members of the general public – or people not identified principally by their occupation – were heavily quoted in the philanthropy sample, accounting for 19 percent of total quotes. This group is typically ranked among the top groups quoted by reporters; it is common for reporters to include the “voice of the people” in their stories. Reporters quoted the general public to add emotional appeal and an element of reality to stories.

In the sample, the general public was made up of a variety of people including teachers, 9/11 widows, scholarship recipients, people who made small charitable donations (not to be confused with major donors), parents, and others.

One story that quoted members of the general public focused on scholarships that help children in Philadelphia attend private schools. Brad El, a single father from South Philadelphia was quoted as saying that the Children’s Scholarship Fund of Philadelphia provides the opportunity to make a difference. His children Meryia and Brad were quoted as saying that they were looking forward to attending the Muhammad Islamic Academy.³¹

Another story that quoted the general public focused on how donors are asking more questions before they donate, due to charity scandals and the fact that they have less money to give because of a weak economy. Thai Lee, a police officer from California said that he is wary of scam artists, but gives “for a good cause.” Another donor, Lena Hendrickson, said her boyfriend has been laid off twice in two years, so she collects aluminum cans and turns them over to recyclers who contribute a penny per can to the local Habitat for Humanity group. She has raised several hundred dollars and said, “that’s easier to give than money these days.”³²

Foundation Staff (13%)

Foundation staff members made up just 13 percent of total quotes. This group included people like Susan Berresford, President of the Ford Foundation, Charles “Pete” McTier, President of the Robert W. Woodruff Foundation, and Jonathan Fanton, President of the MacArthur Foundation. Journalists quoted them as experts in the field of giving and as official spokespeople on the state of philanthropy.

Susan Berresford was quoted in stories mentioning the Ford Foundation’s endowment, which was at \$14.4 billion in 2000 and \$9.2 billion in 2002. She said that the foundation was cutting its core grant-making budget.³³

Charles “Pete” McTier, president of the Robert W. Woodruff Foundation, was quoted in a story that focused on teaching children philanthropy. He commented on how two major donors in Atlanta have given \$5 million to help students learn how to be savvy and generous philanthropists. McTier called the gift “a wise investment.”³⁴ Because foundation staff were quoted significantly less often than the general public, it is critical that they make an aggressive effort to educate the public about what they do.

Public Officials (12%)

Public officials were quoted almost as often as foundation staff, and made up 12 percent of total quotes in the philanthropy sample. Public officials are among the most important groups of people that can be quoted in stories because of their significant agenda-setting power on public policy issues. The public officials quoted in the sample ranged from the President and U.S. Senators to state commissioners and local school superintendents.

In this sample, journalists used quotes from public officials to comment on how current events affected charitable giving, and to gauge their reaction to public policy at the local, state, and federal levels.

One story that quoted a public official focused on the philanthropic response to the 9/11 terrorist attacks. The assistant attorney general who runs the charities bureau in the New York State attorney general's office was quoted as saying that the combination of the economic downturn and donor disappointment with the Red Cross will force charities to work hard to restore public confidence.³⁵

Senators were quoted in a story that shed light on President Bush's faith-based initiative. Representative J.C. Watts (R-Oklahoma), Senator Jack Reed (D-Rhode Island), and a spokesman for Senator Joe Lieberman (D-Connecticut) were quoted. Watts was quoted as saying that he would support a scaled-back version of Bush's program. Reed was quoted as saying that he won't allow the legislation to move ahead without a debate over the religious nature of social services that are paid for with tax dollars. Lieberman's spokesman said that the Senate's version of the bill was a result of negotiations and compromise.³⁶

A final article that quoted public officials focused on fundraising for public schools. The piece focused on how the Grapevine-Colleyville (Texas) school district was hiring someone to help raise money for the public schools. The superintendent said that the position "will pay for itself." Another school superintendent from a different Texas district was quoted as saying that the state had failed to do its job in funding education and that he spent more time talking about budgets and funding than about math and science.³⁷

Academics/researchers/authors (8%)

Academics, researchers, and authors accounted for eight percent of the total quotes in the sample. They were quoted when new studies that focused on philanthropy were released or when journalists wanted an expert to talk about trends in giving or why people give.

For example, Eugene Tempel, executive director of the Center on Philanthropy at Indiana University, was quoted in one piece talking about a decline in charitable giving. He said that fundraisers are having to work harder to raise the same amount of money as last year.³⁸ Tempel was also quoted in an article on the philanthropic response to 9/11. He said that despite a huge outpouring of support to the families of 9/11 victims, philanthropy and charity did not change forever.³⁹

Another piece quoted several researchers from Boston College's Social Welfare Research Institute who said that despite the current economic downturn, charitable giving would grow in the long term.⁴⁰

Major donors (7%)

The words of major donors comprised seven percent of the total philanthropy story quotes. Major donors in the story sample included household names like George Soros and Ted Turner, and less known "local heroes" who have made very significant donations. Journalists used quotes from major donors to comment on controversies or to illustrate why people give.

John Bryan was one major donor quoted in the sample. He is the retired chairman of Sara Lee Corporation and a Chicago civic leader who gave \$1 million for Millennium Park, a costly and somewhat controversial Chicago project.⁴¹

Ted Turner was quoted in one piece that focused on "high impact" philanthropy. He said that he was putting every rich person in the world on notice that they would be hearing from him about giving more money away. George Soros was quoted in the same piece as saying that he has been spending about \$500 million a year on helping to build open societies.⁴²

Corporate professionals (6%)

Corporate executives and other professionals accounted for six percent of total quotes. Journalists used corporate spokespeople as experts on giving and to comment on their company's gifts.

Corporate spokespeople offered tips for people considering making a charitable contribution. For example, Jeff Daniher, certified financial planner, advised people to avoid making snap decisions about charitable giving. He said, "Sit down and think about what you'd like to give and how it fits into your budget." In the same article, Martin Nissenbaum, national director of personal income tax planning for Ernst & Young, was quoted as saying that if people are short on cash and still want to make a contribution to get a tax deduction this year, they should charge it to their credit cards.⁴³

Corporate professionals were also quoted regarding their company's contributions. For example, Raymond King, vice president of SunTrust bank, was cited for his announcement that the bank would contribute up to \$25,000 to help the city of Atlanta research ways to sustain long-term funding to boost arts and culture. Other supportive corporate executives were quoted in the article, including the president of Georgia banking for Wachovia.⁴⁴

Consultants (4%)

Quotes from consultants made up four percent of total quotes. Consultants were often quoted as experts in stories that mentioned trends in giving. One consultant was quoted in a story on a study showing that Internet donations do not make up a large proportion of charitable gifts. He said that several years ago, pundits were saying that the age of direct

mail was behind us.⁴⁵ Another story quoted a fundraising consultant who said that more and more donors have adopted an ask-questions-now, send-money-later philosophy.⁴⁶

Lawyers (3%)

Lawyers' comments accounted for three percent of the philanthropy quotes. Lawyers were quoted in stories that involved fraud or scandal, controversies over donor control of gifts, and on more general questions about fundraising.

Journalists used quotes from lawyers who were advocating on behalf of their clients. For example, lawyers for both Boston University and for David Mugar, of the Boston University library controversy, were quoted.⁴⁷

Watchdogs/whistleblowers (3%)

Watchdogs and whistleblowers were not frequently quoted, but still accounted for three percent of the total philanthropy quotes. Reporters quoted watchdogs as experts on charity scams. Most of the quotes from watchdog groups warned people to take precautions before giving to charity. For example, Daniel Borochoff, president of the American Institute of Philanthropy, was quoted as saying that a smart donor should ascertain how much good a charity is doing in relation to the resources it is receiving.⁴⁸

Notably, Rick Cohen of the National Committee for Responsive Philanthropy, was quoted a total of four times in the sample, making him one of two spokespeople most often quote in the sample. (The other was Stacey Palmer, editor of the *Chronicle of Philanthropy*. See below.)

Journalists, editors, publishers (2%)

Journalists were quoted in the sample several times, making up two percent of the philanthropy quote sample. Reporters quoted journalists from specific philanthropy-related publications as experts on the current state of giving. Stacy Palmer, editor of the *Chronicle of Philanthropy*, was quoted in four stories. Notably, she was one of two spokespeople quoted most frequently in the sample. She spoke on the fundraising controversy between Boston University and David Mugar, and trends in giving, including the "high-impact" philanthropy of Ted Turner and George Soros, and the support of nonprofit organizations by large foundations like the Gates Foundation and the Ford Foundation.

Religious leaders (1%)

Quotes from religious leaders made up only one percent of the sample. Reporters looked to religious leaders as character witnesses or advocates for individuals. For example, in a story on Jesse Maali, owner of a chain of gift shops in Florida whose donations to Palestinian and Muslim charities attracted suspicion of federal prosecutors, a local imam defended him. Tariq Rashid, the imam of an Orlando spiritual center and a tutor to Maali's children, said that it was unfair to tie Maali to terrorism.⁴⁹

BREAKDOWN OF PHILANTHROPY STORIES BY MONTH

Month	No. of stories	Pct. of sample
12/15/02 – 1/15/03	28	20%
11/15/02 – 12/14/02	40	29%
10/15/02 – 11/14/02	19	14%
9/15/02 – 10/14/02	21	15%
8/15/02 – 9/14/02	13	9%
7/15/02 – 8/14/02	18	13%

Coverage of philanthropy-related issues was fairly consistent across the time period analyzed, but rose significantly during the holiday season – November, December, and January. These results suggest that this “giving season” is the best time of year for nonprofit groups and foundations to pitch philanthropy-related stories.

COMPARATIVE ANALYSIS: A LOOK BACK

To examine how coverage of philanthropy may have changed over the past five years, philanthropy-related stories were analyzed from a comparable six-month period between July 1997 and January 1998. Comparisons were made to see if story topics varied between the time periods, if reporters were quoting the same types of people in 2002-2003 that they were quoting in 1997-1998, and if the type of articles or the outlets covering philanthropy were significantly different between the two time periods.

A total of 576 articles from July 1997-January 1998 were retrieved. Since this sample was so large as to be unmanageable, it was narrowed to 149 articles based on relevance to the analysis objectives.

Story Topics Comparative Analysis:

Topic	Percentage of Total 1997-1998	Percentage of Total 2002-2003
Individual contribution, major donor, or fundraising campaign	42%	27%
Fraud	4%	8%
Scandal	3%	5%
Corporate philanthropy	8%	4%
Trends in charitable giving	18%	19%
Charitable giving tips	6%	9%
Regional giving/regional nonprofit trends	2%	6%
Faith-based funds/ religious charities	5%	5%
Politics	7%	4%
Donor control of gifts	1%	2%
Psychology of gift giving	3%	1%
Miscellaneous	5%	8%

The chart above indicates how the truth about philanthropy has been sidelined over the past five years. Between sample periods, there was a huge decline in coverage of individual contributions, major donors, or fundraising campaigns. There was also a decline in coverage of corporate philanthropy, probably due to the sluggish economy. These stories were mostly positive in their tone, and likely left readers with a favorable view of major donors and nonprofit groups. This decline in coverage of “good works” by individuals and companies is an alarming trend that foundations and nonprofit groups should address.

Notably, stories on fraud doubled from four to eight percent of coverage from the 1997-1998 time period to the 2002-2003 time period. Reporters were alert to accountability stories in the nonprofit and corporate sectors as they observed organizations whose images have been damaged – perhaps irreparably – by scandal and ethical concerns. These groups included major religious institutions like the Catholic Church, well-known nonprofits such as the Red Cross and United Way, and corporations such as Enron.

Reporters were also more likely to focus on regional trends in 2002-2003 than they were in 1997-1998.

Story Type Comparative Analysis:

Article Type	Percentage of Total 1997-1998	Percentage of Total 2002-2003
Feature	13%	19%
Broadcast	11%	11%
Op-eds, editorials, columns	7%	6%
Letters	3%	3%
News	65%	60%

The stories did not differ very much by type during the two time periods, with two exceptions: the number of feature stories increased from 13 percent in 1997-1998 to 19 percent of stories in 2002-2003. At the same time, the number of news stories decreased by a similar figure. These changes are not particularly dramatic, so it is fair to say that the type of coverage was basically consistent. However, as mentioned in the comparative topic analysis, it is significant that the content of stories changed over the two time-periods.

Outlet Comparative Analysis:

Outlet	Percentage of Total 1997-1998	Percentage of Total 2002-2003
New York Times	22%	19%
Los Angeles Times	15%	16%
Washington Post	3%	11%
Boston Globe	7%	9%
Chicago Tribune	4%	9%
Atlanta Journal and Constitution	6%	6%
Associated Press	5%	5%
CNN	4%	5%
Dallas Morning News	5%	4%
National Public Radio	3%	4%
Wall Street Journal	3%	4%
San Francisco Chronicle	2%	3%
Philadelphia Inquirer	6%	2%
USA Today	2%	1%
ABC News Transcripts	2%	1%
CBS News Transcripts	2%	1%
FOX New Network	0%	1%
U.S. News & World Report	1%	1%
Detroit Free Press	3%	0%
NBC News	1%	0%
Time Magazine	3%	0%

Coverage in almost all of the outlets did not differ much between the two time periods. The most dramatic difference occurred in the *Washington Post*, which accounted for 11 percent of sample coverage in 2002-2003, but only three percent of sample coverage in 1997-1998. The *Washington Post* editors and reporters presumably found more philanthropy-related topics to cover in 2002-2003 than they did five years earlier. Unfortunately, most of the more recent coverage was negative – focusing on charity scandals, the impact of corporate fraud on charities and ways that the weak economy is hurting philanthropic groups.

The two outlets that have consistently run stories on philanthropy in both of the time periods analyzed were the *New York Times* and the *Los Angeles Times*. As noted earlier in this report, both New York and LA are home to major charitable groups and foundations.

There was no coverage in *Newsweek*, *Reuters*, and *Salon.com* in either of the time periods analyzed, further reinforcing the evidence that editors and reporters see philanthropy-related issues as local, and not of national interest or significance.

Spokesperson Comparative Analysis:

Category	Percentage of Total Quotes 1997-1998	Percentage of Total Quotes 2002-2003
Nonprofit staff	23%	23%
General Public	9%	19%
Foundation staff	11%	13%
Public officials	6%	12%
Academics/researchers/authors	7%	8%
Major donors	26%	7%
Corporate professionals	11%	6%
Consultants	1%	4%
Lawyers	2%	3%
Watchdogs/whistleblowers	1%	3%
Journalists, editors, publishers	2%	2%
Religious leaders	1%	1%

The general public accounted for 19 percent of total quotes in 2002-2003, but only nine percent of total quotes in 1997-1998. The general public figure tends to fluctuate depending on the analysis. It's not surprising that fewer "people on the street" were quoted in 1997-1998, when reporters were turning more to major donors or corporate professionals. Stories focusing on philanthropy these days are more likely to focus on or quote "everyday people" than the major philanthropists of the world.

An important change between sample periods was the sharp decline in quotes from major donors. Major donors accounted for only seven percent of total quotes in 2002-2003, but they comprised over a quarter (26%) of total quotes in 1997-1998. Since the percentage of stories that focused on major donors dropped between the two periods (from 42% in 1997-1998 to 27% in 2002-2003) it's not surprising that the number of quotes from major donors also dropped. This finding is of concern because stories that focus on major donors tend to be positive and to reinforce charitable giving.

Quotes from public officials doubled, accounting for 12 percent of total quotes in 2002-2003, but only six percent of total quotes in 1997-1998. The increase in stories that focused on fraud and scandal in 2002-2003 accounts in part for the increase in public officials quoted. Several stories related to September 11th also quoted public officials.

In summary, the comparative analysis showed that stories about "good works" decreased; stories on fraud and scandal increased; and quotes from foundation staff remained relatively flat. These findings reinforce the notion that foundations should move off the sidelines to shape the public debate. They must take charge of their image and take responsibility for orchestrating a deeper and broader awareness of their unique roles in order to counter public misperceptions that are often shaped by the media.

PART TWO: SNAPSHOT OF MEDIA COVERAGE OF FOUNDATIONS

The role and practices of foundations has become a subject of great interest to reporters in recent months because of proposed legislation to change the rules for funds disbursement by foundations (HR 7). Because of this major development in the world of giving, an analysis was conducted to gain a better understanding of how the media have covered foundations during the spring and summer of 2003.

This “snapshot” sample was drawn from the same top news outlets used in the philanthropy analysis and covered a three-month period from May 1, 2003 to July 31, 2003.

METHODOLOGY

The *Nexis.com* and *Dow Jones Interactive* media databases were used to search each of the media outlets for articles containing the search terms “foundation” and “charitable giving” or “foundation” and “charities” and “giving.”

This search yielded 224 articles. The sample was narrowed to 57 stories based on the relevance to the analysis objectives.

First, the location of stories will be examined.

STORIES ON FOUNDATIONS: OUTLET BREAKDOWN

Outlet	Stories	Percent of Sample
<i>New York Times</i>	14	24%
<i>Boston Globe</i>	6	10%
<i>San Francisco Chronicle</i>	6	10%
<i>Chicago Tribune</i>	5	9%
<i>Washington Post</i>	5	9%
<i>Philadelphia Inquirer</i>	4	7%
<i>Associated Press</i>	3	5%
<i>Dallas Morning News</i>	3	5%
<i>Los Angeles Times</i>	2	4%
<i>USA Today</i>	2	4%
<i>Wall Street Journal</i>	2	4%
<i>ABC News Transcripts</i>	1	2%
<i>Atlanta Journal and Constitution</i>	1	2%
<i>CNN</i>	1	2%
<i>National Public Radio</i>	1	2%
<i>Time Magazine</i>	1	2%

As shown in the preceding table, more stories about foundations appeared in the *New York Times* (24%) than in any other outlet. The *Boston Globe* and the *San Francisco Chronicle* accounted for six stories each or ten percent of the sample. The *Chicago Tribune* and *Washington Post* had five stories each or nine percent of the sample.

Coverage of foundations could certainly have been more evenly distributed. Almost two-thirds of the coverage appeared in just five outlets, only one of which was national. For readers who do not live in New York, Boston, San Francisco, Chicago or Washington, foundations were not a hot topic in the news. This concentration of coverage is not unduly surprising since many major foundations are based in these cities. It does, however, support the notion that the media considers issues about foundations and philanthropy to be local rather than national news. Reporters in these five cities were more likely to focus on foundations because of their interest in covering locally based charities that were struggling or other local major donors or campaigns.

There was a surprising scarcity of coverage in key outlets like *National Public Radio* (2%), *USA Today* (4%), the *Los Angeles Times* (4%), and *Time* (2%). In addition, there was no coverage at all in *Reuters*, *U.S. News & World Report*, and *Newsweek*. As with philanthropy stories in general, newspaper editors in certain cities believed foundations were an important story, but magazine editors and reporters did not think that foundations merited nationwide attention. This concentration of coverage is problematic, because many of these national outlets can influence public opinion and opinion leaders. Therefore, foundations must increase outreach to them.

In both the philanthropy sample and the foundation snapshot sample, the outlet with the most stories was the *New York Times*. Interestingly, coverage in the *San Francisco Chronicle* increased from three percent in the philanthropy sample to 10 percent in the foundation sample, due to a focus on PipeVine, a San Francisco nonprofit that misallocated donations and also due to a new trend of silicon valley executives putting their wealth into foundations. Coverage also increased in the *Philadelphia Inquirer* from two percent in the philanthropy sample to seven percent in the foundation sample, due to increased attention on local nonprofit groups. Coverage in the *Los Angeles Times* decreased from 16 percent in the philanthropy sample to only four percent in the foundation sample. This decline in coverage occurred because LA-based charities were simply not in the news in the time period analyzed.

A closer look at the location of the stories in the sample news outlets reveals even more about how the media covered issues related to foundations.

Section	Stories	Pct. of Sample
National	14	25%
Metro/Local	13	23%
Front Page	9	16%
Business	7	12%
Opinion (editorial/op-ed)	6	11%
Lifestyles/Arts	5	9%
TV or Radio	3	5%

A look at the location breakdown shows that foundations were covered mostly in the national and local sections of newspapers. Front-page stories on foundations (16%) were not uncommon in the time period analyzed. Interestingly, four of the front-page stories on foundations were from the *New York Times*, and two were from the *San Francisco Chronicle*. The *Boston Globe*, *Washington Post*, and *Philadelphia Inquirer* each had one front-page story. So editors who thought foundation news was an issue worthy of extensive news coverage also saw it as worthy of being on the front page.

More than one in ten articles (11%) were opinion pieces; these focused mostly on HR 7, but they were not written by foundation executives.

Foundations were covered slightly more on the national news pages than in the local news section. During the time-period analyzed, there were national stories on HR 7, funding for terrorist groups, and national trends in giving.

The data suggest that foundations should reach out to reporters covering national issues, as well as business reporters and editorial page editors. Foundations should also increase outreach to broadcast media, as only five percent of coverage occurred on television or radio and, as has been noted, these are the outlets from which most Americans get their news. Foundation heads should also write and place more op-eds and letters to the editor, especially as the HR 7 debate heats up. Notably, no foundation executives authored op-eds in the foundation snapshot sample.

STORY HOOKS AND TOPICS OF FOUNDATION ARTICLES

Story Category	Number of Stories	Percent of Total
Trends	14	25%
Individual major donor(s)/individual fundraising campaign	13	23%
Proposed charity reforms (especially HR 7)	7	12%
Fraud	6	11%
Funding terrorism	4	7%
Scandal	3	5%
Corporate philanthropy	3	5%
Community foundations	3	5%
Miscellaneous	2	4%
Charitable giving tips	1	2%
Supreme Court rulings	1	2%

Overall, the focus of the foundation stories did not differ very much from the overall philanthropy sample. There were slightly more stories on trends in giving in the foundation sample (25%) than in the philanthropy sample (19%). In particular, more attention was paid recently to how foundations are acting more like businesses. Stories on individual major donors or campaigns dropped slightly from 27 percent in the philanthropy sample to 23 percent in the foundation sample. Stories about fraud were up slightly from eight percent in the philanthropy analysis to 11 percent in the foundation analysis, but these figures are not dramatically different from each other.

Although the overall coverage was positive, about one in three stories in the foundation sample fell into a category associated with negative coverage: charity reforms, funding terrorism, fraud, and scandal. These articles undermine the positive image that foundations should be trying to convey.

Trends 25%

Stories on foundations focused most frequently on trends in giving (25%). Nine of the trend stories (64%) explored funding shortfalls at various organizations. These stories revealed nonprofits in trouble, including museums, food pantries, orchestras, and scholarship funds. Many of the stories that focused on funding shortfalls placed the blame on the economy. Other factors cited included a decline in charitable giving, the insecurity of war, the effects of September 11th, reductions in government funding, less corporate sponsorship, and more corporate scandals.

Two stories (14%) in this category, however, cited a study that said charitable giving grew slightly in 2002. The study said that charitable giving grew by one percent, but when adjusted for inflation, it declined by one-half of a percentage point compared to 2001. Grants by foundations decreased 1.2 percent, and the stock market decline was blamed. Overall, the study was seen as positive, because despite all of the anecdotal

evidence that charities are in trouble, giving did not fall dramatically. Further, the study showed that corporate giving has increased significantly over the past year, and this trend is attributed to a desire to counter negative publicity about corporate scandals and to win over customers.⁵⁰

Two other stories (14%) in this category dealt with how foundations and nonprofit groups are marketing themselves. One article detailed the Susan G. Komen Breast Cancer Foundation's efforts to trademark the phrase "for the cure." The article shed light on contentions that foundations are increasingly acting like businesses.⁵¹

Overall, these trend stories convey that foundations are suffering, mostly because of the poor stock market, and that foundations are being forced to reinvent themselves and act more like businesses.

Individual major donors or fundraising campaign (23%)

Individual major donors or fundraising campaigns were also widely covered in the foundation sample. Four stories (31%) focused on the work of well-known major donors or their foundations, including Bill Gates, Princess Diana, George Soros, and Mayor Michael Bloomberg. Four other stories (31%) focused on local major donors or advocates, including two stories on George and Jean Brumley, Atlanta philanthropists who died in a plane crash in Kenya in July.⁵²

Two stories (15%) explored funds for victims, including children of American and British soldiers killed in the war with Iraq⁵³ and for DC-sniper victims.⁵⁴ Two other stories (15%) dealt with local fundraising campaigns; one for the YMCA,⁵⁵ and another for the High Museum of Art in Atlanta.⁵⁶

Proposed charity reforms, especially HR 7 (12%)

Seven stories in the foundation sample (12%) explored proposed charity reforms, especially HR 7 – a proposed bill in the U.S. House of Representatives that would force charities to give away more of their assets. These stories were far more negative in tone than the trend and major donor stories. They tended to attack foundations for spending too much on compensation, rent, and other expenses; not giving away enough of their assets; and not having enough government oversight and accountability.

For instance, a *New York Times* article revealed the salaries paid to some foundation trustees.⁵⁷ In addition, *USA Today* printed a scathing criticism of how some of the wealthiest foundations operate. This editorial said that lax rules and spotty policing result in high overhead and meager giving. The piece explored salaries for foundation presidents, and the requirement that foundations donate "a mere 5% of their assets each year to remain exempt from virtually all federal and state income taxes." The editorial noted that the current law "lets foundations betray the spirit of their mission." The conclusion was that "unless foundations are willing to focus more attention on funding charitable works than building wealth, they don't deserve the tax breaks they receive in exchange for serving the public good."⁵⁸

While foundations were criticized in the *USA Today* piece, reporters and editors also considered and conveyed the arguments that foundations have put forth against HR 7. For example, in an opinion piece in the *Boston Globe*, Nelson W. Aldrich quoted Susan Berresford, president of the Ford Foundation, as saying that the bill would force foundations “to eat into capital and the country will lose... these public assets for the common good.” Aldrich argued, “there is good reason to preserve the option of perpetual remembrance for those who can afford it. Without it, foundation-founding will be much less alluring.”⁵⁹ The *San Francisco Chronicle* ran an editorial saying that HR 7 was “at best, worth exploring, but its mandate can’t be supported until much more is known about foundation finances and the effects of the proposed new law.”⁶⁰

Fraud (11%)

Stories about fraud – the criminal misappropriation of charitable funds – made up 11 percent of the foundation sample. Two stories on fraud (33%) revealed groups masquerading as nonprofits to line their own pockets. An *ABC News* piece revealed that groups were raising money by pretending to grant wishes to terminally ill children – the work of the Make-A-Wish Foundation.⁶¹ The *Associated Press* reported that regulators were going to court against fundraising operations accused of swindling people with deceptive promises that donations would help police, firefighters, veterans, and sick children.⁶²

Two stories (33%) in the fraud category focused on PipeVine, a nonprofit group that was supposed to channel money to charities, but mismanaged its funds. Two other stories (33%) in the fraud category focused on the Nature Conservancy and charges that they sold public land to individuals.

Funding Terrorism (7%)

Four stories, or seven percent of the stories on foundations, explored issues of funding terrorism. One story focused on the former head of an Islamic charity who pleaded guilty to diverting charity money to fighters in Bosnia and Chechnya and who allegedly has ties to Osama bin Laden and Al Qaeda.⁶³ Two pieces dealt with allegations against groups accused of being part of the Palestinian militant group Hamas – the Holy Land Foundation for Relief and Development and the al Aqsa International Foundation.⁶⁴ Another article focused on new government guidelines for charities to ensure that their funds do not end up financing terrorists.

In addition to foundations feeling burdened by a bad economy, charity scandals and proposed legislation to force them to disburse more assets, these articles revealed that foundations are also being asked to devote resources to ensure that their money is not falling into the hands of terrorists. “The charities say they already track their overseas aid and aren’t equipped for the kinds of investigations the Treasury Department recommends, such as being sure a foreign grant recipient avoids banking with institutions ‘licensed in a jurisdiction that lacks adequate anti-money-laundering controls.’”⁶⁵

Scandal (5%)

While stories in the fraud category focused on criminal wrongdoing, other stories – in the scandal category – focused on potential wrongdoing and ethical controversies. These stories dealt with a for-profit organization promoting itself as a foundation;⁶⁶ the controversy surrounding Paul Allaire, chairman of the Ford Foundation who was accused of fraud at Xerox;⁶⁷ and conflicts of interest that occur when auditors are board members for charities that receive donations from their companies.⁶⁸

Corporate philanthropy (5%)

Three stories, or five percent of the foundation sample, dealt with corporate philanthropy. One story focused on how Warren Buffett's Berkshire Hathaway Inc. discontinued a program that had donated nearly \$200 million to charity.⁶⁹ Another piece focused on the controversy over Microsoft's program to donate free software to nonprofits. The plan drew criticism by those who said the strategy would lead to unfair competition.⁷⁰ A third piece explored Novartis' promise to donate cancer medicine, and how the drug company's motives have been criticized.⁷¹

In contrast to the corporate philanthropy stories that appeared in the general philanthropy sample, corporations were portrayed in a somewhat negative light in these stories; even when they were seemingly charitable, their motives were questioned.

Community foundations (5%)

Only three stories, or five percent of the foundation sample, explored community foundations. One article focused on the 50th birthday of the Communities Foundation of Texas;⁷² another focused on the Lone Star Park Charitable Foundation program to recognize volunteers.⁷³ According to a third article in this group, community foundations around Illinois will receive grants from the Grand Victoria Foundation.⁷⁴

Overall, community foundations were not on reporters' radar screens. While foundation news was covered as a local story if the news was about a local major donor or a trend, community foundations themselves were generally not widely covered.

Miscellaneous (4%)

Stories that did not fit neatly into any other group made up four percent of the foundation sample. One article focused on the Pew Charitable Trust's split with Glenmede Trust Company.⁷⁵ The other piece shed light on a merger of nonprofit groups.⁷⁶

Charitable giving tips (2%)

There was only one story on foundations that provided readers with charitable giving tips. This is surprising, especially given the higher number of stories on fraudulent charities. Perhaps the reason that there was only one story on giving tips was the time of year examined – spring and summer. Around Thanksgiving and Christmas, there will likely be more articles advising readers on giving.

SPOKESPERSON ANALYSIS OF FOUNDATION ARTICLES

Spokespeople	Percentage of total quotes
Nonprofit staff	32%
Foundation staff	15%
General public	14%
Corporate professionals	12%
Public officials	10%
Academics/researchers/authors and watchdogs	8%
Lawyers and consultants	6%
Major donors	2%
Journalists, editors, publishers	1%

In the analysis on philanthropy, quotes from nonprofit staff comprised 23% of total quotes, but ironically, that figure increased to 32% when media coverage of foundations was examined. This increase can be attributed partly to an increase in the percentage of stories on charitable giving trends (from 19 percent in the philanthropy sample to 25 percent in the foundation sample). These stories quoted a variety of sources, including nonprofit staff. Another reason for the high percentage of quotes from nonprofit staff may be that many foundations follow a philosophy of letting their grantees speak for them, rather than speaking directly to the media on their own behalf. In light of the recent trends in media coverage, foundations may wish to reevaluate this practice.

The percentage of quotes from corporate professionals doubled from six to 12 percent when foundations were examined. This increase in quotes can be attributed to an increase in the percentage of stories on giving trends and an increase in the percentage of stories on fraud.

The percentage of major donors quoted dropped by five percentage points from seven percent in the philanthropy sample to just two percent in the foundation sample. This can be attributed to the fact that the analyses used different search terms. Also, major donors are sometimes, but not always, connected directly to foundations.

It is important to note that the work of foundations can be overshadowed when the media spotlight is on individual major donors. The media tend to focus on personalities, and this can minimize the efforts of foundation staff. There is a misperception by the general public of individual largesse even though well-known major donors often give through their foundations. This can blur the distinction between the corporate titan and the corporate foundation. Unfortunately, credit that foundations deserve is sometimes given only to an individual.

As the table above shows, the people quoted most frequently in the foundation sample work at nonprofit organizations. Foundation staff were also frequently quoted, though one would expect them to have been the most frequently quoted group, given that the

word “foundation” was a primary search term. The general public was quoted almost as frequently as foundation staff (14%).

Nonprofit Staff (32%)

Quotes from nonprofit staff, people working at charities other than foundations, accounted for 32 percent of total quotes in the foundation sample. Journalists used nonprofit staff as first-hand experts on the state of giving, and quoted them in stories about funding shortfalls. Staff members at nonprofit groups were portrayed as struggling to make ends meet. For example, the executive director of the National Center for Children and Families, which runs programs for troubled kids, had to delay an expansion because corporate sponsors who had pledged large amounts later asked if they could spread the payments out over longer time-periods.⁷⁷

The overall picture the reader gets from nonprofit staff is that charities are struggling to survive, but at the same time, grateful to their current supporters.

Foundation Staff (15%)

Meanwhile, foundation staff members accounted for a mere 15 percent of the foundation story quotes. The overall picture the reader gets from the quotes of foundation staff is that foundations are under attack. Many of the quotes came from foundation staff defending the practices of their foundations. For example, Paul Allaire, chairman of the Ford Foundation, defended the fact that trustees are paid, saying “I would say on average we expect our trustees to spend 15 to 20 days a year, a big portion of their lives, working on foundation activities.”⁷⁸

Cindy Schneible was quoted in a story about how the Susan B. Komen Foundation has trademarked the phrase “for the cure.” She defended the practice, saying, “Our integrity and goodwill is reflected in those trade names. As a nonprofit, what you have is your name and reputation. It’s important to protect those.”⁷⁹

In addition, many foundation executives discussed how they have had to cut programs as a result of the bad economy. For example, a *Washington Post* piece quoted a foundation director who has cut back on giving, “as part of a nationwide belt-tightening, AT&T reduced its charitable grants in the Washington area by 30 percent last year, to \$8 million.”⁸⁰

There were too few quotes from foundation executives to shape public opinion.

General Public (14%)

As seen in the philanthropy analysis, journalists quoted the general public when they wanted to include the voice of the people in their stories. In this analysis, members of the general public included people who were on the receiving end of a foundation or nonprofit group’s good work, students, parents, and volunteers. Not surprisingly, many of those quoted praised the nonprofit or foundation mentioned in the article. For example, Theo Brannum, recipient of a scholarship through a program designed to send impoverished students to college, said, “Statistically speaking, I know that as an African-

American male from inner-city Washington, D.C., I should not have had the chance to go to college. I know I'm one of the lucky ones of the bunch."⁸¹

Corporate Professionals (12%)

Quotes from corporate professionals accounted for 12 percent of total foundation quotes. Journalists quoted corporate professionals as defenders of their organization, as experts, and as donors. Freddie Mac, Novartis, and Microsoft were all criticized in articles in the sample, and all were defended by employee spokespeople. For example, in a piece on Microsoft's donations of software to nonprofit groups, critics questioned the company's motives. Brad Smith, Microsoft's senior vice president said, "Maybe this is a case of no good deed going unpunished." He also said that the retail value of the software that the company is giving away is less than one percent of its total sales.⁸²

Several corporate professionals were quoted as donors. For example, one mentioned her company's charitable giving to food banks;⁸³ another focused on his company's efforts to raise money for victims of the war in Iraq.⁸⁴ Two corporate executives were quoted discussing their campaign to raise money for the local YMCA.⁸⁵

Public Officials (10%)

The words of public officials represented 10 percent of total quotes in the foundation sample. Public officials were quoted almost as often as foundation staff, and this reinforces the idea that foundations must speak out more to have their point of view articulated in public policy debates.

As seen in the philanthropy analysis, journalists used quotes from public officials to comment on how current events affected charitable giving, and to gauge their reaction to public policy at the local, state, and federal levels.

Journalists quoted public officials who were investigating allegations of fraud and other wrongdoing, from the PipeVine scandal to accusations against a group that called itself the "Helping Hands Foundation." The spokesman for the Attorney General of California said that PipeVine's misallocation of funds was "a violation of charitable trust laws."⁸⁶ The state Attorney General of Massachusetts said that Helping Hands, "represents itself, by its name, as something that's not for profit. We should definitely look into whether 'foundation' is properly used by a for-profit corporation."⁸⁷ In addition, several public officials were quoted alleging that some Islamic charities are front groups for terrorist organizations.

Roy Blunt was one of three spokespeople quoted most often in the sample. He is the Republican Congressional Representative from Missouri who introduced the Charitable Giving Act (HR 7), along with Harold Ford (D-TN), who, interestingly, was not quoted at all in this sample. Roy Blunt was quoted in several of the stories that explored HR 7. He said that charities "face a crunch" and that there is a need for foundations to give away more of their money.⁸⁸

Academics and Watchdogs (8%)

Quotes from academics and watchdogs comprised eight percent of total quotes in the foundation stories. They were quoted as experts when journalists wanted quotes about trends, new studies on giving, and charity scams.

Some watchdogs offered scathing criticisms of foundations. For example, Pablo Eisenberg, senior fellow at the Center for Study of Volunteer Organizations and Service at Georgetown University was quoted in two articles. In one, he asked, “Why should foundation trustees be paid to do charitable work when they’re among the wealthiest and most highly paid professionals in America and when millions of Americans of all economic classes are paid nothing to sit on boards at nonprofits?”⁸⁹ In another piece, he said, “Foundations are acting like investment bankers and not grantmakers... They have no sense of responsibility to communities at a time when government funding and private funding are being cut.”⁹⁰

Other spokespeople offered a much more favorable view of the work of nonprofits, foundations, and major donors from Warren Buffett to Bill Gates. Academics, including Michael Klausner, professor at Stanford Law School, were also quoted as saying that the concerns foundations have over HR 7 are legitimate. He said that foundations “would still be around over a longer time than you or I will exist, but they will with reasonable certainty spend themselves out of business eventually.”⁹¹

Academics and watchdogs discussed how charity scams operate and how consumers can avoid giving to groups that will not spend their money wisely or honestly. For example, Daniel Borochoff of the American Institute of Philanthropy said that people who run charity scams can “get away with giving one percent to the cause” and not be prosecuted.⁹²

Lawyers and consultants (6%)

Lawyers were quoted in the sample as experts on nonprofit scandals and accountability in the nonprofit sector. In addition, several lawyers were quoted in a piece on pro-bono work, giving readers a positive view of lawyers. Other attorneys were quoted defending clients who have been accused of running charity scams or having links to organizations that support terrorism. Consultants were quoted as experts on giving.

Major donors (2%)

Ironically, major donors comprised just two percent of total foundation story quotes. Three out of four major donors were very well-known people: George Soros, Bill Gates, and Warren Buffett. Only one major donor quoted was a less well-known person: Ted Cutler, admired in the Boston community for giving to Jewish, cultural, health, and human-service organizations.⁹³ Journalists used quotes from Warren Buffett and George Soros to comment on why they were cutting back on gifts. Quotes from Bill Gates focused on new philanthropic initiatives.

Interestingly, major donors who give through their foundations were not quoted on foundation issues.

CONCLUSIONS AND RECOMMENDATIONS

The overall message that one receives after analyzing this media coverage is that foundations are struggling and under attack, yet have remained on the sidelines when it comes to shaping public opinion about their role in society and the rules under which they operate. Upon publication of this analysis, lawmakers are about to decide whether foundations should be required to give a larger share of their assets away every year. This upcoming decision in Congress – coupled with a bad economy, fraudulent charities and questionable corporate contributions – may have undermined the public’s view of foundations as forces for good in the United States and the world.

Too few stories in our sample focused on trends and “good works.” Too few foundation executives were quoted. One gets the impression that too little effort is going into shaping the attitudes of the public and policymakers about foundations. In order to change this situation, foundation executives must create opportunities in the media and make the right investments to become more visible and make their perspectives known on the national stage. Specific recommendations follow.

- Foundations must increase their visibility across the United States in order to expand media coverage of the issues affecting them, and make their perspectives known on such issues. Foundations should reach out to outlets like *National Public Radio*, the *Wall Street Journal*, and major national magazines like *Time* and *Newsweek*. These outlets are the key to helping shape public opinion.
- Foundations must accentuate the positive, and emphasize the vital role they play, the cutting-edge work they do, and the good causes they support. There was a dramatic decrease in positive coverage of philanthropy, and this tendency is an alarming trend that foundations must work to reverse.
- Philanthropy and foundations were poorly covered by broadcast media. This lack of coverage presents a challenge that calls for foundations to propose philanthropy-related stories to select broadcast outlets. *National Public Radio*, which is supported by foundations and may be assumed to have a natural affinity toward covering them, should be high on any list of broadcast coverage targets. *NPR* is also a major influence on opinion leaders. Without compromising journalistic integrity, funders should support increased coverage of philanthropy – perhaps a foundation could fund a position for an *NPR* reporter to cover this field.
- Foundations should pitch feature stories and in-depth pieces to reporters. These stories tend to be covered by the media, and represent a major opportunity for foundations and charities that may find it difficult to attach their causes and programs to hard news hooks.
- Foundations were absent from the op-ed pages of newspapers. Foundation heads and staff members should send letters to the editor, and write and place op-eds on

- issues affecting them – such as the HR 7 debate – so that public officials and the general public understand their side of the story.
- Foundation staff are not being quoted enough, so foundations must reach out to the media to amplify their voices, especially over HR 7. Again, foundations must emphasize how much good they have done for their communities, states, nation and the world, and how HR 7 will ultimately harm the public by hampering foundations' abilities to give wisely.
 - The images of foundations are being shaped by other actors including nonprofits, celebrity donors, politicians, and reporters writing about fraud and abuse. Foundations must take responsibility for orchestrating a deeper and broader awareness of their unique roles and good works, to counter misperceptions. They should be intentional about the images they wish to project, and they should work together as a community.
 - Foundation executives are typically experts in their fields. They should be positioned publicly as expert sources for reporters on a wide range of subjects, not just philanthropy. Foundations have immense intellectual capital, and their staff members have much to contribute to the intellectual life of the country by speaking out on a variety of issues in the popular press.

APPENDIX A

**LIST OF REPORTERS COVERING PHILANTHROPY AND FOUNDATIONS
(2002-2003)**

ABC News

Cynthia McFadden
Peter Jennings
Brian Ross

Associated Press

Connie Cass
David Ho
Justin Pope
Laura Meckler
Mark Jewell
Rajesh Mahapatra
Robert Tanner
Verena Dobnik

Atlanta Journal Constitution

Alma E. Hill
Bob Deans
David McNaughton
Maria Saporta
Patti Ghezzi
Richard Eldredge
Tom Sabulis

Boston Globe

Bob Hohler
C. Kalimah Redd
Christopher Rowland
David Desjardins
Emily Shartin
Gail Spector
Geoff Edgers
Jeffrey Krasner
Jack Thomas
Kathy McCabe
Maureen Dezell
Michael Paulson
Naomi Aoki
Patrick Healy
Rhonda Stewart
Ross Kerber

CBS News/ Osgood file

Charles Osgood

Chicago Tribune

Alan Clendenning
Alan Cooperman
Amity Shlaes
Andrew Leckey
Bill Barnhart
Charles Storch
Chris Jones
David Greising
Dean Geroulis
Delroy Alexander
Gary Washburn
Janet Kidd Stewart
Jon Yates
Laurie Cohen
Marie McCullough
Matt O'Connor
Oscar Avila
Ted Gregory

CNN

Andrea Koppel
Bob Franken
Carol Lin
Carol Costello
Jan Hopkins
Paul Crawley
Wolf Blitzer
Willow Bay
Lou Dobbs
Paula Zahn

Dallas Morning News

Linda Jones
Lori Price
Matthew Zabel
Rena Pederson
Robert Miller

FOX News Network

John Gibson

Los Angeles Times

Christopher Reynolds

David Colker

Diane Haithman

Elizabeth Jensen

Gregory Rodriguez

Hector Becerra

Jeff Gottlieb

Ken Ellingwood

James Gerstenzang

Jay Reeves

Jean Merl

Jocelyn Y. Stewart

Karima A. Haynes

Karin Lipson

Lauren Weber

Mike Boehm

Robert Patrick

Stephanie Simon

Steve Lopez

NPR

Joel Rose

Jon Miller

Tavis Smiley

Barbara Mantel

Robert Siegel

Mary Louise Kelly

Philadelphia Inquirer

David O'Reilly

Martha Woodall

Pauline Pinard Bogaert

Patricia Horn

Todd Mason

Sue Leeman

San Francisco Chronicle

Demian Bulwa

Harriet Chiang

John Wildermuth

Kelly St. John

Todd Wallack

San Francisco Chronicle (continued)

Tom Abate

The New York Times

Bernard Stamler

Bob Morris

Cecilia Vega

Daniel Altman

David Barstow

David Cay Johnston

Dean E. Murphy

Greg Winter

Jim Rutenberg

John Cushman

John Markoff

Judith Miller

Laurie J. Flynn

Linda Greenhouse

Lowell Bergman

Lydia Polgreen

Matt Fleisher-Black

Neil A. Lewis

Peter T. Kilborn

Robin Pogrebin

Stephanie Strom

Susan Kirschbaum

The Washington Post

Abhi Raghunathan

Ariana Eunjung Cha

Bob Levey

Brigid Schulte

Caryle Murphy

David B. Ottaway

David A. Farenthold

Jacqueline L. Salmon

Jacqueline Trescott

Joe Stephens

Karen DeYoung

Kevin Sullivan

Manuel Roig-Franzia

Marc Fisher

Michelle Singletary

Peter Baker

Roxanne Roberts

Susan Levine

Time Magazine

Laura Koss-Feder

U.S. News & World Report

Samantha Levine

USA Today

Christine Brennan

John Waggoner

Sandra Block

Wall Street Journal

Carol Adelman

Daniel Grant

David Bank

Jonathan Weil

Matthew Levitt

Paul Beckett

Tom Herman

APPENDIX B

ARTICLE CITATIONS

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