



State of Giving Report

Lake County
Indiana
2004



Focus of Report

- **Development Council**
 - Formed in 2001
 - Consists of 38 representatives of business and non-profit organizations
 - Purpose is to:
 - Determine the charitable assets and resources
 - Assist in preparation of a strategic plan for charitable giving



Focus of Report

- **Special thanks to members of the Development Council:**
 - Calvin Bellamy, Bank Calumet
 - Bruce Bergland, IU Northwest
 - Edward Charbonneau, Northwest Indiana Local Government Academy
 - Margot Clark, Meals on Wheels of NWI, Inc.
 - Charolette Cook-Hawkins, Trump Casino and Hotel
 - Michael Creagh, Boy Scouts of America, Calumet Council
 - Vic DeMeyer, Community Resources LLC
 - John Diederich, Bank One Indiana
 - Lance Dodson, Calumet College of St. Joseph
 - Joseph Domenico, Harrah's East Chicago Casino
 - James Donovan, Tri-Electronics
 - Ken Flanagan, Catholic Charities
 - Daniel Gardner, Northwest Indiana Regional Planning Commission



Focus of Report

- **Special thanks to members of the Development Council:**
 - James Greiner, HFS Bank, F.S.B.
 - John Janik, Merrillville Chamber of Commerce
 - Nancy Johnson, Legacy Foundation, Inc.
 - Diane Karp, Lake Area United Way
 - Thomas Keilman, BP
 - Robert Lewis, Attorney At Law
 - Dan Lowery, IUN – School of Public and Environmental Affairs
 - Peter Manous, Kopack & Associates
 - Louis Martinez, Lake Area United Way
 - Rick Mazer, Horseshoe Casino Hammond
 - Tom McDermott, Northwest Indiana Forum
 - James McShane, Lake County Services Delivery Board
 - Joseph Medellin, Ispat Inland Inc.
 - Christopher Morrow, Mercantile National Bank



Focus of Report

- **Special thanks to members of the Development Council:**
 - **John Mybeck, Community Foundation of NWI, Inc.**
 - **Dewey Pearman, Construction Advancement Foundation**
 - **Tom Ploski, Pepsi Americas**
 - **Debra Porrett, Woodland Child Development Center, Inc.**
 - **Cynthia Powers, Century 21 Powers Realty**
 - **Kris Prohl, BRIDGES, Inc.**
 - **Edward Radigan, The Dean & Barbara White Family Foundation, Inc.**
 - **James Ranfranz, Northwest Indiana Regional Planning Commission**
 - **Dennis Rittenmeyer, Calumet College of St. Joseph**
 - **Robert Schacht, Exelon**
 - **Palmer Singleton, Jr., Singleton, Crist, Austgen & Sears**
 - **James Strayer, NWI Bldg. & Constr. Trades Council**



Focus of Report

- ***State of Giving* Report made possible through the generous support of the following organizations:**
 - Bank Calumet
 - Bank One
 - BP
 - City of East Chicago
 - City of Hammond
 - City of Gary
 - Community Foundation
 - Construction Advancement Foundation
 - Horseshoe Casino



Focus of Report

- ***State of Giving* Report made possible through the generous support of the following organizations:**
 - Howard Foundation (The Times)
 - Legacy Foundation
 - Ispat Inland
 - Majestic Star Casino
 - Mercantile National Bank
 - NIPSCO
 - Trump Casino
 - USS-Gary Works
 - Whiteco



Focus of Report

- **Start addressing the future by documenting the present: *State of Giving Report***
 - Gather baseline information
 - Identify best practices and strategies
 - Provide toolkits to non-profit organizations and businesses



Focus of Report

- State of Giving Report integrates the findings and recommended actions from the *Indicators* report with results of a study of public record, surveys of the non-profit and corporate sectors, interviews and focus groups, and research into best giving practices in philanthropy



Focus of Report

- **Quality of Life Indicators**
 - A Community of Opportunity
 - A Safe Community
 - A Community that Appreciates the Arts and Celebrates Life
 - A Thriving Community
 - A Diverse Community
 - A Community of Open and Viable Neighborhoods
 - A Community of Engaged and Caring Citizens
 - A Learning Community
 - A Healthy Community
 - A Community in Balance with its Environment





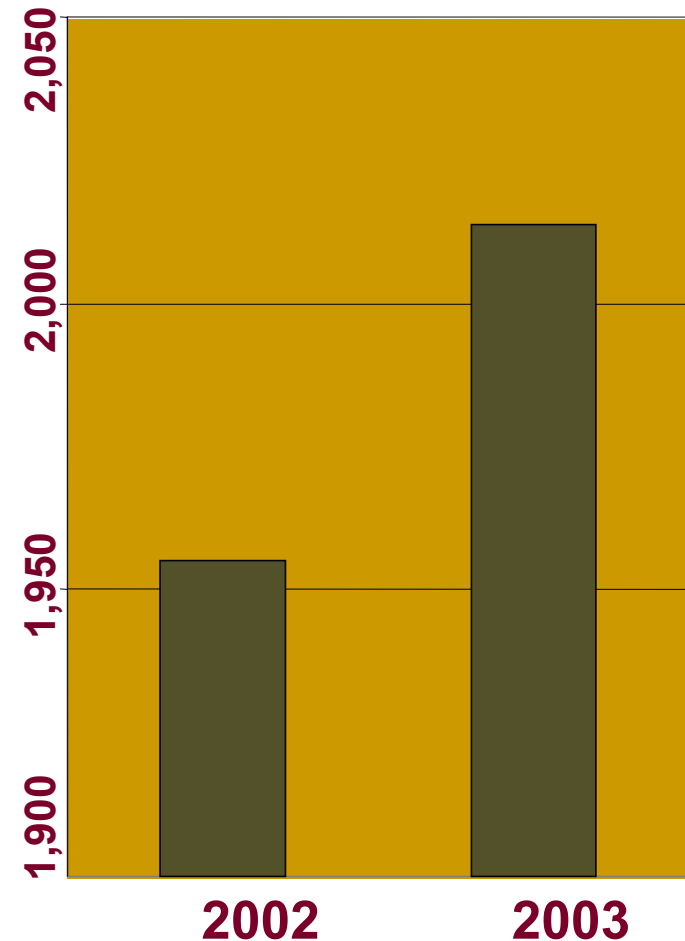
Key Findings

- From this study, the key findings divide into five areas:
 1. Significant contributions of non-profits
 2. Struggles of the charitable giving community
 3. Need for financial and capacity building assistance
 4. Vital role of individuals in charitable giving
 5. Need for strategic charitable giving planning



Key Findings

- Non-profits make great contributions in Lake County
- Lake County is a community of concerned citizens
 - **>2,000** non-profit organizations
 - Non-profits grew **3%** in 2002
 - Full array of services provided
 - Many best practices





Key Findings

Crosswalk of the Number of Lake County's Non-profit Sector and by Corresponding Indicator

Description of Category	Number of NFPs	Percent of Lake County Non-profit Sector	Corresponding Indicator	Indicator Grade
Human Services	521	25.9%	A Community of Opportunity	D
			A Community of Open and Viable Neighborhoods	C
			A Safe Community	B-
			A Community that Appreciates the Arts And Celebrates Life	B+
Public, Societal Benefit	437	21.7%	A Thriving Community	D
			A Diverse Community	D
			A Community of Open and Viable Neighborhoods	C
Religion Related *	326	16.2%	A Community of Engaged and Caring Citizens	B-
Mutual and Membership Benefit	298	14.8%	A Community of Engaged and Caring Citizens	B-
Education	196	9.7%	A Learning Community	C-
Arts, Culture, and Humanities	105	5.2%	A Community that Appreciates the Arts and Celebrates Life	B+
Health	99	4.9%	A Healthy Community	I
Environment and Animals	28	1.4%	A Community in Balance with its Environment	C+
International, Foreign Affairs	3	0.1%	A Community of Engaged and Caring Citizens	B-

* The Religion Related category does not include churches.



Key Findings

Nonprofit Struggles

- Lake County nonprofits serve a disproportionate population, compared to state levels
- Nonprofit sector is 6% of state total of nonprofits
- Population is 8% of state total—
compounded by disproportionately high unemployment



Key Findings

- 62% of nonprofits have experienced significant decreases in revenue
- Median revenue for non-profits decreased by 26% from 1998 to 2000.
- 1998—174 non-profits @ \$288,022.56 median revenue
- 2000—205 non-profits @ \$211,321.83 median revenue
- Greatest impact on smaller nonprofits



Key Findings

- Arts, culture, humanities -87%
 - Education -65%
 - Religious -65%
 - Health -28%
 - Human services -22%
-
- 8% of the nonprofit organizations received 80% of the contributions, gifts and grants



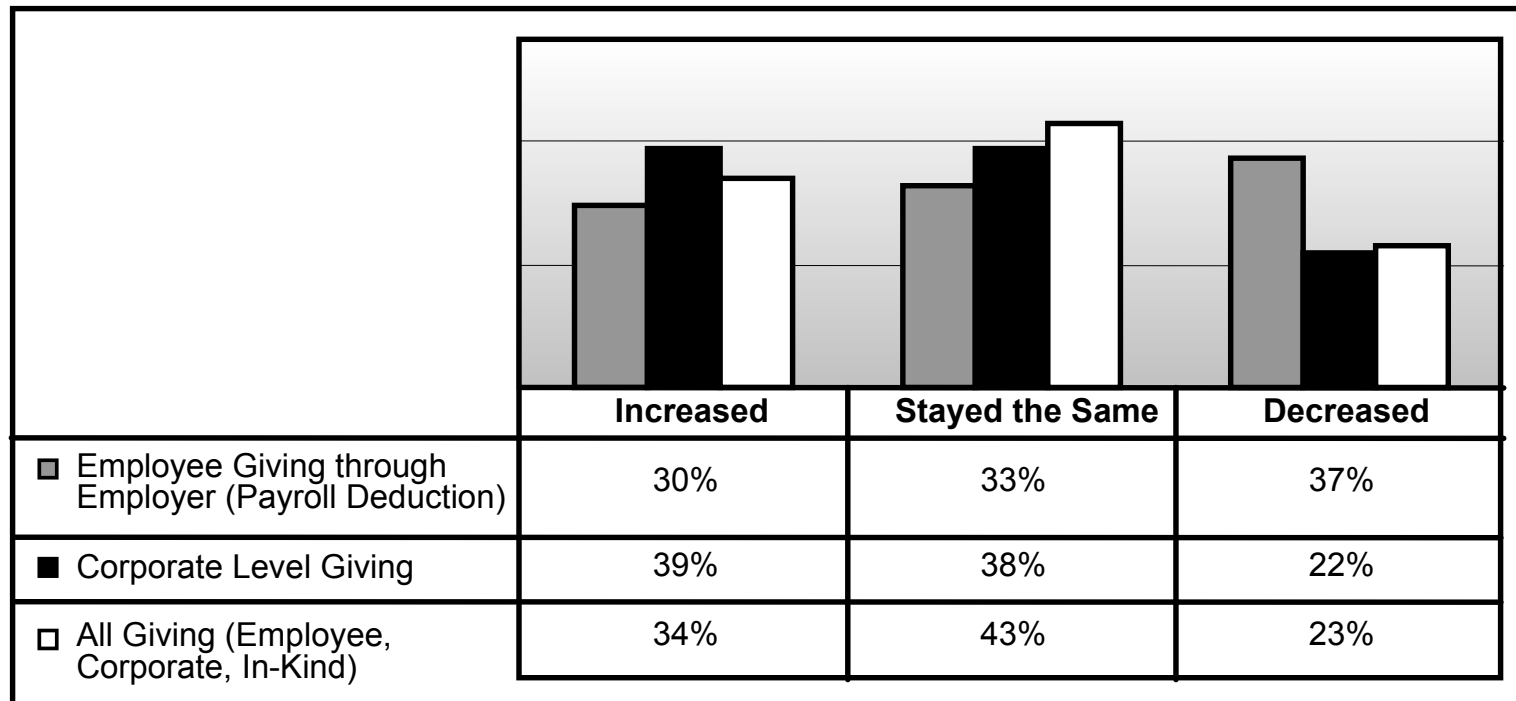
Key Findings

- Business giving trend survey reports that giving trends have remained constant over the past 5 years
- However, while giving levels remain flat, the result represents a loss to nonprofits, which report an increase in cost of service provision



Key Findings

Business Giving





Key Findings

- Businesses are faced with the challenges of an uncertain economic environment competing with the desire to support the needs of the community
- As of February 2003, there were 9,939 active businesses in Lake County.
- Service industries account for 83% of the total business in Lake County, with 16% of all establishments in retail trade.



Key Findings

- Charitable contributions are less than 2% of total revenue for the majority of Lake County businesses.
- 71% of businesses do not offer a payroll deduction plan.



Key Findings

The compelling need for assistance

The need for strategic planning for charitable giving throughout the community

- **79.9%** of business respondents indicate that their company does not have a formal charitable giving policy
- **70.9%** state that their company does not budget for philanthropy
- **80.6%** report having no formal corporate giving plans
- Nearly **80%** of businesses do not hold non-profit organizations accountable for their use of charitable gifts
- Over **80%** have no formal evaluation processes for charitable funding requests



Key Findings

There is a lack of consistent reporting mechanisms for monitoring the effectiveness of programs and asset use

Reporting mechanisms would provide

1. Accountability practices for both corporate and non-profit organizations in charitable giving
2. A clear process for collecting consistent charitable giving data



Key Findings

There is a need to build capacity and sustainability in non-profits with limited margins

- Non-profits that do not have a network of support nor a sizeable operating margin are more likely to fail in times of crisis.
- In Lake County, **57%** or approximately **1,147** non-profits representing **80%** of non-profit revenues are less likely to survive or have the capacity to operate during times of crisis



Key Findings

- Government services are a key component of social service in Lake County, with each of them providing similar services. However, of the top 200 federal programs in which governmental units from Indiana participated, Lake County was involved in only 38.



Key Findings

- The need to leverage available federal funds
 - 2002 Total government receipts in Lake County were over **\$3.0** billion
 - Grants for social and human services accounted for **59%** of all grant receipts
 - **79%** of non-profit survey respondents indicated that they do not participate in Federal grant programs
 - **86%** indicated that they do not participate in State grant programs
 - The cost of matching funds, grant writing services, and administration of government funds are barriers to utilization of government funds



Key Findings

The lack of funding for public transportation affects the ability of individuals to access the services of non-profits

- **50.5%** of non-profits in Lake County are located in Gary, Merrillville, and Hammond
- **44.7%** of the population is in Gary, Merrillville, and Hammond
- Although many of the organizations in these three areas offer services to the entire county, more than **55%** of the population requires transportation to those services.



Key Findings

Foundations, individuals and intermediaries all have a vital role to play in maintaining and supporting the continuance of the charitable giving community

- National giving trends indicate that most giving is done through private donors.
- The potential for engaging more individual donors has yet to be realized – an increase in individual donors would provide a healthier charitable giving environment



Key Findings

There is a need for strategic charitable giving planning

- Focused, proactive, prioritized needs identified
- A venue for a community-wide strategic plan for charitable giving is needed
- Identifying and strengthening knowledgeable and effective leadership is needed
- More businesses and private donors need to get engaged



Key Findings

To depend on the non-profit community to support the quality of life of individuals throughout good and bad times, technical assistance, as well as money must be provided

- Leadership development
- Increased volunteer pool
- Financial reserves
- Professional guidance on operations and financial management
- Material goods
- Process for engaging volunteers



Key Recommendations

4 Key Recommendations

1. Increase capacity of non-profits for service provision, outcome measurements, impact through a Grantsmanship Center
2. Increase the charitable giving capacity of business
3. Develop a community wide strategic plan for giving
4. Identify and support transportation initiatives to improve access to charitable services



Key Recommendations

1. Develop the capacity of non-profits – Grantsmanship Center
 - Build a data base of information for reporting, strategic planning, and resource management
 - Create mechanisms by which the administrative costs associated with grant writing and reporting could be reduced
 - Establish strategies for long-term sustainability of initiatives
 - Engage a legislative liaison
 - Develop a countywide system of technical assistance



Key Recommendations

1. Develop the capacity of non-profits – Grantsmanship Center, continued
 - Develop a community asset map
 - Prepare for times of struggle and crisis
 - Coordinate efforts for accessing large foundation dollars
 - Provide an opportunity for training and technical assistance resources
 - Support best practices for fundraising initiatives



Key Recommendations

2. Increase the capacity of business for charitable giving
 - Individual businesses can develop their own charitable giving plans
 - Donate professional services, time, and materials
 - Provide leadership, financial, and organizational expertise
 - Extend the use of donations to the less glamorous aspects of charitable needs
 - Offer ways to support individual employee giving strategies
 - Require outcomes from recipients of gifts



Key Recommendations

3. Develop a community wide strategic plan for giving
 - Develop a charitable giving web portal
 - Build a pool of matching grant funds
 - Pool community resources to provide training and technical assistance
 - Incorporate individual planned gifts and endowments
 - Include representatives from government and state agencies in planning
 - Develop strategies community wide for balancing capital and operations funding needs and resources
 - Consider the entire county when planning



Key Recommendations

4. Identify and support transportation initiatives to improve access to charitable services.
 - Improve transportation systems to get people to needed services, instead of duplicating services
 - Develop a community asset map to identify specific locations of service for correlation to need
 - Support transportation initiatives to provide access to needed services
 - Leverage public funds to provide transportation solutions



Key Recommendations

Group Discussion

How can we implement these 4 key recommendations in Lake County?

1. Increase capacity of non-profits for service provision, outcome measurements, impact through a Grantsmanship Center
2. Increase the charitable giving capacity of business
3. Develop a community wide strategic plan for giving
4. Identify and support transportation initiatives to improve access to charitable services



Contact Information

For further information, please contact:

*Mr. Lou Martinez, President
Lake Area United Way
221 W. Ridge Road
Griffith, IN 46319
219-923-2302
info@lauw.net*