

**Md. foundations' assets rose 15%; Grants, 3%
Charitable groups' gift totals faulted**

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Buoyed by an improving economy, Maryland foundations increased their assets by 15 percent in 2003, according to a study released yesterday by a local philanthropic association.

Grants by Maryland foundations didn't keep pace, increasing 3 percent over the year to \$640 million. That brought criticism from a watchdog group, though the Association of Baltimore Area Grantmakers, which issued the report, said foundations typically dole out money based on the averages of their total worth over the prior two to five years.

Maryland foundations' giving also rose 3 percent in 2002, when assets dropped almost 6 percent.

Association leaders say the lag between changes in assets and changes in giving means that state foundations have probably continued to increase spending in the past two years. A survey by the group in March found that half of grant makers expected to give more this year and close to 40 percent expected to hold the line.

Nationally, foundations didn't increase giving in 2003, though assets rose 9 percent, the association said.

Maryland foundations' assets reached \$10.4 billion in 2003, and about three-quarters of that was at groups based in the Baltimore area.

One significant reason the health of foundations matters for Baltimore is that they help fund nonprofits, which are the city's largest employers and play a sizable role in efforts to solve urban ills.

"I think this is very encouraging," said Betsy S. Nelson, executive director of the grant makers association, which counts about 140 foundations and corporate-giving programs among its members.

"With foundations, the giving is directly tied to what the assets are, and we see assets going up," Nelson said.

Individuals account for the biggest share of charitable contributions; foundations account for a little more than 10 percent nationally.

But nonprofits say grant makers play a significant role, giving seed money for new programs, conducting research and helping shape the way public and private groups attack social problems.

Baltimore-area foundations are increasingly teaming up to leverage their money on initiatives such as work-force training for city residents.

Maryland's two largest grant makers, the Annie E. Casey Foundation and the Harry and Jeanette Weinberg Foundation, are among the top 25 private foundations in the nation by size.

Casey, which was started by the founder of United Parcel Service Inc. and moved to Baltimore in 1994, gave \$172.8 million in 2003 from total assets of \$3.1 billion, according to the association's report. The foundation focuses its resources on efforts to improve the lives of disadvantaged children and their families nationwide. It has been active in the effort to redevelop East Baltimore.

The Owings Mills-based Weinberg foundation, founded in 1959 by real estate magnate Harry Weinberg, gave \$101 million in 2003 from assets of \$1.8 billion. Like Casey, it focuses on aid to the poor.

"Things are going very well for foundations now," said Shale D. Stiller, president of Weinberg, which gives nearly a third of its grants in the Baltimore area. "If the stock market does well, the value of our assets go up."

The Baltimore Community Foundation, a collection of more than 400 philanthropic funds, gave away \$19.4 million in 2003, ranking it fourth among Maryland grant makers. It is seventh by total assets, so it is giving a larger percentage of its assets than some larger foundations are.

"We're very optimistic," said Gigi Wirtz, a spokeswoman for the Baltimore Community Foundation, founded in 1972. "People are energized by a sense that Baltimore is changing and improving. ... We're continuing to have many, many donors come to us to ask for help in supporting their philanthropy."

Rick Cohen, executive director of the National Committee for Responsive Philanthropy, a Washington watchdog group, said he wishes more grant makers would pick up the pace.

By law, private foundations are required to spend at least 5 percent of their assets each year, and many have made that minimum "a de facto maximum," he said.

Maryland foundations' decision to increase giving by 3 percent in 2003 when assets jumped 15 percent sends the wrong signal, he said.

"Particularly in 2003, you're talking about society being really in a pivotal moment of social crisis and social change, following issues of 9/11 and war in the Middle East," Cohen said.

"When foundations are sitting on their assets, they're ... not helping nonprofits do what they should be doing."

Largest givers

Maryland foundations ranked by total grants made in 2003:

1. Annie E. Casey Foundation (Baltimore), \$172.8 million
2. Harry and Jeanette Weinberg Foundation (Owings Mills), \$101 million
3. Ellison Medical Foundation (Bethesda), \$33 million
4. Baltimore Community Foundation (Baltimore), \$19.4 million
5. Sherman Fairchild Foundation (Chevy Chase), \$13.4 million
6. Eugene B. Casey Foundation (Gaithersburg), \$12.5 million
7. Abell Foundation (Baltimore), \$8.2 million
8. France-Merrick Foundation (Towson), \$8.1 million
9. Alvin and Fanny B. Thalheimer Foundation (Baltimore), \$7.3 million
10. Lockheed Martin Corp. Foundation (Bethesda), \$7.1 million

[Source: Association of Baltimore Area Grantmakers]

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