

# GHCF Donor Update October 2011



Greater Houston Community Foundation

October 2011

## Dear Donors & Advisors:

Your 3<sup>rd</sup> quarter 2011 fund statement is now available online. Thank you for allowing GHCF to assist with your important philanthropic activities.

We have a new feature in our newsletter, a brief commentary from our investment consultant, Jeffrey Slocum & Associates. In addition, detailed investment information concerning all of our pools may be found on our web site at [www.ghcf.org](http://www.ghcf.org).

Through September 30, we have granted out \$45.6 million on behalf of our donors. As has been the situation for the past couple of years, needs remain elevated here in Houston and beyond due to the current economic environment; you are making a real difference with your philanthropy!

As we move into the fall months and you begin to review your charitable giving plans for the remainder of the year, we hope you will consider adding assets to your fund at GHCF. Remember that you can make a gift to GHCF this year and get a deduction now, but still retain the flexibility to disburse the funds at a future time, and to charities of your choosing. Also, certain estate planning strategies remain very effective in this environment. ***Due to the current extraordinary low interest rate environment and the gift and estate tax laws now in place, certain planning strategies offer truly historical planning opportunities, e.g., the combination of a charitable lead trust with a donor advised fund.*** Please give us a call if you would like to learn more about this and other such strategies.

GHCF is now able to offer complete philanthropic solutions to our donors, including our longstanding transactional expertise and best-of-class resources to help you invest your philanthropic capital strategically and effectively. If you would like assistance creating a family giving strategy, or identifying high-performing nonprofits best able to help you achieve your giving goals, please let us know.

As we move into the holiday season, I also want to remind you about our Giving Cards. These cards represent a fun and flexible way to get children started on charitable giving in a modest fashion, or to say thank you to customers, friends, family members, or anyone special. For a small added fee, the cards can even be customized with a business logo or unique family design. Please let us know if you would like more information about this very exciting tool.

Thank you for your continuing support of GHCF!



Stephen D. Maislin  
President & CEO

*(please turn over for more information)*



GREATER HOUSTON  
COMMUNITY FOUNDATION

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## We Have Moved!

GHCF relocated to a new office in the Decorative Center  
Houston at Woodway Drive and Sage Road,  
address as follows:

**5120 Woodway Drive, Suite 6000  
Houston, Texas 77056**

Our telephone numbers and e-mail addresses  
remain the same.

The Decorative Center has ample free surface parking for  
visitors, which you may enter from Sage Road,  
just behind the building.

Drop by for a visit when you're in the neighborhood –  
we'd love to show you our new location!

## ***Do You Need to Update Your Information?***

Please remember to advise the Donor Services  
Department when you have a change in address,  
telephone or e-mail. If you want to make changes  
to other information, such as successor advisors,  
please contact Krystle Folse at 713-333-2208  
or [kfolse@ghcf.org](mailto:kfolse@ghcf.org).

News From the Philanthropic Services Department

**Report from Renée Wizig-Barrios, Vice President & Chief Philanthropy Officer**

Many of you have shared with us how important it is for you to involve your children and grandchildren in giving. As we approach the holiday season, it seems like a good time to think about the myriad ways donors can create family giving opportunities. Your families are lucky to have you as examples of generosity that they can follow.

First, it is critical to talk about your giving so the whole family knows what you are doing and why, as a recent study found, many children do not know about their parents' giving habits. Parents and grandparents can model the behaviors they want to see in children and grandchildren by simply teaching young children to divide their money into three categories for spending, saving, and giving. Several of you have told me about trips you have taken with your children to build houses in developing countries, which left a lasting impression on your family.

For those of you who want a more local experience, ask a nonprofit where you are involved as a board member, donor, or volunteer about opportunities that you can be involved in as a family. Today many nonprofits

offer these opportunities, as do religious congregations.

As the holidays approach, there will be toy collections, families to adopt, and special baskets of food to be prepared. For younger children, you may consider having them set aside a portion of their toys to be donated to charity as they make room for holiday gifts. As children grow up, they can play a more active role by volunteering with their parents and having a voice in family philanthropy.

Consider using Donor Xpress 2.0 as a tool to engage in family giving decisions. I have done this with some of our donor families and had positive feedback. If you want to involve children teen-aged to young adult in giving, this could be helpful. If you have a mission for your fund, share that with your children. If not, you might start with a family discussion about giving and why it is important to each of you. You can pick an area of focus for your giving (if you do not have one) and then use Donor Xpress 2.0 to take virtual site visits to potential charities as a family. If you have not used it yet, go to the button on the sidebar titled "Research a Group".

The screenshot shows the 'Research a Group' page in Donor Xpress 2.0. On the left is a sidebar with buttons for: Donor Xpress Home, Fund Summary, Recommend a Grant, Research a Group, Your Current Recommendation List, Gifts To Your Fund, Your Profile Information, Contact Us, Other Advisors, Download Forms, Frequently Asked Questions, Giving Wisely, and Sign Off and Return to GHCF Main Site. The main content area is titled 'Research a Group' and includes the instruction 'Learn about nonprofit organizations in our database.' Below this is a search form with the following sections:

- Organization Name:** Search alphabetically or by a phrase within the organization's name.
- Keyword:** Search by words related to an organization's mission, programs or background.
- Organizations with profiles only:** Limits your search to organizations that have completed a profile. To search the full database of grantees, click to remove the checkmark.
- Organization Type:** Search for organizations by subject using a national classification system. Major Area: (None Selected)
- Program Area:** Search for programs and services using a national classification system. Major Area: (None Selected)
- Geographic Areas Served:** Search an organization's service area by county. Click on the map to review and select the counties of your interest. By clicking on the map, your selections will pre-populate in the box below. [View Area County Map](#)

Under Geographic Areas Served, there are checkboxes for:
 

- Texas (all counties)
- Brazoria
- Chambers

You will then select the type of organization you are interested in and get a list of organizations to view. You can view the profile of the organization, which includes the mission, program, governance, and financials. By reviewing this with young people you create an opportunity to talk about each of these areas and how you evaluate charities. If you want some tips on evaluating these profiles, review the "Giving Wisely" section's "Interpreting a Nonprofit Profile Document".

For those of you who are ready to begin an ongoing process to engage your family in your giving, I am happy to work with you to make that happen. In a recent article titled "Philanthropy's Role in Developing Responsible Adults," the authors share some important insights about how young people of wealthy families can grow through participation in philanthropy. They cited four important paths to making this happen: stewarding the family philanthropic legacy; voluntary service; peer networks and giving circles where they

could learn about philanthropy; and serving as part of a governing body for their family foundation or giving vehicle. (*You can read the full article in "Giving Wisely" through Donor Xpress 2.0*) We can discuss how and when your children should participate in these paths and develop a customized process to meet your needs.

Also, we will begin our next class of The Next Generation Donor Committee in January. If you know a young person, age 25 to 40 from a philanthropic family, who is interested in learning about philanthropy that you would like to nominate, please let me know.

I am sure that many of you have had positive experiences sharing your passion for giving with your family. Please share with us any stories or family traditions that have worked well for you and your family. With your permission, we can post them on our website as a resource for our donor community. You can send me these stories at [rbarrios@ghcf.org](mailto:rbarrios@ghcf.org) or reach me at 713-333-2206.

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## GHCF Scholarship Awards Hit High Mark in 2011

The number of funds which provide scholarships to students from our community and beyond continues to grow, with a new scholarship fund slated to begin this fall. Scholarship funds have been created by individuals, families, country clubs, professional organizations, and corporations. The first scholarships given by GHCF funds were in 2003 with 26 scholarships awarded, totaling \$35,250. In 2011, 182 scholarships were awarded with a total dollar value of \$501,250. The colleges and universities that the scholarship winners choose to attend represent a wide range of local, Texas, and out-of-state colleges, universities, community colleges, and technical schools. GHCF is pleased to support these students and their higher education endeavors.

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## News from Slocum, GHCF Investment Consultant

The third quarter of 2011 saw significant volatility and market declines. Economic growth rates around the world fell, and there are fears of a double-dip recession. The debt problems in Europe have only added fuel to the fire. Stock markets around the world fell between -14% and -23%. High quality U.S. bonds and gold were the only assets that were up in the quarter.

Nearly all of the GHCF's investment pools posted negative returns. The passive pools are dependent on rising markets for success, and were down in line with their benchmarks. The actively-managed pools, especially the Growth Pool and the Growth & Income Pool, posted losses that were not nearly as severe as their benchmarks, because those pools have investment managers that are allowed to use strategies that help to stem losses in down markets. Some of those managers can also use big declines in markets as opportunities to buy, judiciously and within their risk guidelines. Diversification, such as the broad array of active strategies in those pools, will be particularly important if the quarter's market volatility continues for some time.