

“How can we model the behavior we seek to inspire?”

State humanities councils, the economy, fundraising, and philanthropy¹

“How can we model the behavior we seek to inspire? Do our boards, staff and volunteers reflect the diversity of the communities we serve? How can we be more inclusive?”²

In August 2012, the *Chronicle of Philanthropy* launched the major interactive website “[How America Gives](#).” This website provides the opportunity for one to discover the giving patterns in one’s own zip code, to compare giving levels in red states vs. blue states, and to see the impact of religion and faith on giving. It also spotlights giving in big cities. It covers individual or household charitable giving.

In the [summary](#) of its findings, the *Chronicle* notes that people living in states like Utah and Mississippi give more than 7 percent of discretionary income to charity while those in the New England states give less than 3 percent. When religious giving is separated from secular giving, however, New York, for instance, jumps from being 18th to ranking as the second most generous state. Overall, less wealthy households are more generous. Those “that earn \$50,000 to \$75,000 give an average of 7.6 percent of their discretionary income to charity, compared with an average of 4.2 percent for people who make \$100,000 or more.” Tax incentives make a difference in generosity.

The [Rhode Island Council for the Humanities](#)’ experience of fundraising is dramatically at odds with its state’s overall giving levels as is that of [Humanities Nebraska](#). According to the 2012 income survey conducted by the [Federation of State Humanities Councils](#),³ 11 percent of RICH’s revenue comes from individual donations and individual contributions make up 13 percent of HN’s revenues. Both councils anticipate that their levels of individual donations will have increased in 2013. The state of Rhode Island is ranked 44th in charitable giving and Nebraska is ranked 36th.

¹ This article on the economy, fundraising, and philanthropy draws on information provided by the *Chronicle of Philanthropy*’s “How America Gives” website. It has also benefitted from material written by Christopher Sommerich, executive director of Humanities Nebraska, and Elizabeth Francis, executive director of the Rhode Island Council for the Humanities. Thanks to Suzanne T. Allen and Claudia Herrold of Philanthropy Ohio for information about the economic and philanthropic situation in Ohio.

² In the [January 2013 newsletter](#), [Federal/State Partnership](#) announced that each issue of the newsletter through October would address issues raised by the theme of the November 2013 [Federation of State Humanities Councils](#) conference in Birmingham, Alabama. A source for most of these surveys is the contextual section of councils’ [self-assessment report](#), drawing on material from all of the [56 state and jurisdictional humanities councils](#). This article first appeared in the [October 2013 newsletter](#). Links to all the articles are attached to the [lead article](#) to the series as they appear in the newsletter. Each is also posted as a separate article in the [Resource Library](#). A printable pdf of this article is attached.

³ According to the Federation’s 2012 income survey, the councils that derived the greatest percentage of their overall income from individual donations are the New Hampshire Humanities Council (14%); Cal Humanities and Humanities Nebraska (both 13%); and the North Carolina Humanities Council, Rhode Island Council for the Humanities, and the Vermont Humanities Council (all 11%). For the 56 councils, the average percentage of income derived from individual donations is 4%.

Although this essay focuses on individual giving, it is interesting to note council revenues from other private sources in 2012. The average percentage of council income from corporations and foundations was 8%. The five councils with the highest percentage of corporate and foundation revenues are the Minnesota Humanities Center (75%), the Georgia Humanities Council (43%), the Louisiana Endowment for the Humanities (27%), Indiana Humanities (24%), and the Illinois Humanities Council (22%). Councils averaged 18% income from all private sources. The Minnesota Humanities Center leads with 83%, followed by the Louisiana Endowment for the Humanities (47%), the Georgia Humanities Council (45%), Humanities Nebraska (45%), and the New Hampshire Humanities Council (44%). Thirty-six councils derived at least 10% of their total revenues from private sources in 2012.

Humanities Nebraska's fundraising involves vision, stewardship, and storytelling.

According to the *Chronicle of Philanthropy's* report, Nebraskans donate 4.1% of their discretionary income to charity. But Humanities Nebraska has emerged as a leader in state humanities council fundraising by building strong connections with individual donors, businesses, and private foundations that strongly support the concept of public access to the humanities. Through a unique model of two entities with volunteer boards—a Council and a Foundation—who essentially act as one unified body, Humanities Nebraska is served by a strong mix of humanities scholars, business leaders, community volunteers, and others who have engaged more than 3,000 active donors in supporting the council's programming.

"We recognized many years ago that the real key to a stable, growing state humanities council program was to build private support," stated Christopher Sommerich, Humanities Nebraska's executive director. Chris took over as executive director after six years of serving as the council's development director, and is a Certified Fund Raising Executive (CFRE). "I don't want to contemplate a world without the basic operating support the state councils receive from the NEH," continued Chris. "That is essential. But realistically, to meet our goals more fully and to meet all of the needs in our states, we must broaden our support to include more private philanthropy."

For the last ten years, the private sector has covered more than a quarter of Humanities Nebraska's total budget—the second most significant source after NEH funding. The council also benefits from endowment funding and from a state appropriation. "Advocating for our federal and state support is not unlike raising private funds," stated Chris. "Whether it is public taxpayer dollars or charitable donations, our responsibility is to provide the vision for what that support makes possible, to steward those resources smartly, and to tell the stories of what is happening thanks to that support. In a sense, we are our states' storytellers, after all. When I hear what all of the state humanities councils are doing to enrich the lives of their citizens, and the enthusiasm that radiates from those councils in telling those stories, I wish that could be bottled and delivered to potential donors throughout their states. It is remarkable, and we all have a lot to be proud of. It's simply a matter of getting the stories out."

Sommerich shared that Humanities Nebraska is currently experiencing its strongest year of fundraising in its 40-year history, raising nearly \$400,000 from \$5-\$10 donations on up to five-figure gifts, and from donors all across the state. One very recent example sums up Nebraska's approach to philanthropy, and the results. "We recently experienced the loss of a donor who embodies the charitable spirit of Nebraskans," Chris began. "She lived in a rural community, and started writing checks to us for \$30-\$50 more than a decade ago. Then we met her at a humanities program, and her checks went up to \$100. Then our Chautauqua program came to her town, and her donations bumped to \$250. We visited her on occasion (not asking for money), and the checks became \$500, then \$1,000, then \$2,000. This summer, she passed away unexpectedly. I recently received a letter from her attorney informing us that she had remembered us in her estate plans, and we will be receiving nearly \$100,000. We were never aggressively asking her for gifts, and did not know she had included us in her charitable estate plans. We simply kept in touch and told the stories of what we were doing in her community and throughout the state. She made the choice what to do with that, and her generous spirit will enrich the lives of other Nebraskans for years to come."

The evolution of philanthropy in Rhode Island since the recession: Three years after the end of the recession, Rhode Island's economy is the weakest in New England, struggling with high unemployment and slow job growth. Funding for arts and culture contracted during the downturn; recognizing this, philanthropic giving and grantmaking have increasingly focused on collaboration and strategic initiatives to achieve greater impact. As Rhode Island emerges from the recession, albeit slowly, the need for solutions has inspired coordinated efforts to develop a shared vision of the state's assets and to spur both business and community development. These include Rhode Island's bold efforts in creative place making, which have transformed the city of Providence, for example, as well as its heritage and historical organizations. Well known as the advocate for and supporter of

public humanities projects through its grantmaking program, the Rhode Island Council for the Humanities is working with leaders in philanthropy, government, and economic development to investigate the state's distinct opportunities, to articulate the needs of and potential of public humanities, and to tell deeper, more diverse, and compelling narratives. In this sense, the Council's role as a funder is increasingly to catalyze innovation, thus increasing its ability to attract support and to build public-private partnerships.

A glance at the economic contexts in which five councils work: Charitable giving is part of an overall economy. The self-assessment reports that state humanities councils write every five years start with an analysis of the context in which a council works. Here is a look at five states' economies:

- **Rhode Island** was considered to be in recession before the Great Recession began in 2007. Historically, its dominant industries had included jewelry manufacturing, agriculture, and fishing, and while they still play a role in the state's economy, tourism and knowledge economy industries like biotechnology and design now play a larger role. The reliance on tourism and the emergent quality of the knowledge economy cause concern when considered against the backdrop of larger economic trends. In this climate, competition for corporate and foundation support is increasingly turning into collaborative and cross-sector approaches.
- Although **Nebraska's** economic base has broadened, agriculture and agri-business remain vital. Omaha's economy has diversified and grown, with five Fortune 500 companies headquartered there. Several large private employers have kept their headquarters in an increasingly revitalized downtown and riverfront area, with significant private investment in cultural and entertainment venues. Lincoln, home to state government and the University of Nebraska-Lincoln, has been somewhat protected from abrupt economic downturns, and has experienced a building boom, including a new entertainment arena and a technology park. Nebraska's unemployment rate is around 4%, well below the national average.
- The economy in **Colorado** is the sixth best in the Beacon Hill Institute competitiveness survey and Forbes ranked it the 5th state for business in 2013 with a gross state product of \$274 billion and 5-year annual growth of 1 percent. The state added 58,500 jobs in the first eight months of 2013, a 2.5 percent increase over the same months in 2012. Jobs in oil and gas extraction in the northern gas fields increased over the past several years. With them, however, communities like Grand Junction and Greeley experienced an influx of temporary workers and their families in need of education and other services. State unemployment, at 7 percent, is just below the national average of 7.3 percent.
- **Michigan's** economy has been drastically affected as energy sources have been threatened, manufacturing technology has changed, a global economy has emerged, and competition has been heightened. Its August 2013 unemployment rate was 9 percent and its unemployment ranking is 48. Having once been highly ranked in per capita income, Michigan is now consistently below the national average. Foundations are playing an increasingly prominent role in support of communities, the arts, recreation, and other services. In 2011, however, the state tax credits for some charitable giving were eliminated with the result that some are giving less than in the past. The federal government is the second-largest revenue source for Michigan nonprofits.
- In 2012 **Ohio** added jobs in the automotive and healthcare industries, in manufacturing, and in oil and natural gas. In many cases, however, this reflects rebuilding rather than growth. The automotive industry, for instance, long the economic lifeblood for much of Ohio, added 1,500 jobs last year. Even with this increase, there are nearly 32,800 fewer automotive jobs than at the end of 2007. Healthcare was the largest growth sector and eastern Ohio's Utica shale rock has spurred investment and job growth. Although individual giving dropped from 2000-2010, 2010 marked a 7.5 percent increase over the previous year. Seventy-five percent of all charitable donations made in Ohio are given by individuals, 24 percent of whom have incomes of less than \$50,000.