Reflections from the Equity Summit
What 6 leaders took away from the national summit and how they’ll implement their learnings into their work.

Addressing market changes with your spending policy
Maximize your chance at success within your portfolio.

Ask the expert
How to track your investment expenses under the new rules.

New on the Job
Meet the new Women’s Fund of Central Ohio CEO.

Plus
The annual Philanthropy Awards nominations open July 9!
Curiosity is not only the name of the Mars Rover: recent research documents that having curiosity can make you smarter, healthier, more observant, happier and even help you live longer. It’s been the topic of study for hundreds of years and today there’s even a Center for Curiosity at the University of Pennsylvania, which publishes research and shares resources across many disciplines.

But, curiosity is neither something to be taken lightly nor for granted. Great minds like Einstein, Edison and DaVinci all credited their genius to their curious nature. Author Simon Sinek says it starts with asking, WHY. He also suggested that “All organizations start with WHY, but only the great ones keep their WHY clear year after year.”

WHY is a question we are asking frequently at Philanthropy Ohio these days and we will continue to pose the question until our WHY is crystal clear. We are posing it in the midst of a strategic planning process to build our new strategic framework and our curiosity extends to other questions, too. By asking WHAT and WHO and HOW questions, we can ask better WHYs.

When you look at the Latin translation of “curiositas,” the textbook definition is “careful diligence” and it is with purposeful care that we are asking our questions. Our WHY must be clear, must be the catalyst for our work and must be embedded in our culture.

With thanks to many of our members who participated in surveys and focus groups and with the help of our board, staff, strategic planning committee, consultant and many thought partners, we are finding that curating curiosity in our organization’s culture is an organic endeavor. It helps that we are an inquisitive bunch and that we enjoy asking questions like:

WHO do we serve?
WHAT value do we bring to our members?
HOW best can we deliver programs and services?
WHO are our next leaders in the field and WHAT do they need?
WHAT does the philanthropic landscape look like in 3 to 5 years?

“ We keep moving forward, opening new doors, and doing new things, because we’re curious and curiosity keeps leading us down new paths.”

– Walt Disney
Spending policy helps foundations address market challenges

CONSTANT GROWTH
The basis for this methodology is simply choosing a baseline annual spending dollar amount and then increasing that rate by inflation or some other fixed percentage over time. Constant growth tends to smooth spending and is consistent and predictable. It also provides a high probability that a foundation employing it will increase its spending over the previous year. This predictability and consistency in spending is helpful to those beneficiaries whose budgets, programs or salaries depend on endowment spending.

The main disadvantage of this methodology is that changes are not correlated with the market value of the portfolio and it tends to be less objective. Human judgment can creep into the spending rate decision, making it subject to the changing dynamics of a foundation’s investment committee.

CONSTANT GROWTH WITH BANDS
A way to counter these disadvantages leads to the next methodology: constant growth with bands. This is where an organization uses constant growth to set its spending in actual dollars but assigns both a floor and a cap on spending based on the market value of the portfolio.

Rather than applying constant growth using inflation, an organization might apply constant growth of 4 percent but with bands so spending is never more than 5 percent or less than 3 percent of the portfolio’s market value.

One advantage of this model is that constant growth spending can allow the organization’s portfolio value to increase during strong markets. For example, with strong market-based portfolio growth over several years, the value of the portfolio will increase and compound as spending growth remains constant at 4 percent. However, given the bands (a spending floor of at least 3 percent of portfolio market value), a small portion of the strong market gains may result in a slight increase in spending over and above the constant 4 percent.

Foundation leadership and investment committees need to establish their unique priorities and select a methodology that supports the organization’s overall goals.

Conversely, should the portfolio market value decline, the planned constant 4 percent spending increase may be reduced due to the spending cap of 5 percent of portfolio value.

The two primary advantages of this approach are it provides relatively more predictable spending and, over longer periods of time, allows for market gains to be retained in the fund and compound. Disadvantages of this method include spending will be constrained during strong markets and, during a very prolonged bear market, spending would continue at a rate of at least 5 percent of a declining portfolio value.

Returning to the original point: foundation leadership and investment committees need to establish their unique priorities and select a methodology that supports the organization’s overall goals.

Is it a priority to maximize portfolio value over the long term, which eventually leads to more total spending in the long run? Is it a priority to minimize spending volatility? Or is it a priority to maximize spending today? Organizations should seek a solution based on their unique needs. The differing objectives and constraints of foundations make spending policy and methodology a very nuanced and complex topic.

Douglas J. Walouke, CFA, is vice president and consultant at FEG Investment Advisors and a Professional Partner member. Reach out to Doug at 513.719.5067 or dwalouke@feg.com.
More than 70 Ohioans attended PolicyLink’s Equity Summit in April, including three Philanthropy Ohio staff and representatives – both staff and trustees – from several member organizations who share insights and reflections below.

Why did you attend the summit?

A. Brown: I learned about the summit through my participation as a core member of the All-In Cincinnati Coalition (local partnership with PolicyLink’s All-In Cities initiative). At this table, I’m working with other local leaders in government, nonprofit and philanthropy to advance local equity strategies. In my primary day job, I am a United Way of Greater Cincinnati staff leader, who provides thought leadership, collaboration and resources to nearly 100 social service agencies to address Cincinnati’s astounding poverty rate through our Family Centered Learning initiative. In this role, I spend lots of time brainstorming and researching strategies to help reverse and reform the various systems and practices that hold families back from escaping the grips of poverty. As we consider local social outcomes across the education, income and health sectors, there are persistent racial disparities that marginalize people of color. I want to help change the narrative that would mark Cincinnati as a town with great potential and upward mobility for some but not others.

J. Love: I attended the Equity Summit because equity has been a core focus of my work over the last few years. As an organization, we have been moving deeper into using an equity lens across the entire organization. I was able to experience the Equity Summit back in 2015 and it gave me a whole new perspective of how we could be working in Cincinnati. Since then, I have been working with the All-In Cincinnati Equity Coalition, and I believe the summit had some great ideas that can influence how we do this work in the Greater Cincinnati area. This year we were also fortunate enough that our entire staff was able to attend the summit, an opportunity that many people in our office do not usually get to experience. I think that being part of a large group attending, both locally and across the state, will help to continue building momentum for putting equity at the center.

A. Mundorf: The goals of the Sisters of Charity Foundation of Cleveland – ending homelessness, reducing health and education disparities, and strengthening the capacity of Catholic sisters’ ministries and the community – cannot be achieved without a focus on equity. I attended the conference to better understand how other communities and organizations are working toward engagement, direction and leadership of those who attended the first summit – with dozens more since.

E. Katz: I attended the summit with team members of The Greater Cincinnati Foundation and colleagues from our region essentially as a follow-up to our having attended the last summit three years ago in L.A. Since then, we have been building an equity movement called All-In Cincinnati with the
advancing equity; to connect with the 70-plus members of the Ohio delegation to share ideas on how to advance equity in our communities; and to be inspired by an incredible set of speakers and attendees united in our vision of equitable communities.

**J. Reiman:** As the new communications manager at the Ohio Legal Assistance Foundation (OLAF), one of the funders of legal aid in Ohio, attending the summit presented a unique opportunity to deepen my knowledge of the equity movement. Legal aid helps low-income and vulnerable Ohioans stay employed, financially secure, stably housed, healthy and safe from domestic violence. Many of the topics at the summit tied closely to this work. Thanks to sponsorship from the Ohio Regional Convergence Partnership, I was honored to represent OLAF and was pleased to meet other Ohio delegation partners.

**J. Roller:** About a decade ago, the Raymond John Wean Foundation undertook a strategic planning process with PolicyLink, resulting in the blueprint for this foundation’s evolution into a place-based grantmaker. As a new program officer, I attended the summit for the exposure to broad and new ways of thinking, with diverse people across various sectors. I’ve continued to return in search of that same high, if you will – an infusion of great energy and free flowing ideas of how we can address existing and new challenges in innovative ways.

**What was your biggest takeaway or ah-ha moment?**

**A. Brown:** I walked into the summit with my eyes wide open for examples from around the globe of economic inclusion. My biggest takeaway is that Cincinnati is not an anomaly. We are surrounded by other communities that aspire to make good on the promise of prosperity for all. This awareness that I am a member of a global peer community advocating and working on behalf of marginalized communities to challenge the conventional ways of using philanthropy and policy change to improve local conditions was mind-numbing.

**E Katz:** The reminder and reinforcement of the reality that people who are closest to the pain are closest to the solution – and power should be shifted there. The currency of power is one we grip onto so tightly. Those with power fear letting go of it. Yet if we could put power in the hands of those who are marginalized, oppressed or suffering, we’d live in a more balanced society. Everyone’s potential would rise.

**J. Love:** My biggest takeaway was the focus on leadership development and building a pipeline within communities. Everything from working to develop youth advocates to getting adults ready to serve on boards and as elected officials. Truly harnessing the political and personal power of people to create change in communities. The summit definitely felt like a rallying cry to pull people together towards action. The other major a-ha moment I had was about how to be an ally for people/organizations who may have a different focus than your own. It is okay, and should be valued, to “show up” for people for their own causes or social justice issues, even when they vary from the areas we are working in. Being able to have a unified front with other community partners through our actions can make a big difference in the support they receive.

**A. Mundorf:** I left with a new understanding of the power of storytelling and the idea that storytelling can help shift narratives. We’re in a moment in history when diverging attitudes on racial and economic inequities are widening. Reframing narratives through an equity lens is critical to giving a voice to the underserved and changing policy and cultural norms in ways all people, regardless of race, religion, ethnic background or economic status, can reach their full potential.

**J. Reiman:** For me, the biggest takeaway was a sentiment repeated by Angela Glover Blackwell, PolicyLink founder. She was paraphrasing another leader in the equity movement when she said, “When you try to talk to those in power about systems, they will try to talk about programs.” Her statement speaks to the challenges in trying to change the policies that create inequality. So much of what I learned at the summit was about a multi-pronged approach; empowering those typically absent from the policymaking process to advocate for change, while also working at the local level on direct services to help communities.

**J. Roller:** My biggest takeaway was during the opening plenary, when Michael McAfee, president and CEO, noted “the work” as the 100 million people living at 200% poverty. There’s a lot you can do with that statement. It left me with the question, what’s really “the work” of the foundation I am responsible for leading?

**How will your experience at the summit inform or guide your work going forward?**

**A. Brown:** I’ve found it more difficult to guard my hope during the last year or so as more data, information and media have surfaced on the racial and social disparities that polarize people on either side of the equity conversation. The intimate discussions, learning, networking and thinking in which I found myself immersed acted as a balm for my soul and a motivator to action. I feel better prepared to engage with others who might not understand why equity is an imperative for us in helping to improve the lives of all people. I’ve been equipped with data, research, history and stories that help paint a

**2018 Equity Summit Reading List**

- *In the Shadow of Statues*, Mitch Landrieu
- *State of Resistance*, Manuel Pastor
- *One Goal*, Amy Bass
- *Behave*, Robert Sapolsky
- *Thinking, Fast and Slow*, Daniel Kahneman
- *Racing to Justice*, John a. powell
- *Toxic Inequality*, Thomas Shapiro
- *Race and Upward Mobility*, Elda Maria Roman

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Reflections from the Equity Summit

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picture that depicts what’s possible if we don’t turn back from our course of advancing equity strategies that benefit the greater good.

E Katz: The All-In Cincinnati Equity Coalition will continue to draw from the principles and learnings of the summit. We are sharing the insights of all who attended and will keep them front and center.

J. Love: I have taken away from the summit the idea of trying to incorporate leadership and advocacy development within our grantmaking. I believe this can be a key factor to improving equity within the region. Although it is a more long-term solution that will have a greater impact in the future, it is one of the things needed in order to create systemic change. There was also an intention about being clear about whom you are targeting. What population do you want to make an impact on? Be specific and clear, and that will help guide the work and what initiatives you should focus on. I learned that it is ok to have a focus on a very specific population. That doesn’t mean you are leaving anyone out, it simply means that you can lift everyone by helping those who have the greatest disparities.

A. Mundorf: The Sisters of Charity Foundation of Cleveland is committed to addressing the needs of those living in poverty. With a clear connection between racial inequities and generational poverty in our community, we can use the power of storytelling to lift up the voices of the communities we serve to help change ineffective policies and systems.

J. Reiman: As a communications professional, it was extremely valuable to hear how other organizations have messaged around equity. Sharing best practices around telling these stories will certainly inform our work moving forward. Also, we are excited by the idea of joining together with other funders in Ohio to build upon the momentum of the summit and to continue to partner to increase equity in our state.

J. Roller: The Raymond John Wean Foundation is in the earlier stages of its intentional equity work. It’s the summit fused with trainings, past and future; conversations and readings, professional and personal; and just experiencing life through an equity lens that ensures we keep learning and growing.

Tracking investment expenses under new rules

Michael Borowitz, CPA
Clark Schaefer Hackett

Under the Accounting Standards Update (ASU) No. 2016-14, not-for-profit organizations will be required to report investment return net of external and direct internal investment expenses and will no longer be required to disclose those netted expenses. Parts of the changes from this ASU update are a relief to those who struggled with determining the amount of external expense being netted by third parties against the reported returns. Others continue to struggle with what should be captured as part of direct internal investment expenses.

The ASU defines direct internal investment expenses as “… expenses [that] involve the direct conduct or direct supervision of the strategic and tactical activities involved in generating investment return.” The key terms within this definition are strategic and tactical activities. Essentially, this definition explicitly excludes the internal administrative-type costs an organization would incur to track investment activity. For example, the time the organization’s accountant spends performing the monthly investment reconciliations, initiating transfers and other internal administrative tracking tasks would not fall under the definition of direct internal investment expenses. However, the costs incurred to have an organization’s Chief Financial Officer develop and execute an investment strategy would fall under this definition of direct internal investment expenses (i.e., the allocable salaries and benefits, travel, etc.). This could include the CFO’s time spent discussing the strategy and investment performance with the organization’s investment or finance committee, selecting and monitoring external investment management firms to aid in executing the strategy and updating investment policies. These allocable costs would all be included in those direct internal investment expenses to be netted with investment return.

Another notable exclusion from the definition of direct internal investment expenses being those costs generated by programmatic investing activities. This type of investing involves making loans or other investments that are directed at carrying out an organization’s exempt purpose. An example of programmatic investing is a loan fund, where the main purpose is to provide the loan to an eligible individual and not to generate investment return. Time spent and related costs incurred for programmatic investment would not be netted against investment return.

This ASU is effective for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Organizations will want to make sure they have identified and are tracking internal direct expenses so they may be properly recorded at year end.

Michael Borowitz, shareholder at Clark Schaefer Hackett, is a Professional Partner member. Contact Michael at mborowitz@cshco.com or 614.885.0376.
Best advice I ever received:
I have been fortunate to have been given lots of good advice. Something that stands out as I begin this work is “The more you listen, the more you are heard.”

Three goals for this year
**Listen:** to stakeholders and partners to understand how The Women’s Fund can be most effective.

**Learn:** the details of the work of The Women’s Fund and how we make progress to ensure a future where gender equity is the norm in life and work.

**Lead:** advocate, convene and collaborate for the good of women and girls.

What’s surprised me so far:
The depth of the passion that exists for creating a stronger community through gender equity. The endless opportunities there are for collaboration and partnerships. The scope of possibilities for the good of women and girls as we “turn up the volume” on awareness of The Women’s Fund of Central Ohio.

What I do when I’m not at work:
My husband, Dave Wible, and I love to connect with family and friends and take every opportunity we get to do so; and when we entertain, he makes great food and I make everything look as good as the food tastes!

What I’m reading:
I am an avid reader, often reading several things at the same time. I like to support local bookstores and love actual books. Memoirs are a favorite and I am currently finishing Keyholder 2018 featured author Roxane Gay’s *Hunger.*
What was your career path to the position you are leaving?
I spent the first two chapters of my career in project management in the film and television industry and in nonprofit management for performing arts organizations. Those experiences served me well in my third chapter as a government grantmaker: I have sincere empathy for the organizations who are asking us for support because I’ve been where they are and I know how challenging it can be to raise money for a cause.

What advice would you offer to someone just entering the field?
Two things: first, make sure you are getting out to see your grantees’ work in action as often as you can. Show them you care by showing up: it’s one of the things that they crave and it will keep you closer to the issues that you can help tackle through your grantmaking work. And next, if your organization doesn’t need to raise money, never forget what a privilege that is and work hard to live up to the responsibility to do something awesome with the resources that you manage.

What would you change if you had a chance for a “do-over?”
When I came to CAC (and Cleveland) in 2010, I don’t think I truly appreciated the political nature of my role; if I had, I think I would have prioritized building strong yet independent relationships with elected officials and their key staff even sooner.

What’s next?
My husband and I are returning to Chicago, where I am expanding my teaching practice at University of Chicago, Northwestern University and Indiana University. I am also exploring consulting projects through the Civic Consulting Alliance, an organization that identifies and addresses key issues facing the city. And, I will be doubling down on my Chicago-based board commitments, as a trustee at the Old Town School of Folk Music and as a development volunteer at CARA, a workforce development nonprofit.

What will you miss (if anything) about your position?
Certainly I will miss our very fine team: they are all terrific humans doing great work and I’m immensely proud of them. And, I will miss my connections with the wide variety of amazing arts and culture nonprofits in this community. Cleveland’s arts ecosystem is really special and I am grateful to have had a hand in helping to support the great work that so many organizations do to share their creativity with the community.
What I’m hoping to contribute as a board member:

With nearly 20 years at The Columbus Foundation, working in both grantmaking and donor services, I have seen changes in the field from a board level and from a “boots on the ground” perspective. This is humbling work and each day I am reminded about the nuances, gray areas and the long arc of our work in our communities. My hope is that this perspective will add value as Philanthropy Ohio continues to adjust to the changing needs of its membership.

What is the biggest opportunity for Philanthropy Ohio?

The continued engagement of its membership is key to the future. Philanthropy Ohio’s ability to successfully develop and deliver innovative tools and content for its membership to ensure success in the field will only strengthen its position. Philanthropy Ohio also needs to continue to be a voice on issues that we need to care about such as diversity, equity and inclusion.

What I do when I’m not at work:

I am an avid record collector. I’ve focused over the last 10 years on increasing my jazz collection. I’m always interested in a conversation on who blew harder – Yardbird or ‘Trane.

What I’m reading:

I am currently reading *They Can’t Kill Us Until They Kill Us* by Hanif Abdurraqib. Hanif is a Columbus, Ohio poet, essayist and cultural critic. I’ve had the opportunity to hear Hanif read his work and each time I am reminded about how important it is to be grounded in a community. Having a sense of place matters. That perspective helps me daily.
The Awards

- Ohio Philanthropy Award
- Emerging Philanthropist Award
- Innovation Award
- Michael G. Shinn Award for Diversity, Equity and Inclusion in Philanthropy

Visit philanthropyohio.org/awards to view award criteria and submit your nomination.

SAVE THE DATE
Columbus
October 22 – 24, 2018
Registration opens July 2018.

Early Bird Rate: $580 for members in good standing.
$800 for non-members.
philanthropyforward.org
#PhilFWD18

Special thanks to the conference leadership and planning committees:

**Honorary Co-Chairs**
Lisa S. Courtice, United Way of Central Ohio
Kelley Griesmer, The Columbus Foundation
Brady Groves, Richland County Foundation

**Central Ohio Host Committee**
Angela Lloyd, Ohio Legal Assistance Foundation
Katie Matney, The Women’s Fund of Central Ohio
Diana Newman, Benefactor Group

**Conference Planning Committee**
Michael Coffey, Greater Cincinnati Foundation
Brady Groves, Richland County Foundation
Jesse Stock, The Athens County Foundation
Brian Wagner, Muskingum County Community Foundation
Karen White, KeyBank Foundation
**New Staff and Promotions**

**Cardinal Health**
Jessie Cannon, vice president, community relations

**The Greater Cincinnati Foundation**
Harold Brown, VP, community strategies
Jamie Lydenberg, donor services associate
Tracy Muntz, receptionist
Rosie Polter, grants associate
Connie Winternitz, copywriter

**Cleveland Foundation**
Keisha Gonzalez, program officer, neighborhood revitalization & engagement

**Cuyahoga Arts & Culture**
Jill Paulsen, Interim CEO

**Dayton Foundation**
Eleanor Comyns, executive assistant to the president
Noreen Wilhelms, senior fellow, Del Mar Encore Fellows Initiative

**The Erie Community Foundation**
Court Gould, vice president of community impact

**Great Lakes Higher Education Guaranty Corporation**
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Monique Kelly, senior director of community engagement

**Scioto Foundation**
Barb Bradbury, UCAN college advisor
Ginnie Moore, scholarships and grants coordinator

**United Way of Greater Cincinnati**
Sabrina Hoelle, team coordinator, strategic resources & public policy team
Jennifer Ingram, diversity chief

**The Women’s Fund of Central Ohio**
Mary Cusick, president & CEO

**Accomplishments**

**The Dayton Foundation**
Received PRism awards from the Dayton chapter of the Public Relations Society of America for “#Hometown360,” Good News and the #Hometown360 social media campaign

Mike Parks, named to the Forty Under 40 Hall of Fame

**Dominion Energy Charitable Foundation**
Heather Clayton Terry named a 2018 Women of Distinction, presented by Girl Scouts of North East Ohio

**Great Lakes Higher Education Guaranty Corporation**
Sue Cui named an Aspen Presidential Fellow for Community College Excellence

**John S. and James L. Knight Foundation**
Leadership Akron presented the 2018 Read Family Difference Maker Award to Kyle Kutuchief

**The Nord Family Foundation**
Anthony Richardson, Parhara Institute NextGen Fellows

**RYP 10 Under 40 Award recipients**
Carrie Kemerer, Shelby Foundation
Allie Watson, Richland County Foundation

**Departures**

**The Greater Cincinnati Foundation**
Helen Mattheis
Molly Robertshaw

**Cuyahoga Arts & Culture**
Karen Gahl-Mills

**The Dayton Foundation**
Roseann Eckart, retired

**New Member**

Three Arches Foundation

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Bank of America hosted a corporate member convening in Cleveland on June 7.

Philanthropy Ohio held an Opioid Crisis Meeting on June 1 to discuss ways members can collaborate and are funding solutions.

Please email staff changes and accomplishments to jhoward@philanthropyohio.org.
The Art of Participatory Leadership is a group of practices and techniques that allow people to self-organize and harness collective wisdom. In just a few years, it has evolved from a handful of meeting facilitators to thousands of practitioners who are helping corporate and civic leaders worldwide set the stage for honest and meaningful conversation.

We are passionate about this work because we have seen what it does. In this time of uncivil discourse, it’s restorative to sit in a room with diverse people and perspectives and listen to understand. What emerges is often unexpected, delightful and absolutely right for now.

– Susan Urano

Susan Urano
Executive Director
The Athens County Foundation

Art of Participatory Leadership Training
Tuesday, July 31 – Wednesday, August 1

Nationwide Hotel & Conference Center
100 Green Meadows Dr.
Lewis Center, OH 43035

Scholarship Managers Retreat
Thursday, August 9
9:30 a.m. – 3:30 p.m.

Ohio University Dublin Integrated Education Center
6805 Bobcat Way
Dublin, OH 43016

Grantmaking for the 21st Century
Wednesday, August 29
10 a.m. – 3 p.m.

Philanthropy Ohio
500 S. Front St., Suite 900
Columbus, OH 43215

Sign up for these programs and more at philanthropyohio.org/events.