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Giving



of Net Worth

Back to the Community

## **The One Percent Club News** **Edition #71 July 2005**



The mission of the One Percent Club is to increase charitable contributions in our community by engaging people to commit to a minimum standard of giving: the greater of 1% of net worth or 5% of income annually.

### **New Member Campaign Begins with Minnesota Business Journal! Major Effort to Recruit New Members**

Starting with putting our brochure inside 15,000 copies of the Minnesota Business Journal in the July 22<sup>nd</sup> issue, we begin an effort to recruit new members, the likes of which we've never seen.

Working with our Marketing Committee, chaired by Patrick Murphy, our professional creative team of Dick Wilson and Steve Griak are volunteering their talents to develop numerous direct mail ideas to jumpstart the campaign for the next 18 months. We've also hired Ellen Benavides to help manage the campaign activities.

Our goal is to recruit 180 new members by the end of 2006. The campaign has four components; putting our brochure into the July 22<sup>nd</sup> Minnesota Business Journal, sending 6-8 targeted letters to 1500 high net worth individuals, hosting an educational forum for Chairs of local Capital Campaigns to promote the benefits of membership in the 1% Club to support their fundraising activities, and inviting selected clients of 1% Club members to learn more about our goal of raising the standard of giving in our community.

## Blythe Brenden: Following the philanthropic example set by her mother and grandfather

By Judy Schuster

Blythe Brenden considers herself “blessed, grateful and lucky.” But this young woman has more than luck on her side. Her family’s tradition of serving the community makes it possible for her to dedicate her time, as well as her money, to philanthropic activities.

At present, Brenden co-chairs a steering committee that is raising money to fund Abbott Northwestern Hospital’s Institute for Health and Healing. The Institute is co-funded by the Ted and Roberta Mann Foundation (her family’s foundation) along with the George Family Foundation.

The institute’s unique mission is to combine the best of Eastern and Western medicine for the benefit of the patients. It blends conventional medicine with healing philosophies and therapies drawn from other medical traditions. Brenden co-chairs the steering committee with Bob McCrea, chairman of the One Percent Club.

“Abbott-Northwestern is committed to making this a comprehensive, hospital-wide approach,” Brenden said. “We hope that the institute will become a model for hospitals around the country.”

Brenden also plays a key role in raising money for the Minnesota Schubert. The objective is to develop a three-building complex known as the Minnesota Schubert Performing Arts and Education Center, organized around the Schubert Theater, which was moved several years ago to Sixth and Hennepin in Minneapolis.

“Eventually, we expect the buildings to serve as a home for about 20 arts organizations with a focus on dance,” Brenden explained. “The St. Paul Chamber Orchestra will serve as an anchor tenant so that they will have a Minneapolis presence. Right now I’m working at fund raising and what I label ‘friend raising.’ Those are people who support the concept and with whom I can build relationships not just obtain money.”

Brenden is quick to explain that the reason she is so active in the community is because she is following in her family’s footsteps. Her grandfather, Ted Mann, founder of the Mann Theaters, was very active in the community. (The Ted Mann Concert Hall at the University of Minnesota is named after him.) She also remembers that her mother Roberta Mann-Benson was always involved as a volunteer for a variety of community organizations. “Giving back and caring are family traditions,” she said. “I was aware of their importance from the time I was a very young child.”

A graduate of the Pepperdine University in California, Brenden obtained a Master’s Degree in Social Work at the University of Southern California. “My graduate degree was focused on

community organization and planning as well as grant writing, fund raising, marketing and lobbying,” she said. “This helped prepare me for the volunteer work I do in the community.” Even today, she continues to take classes on various areas of business and to adapt the skills she learned from her family.

Earlier in her philanthropic career, Brenden created the Arts Circle at the Minneapolis Institute of Arts. She wrote the organization’s by-laws and developed its programs which encourage the next generation of volunteers to be involved with the arts while learning more about volunteer work and philanthropy. She is past president of the Ordway Circle of Stars and chaired the annual ball which raises money to help fund the Ordway Center for the Performing Arts. She also serves on the board of the Ted and Roberta Mann Foundation, which focuses its grants on the arts, social services and health care.

Recently, she joined the newly formed United Way Women’s Leadership Council. The women’s organization hopes to raise more money to help fund programs focused on early childhood development. Like the other organizations with which she is involved, the Women’s Leadership Council fits in well with Brenden’s personal philosophy, which requires that any organization with which she is involved have an educational component.

Joining the One Percent Club was an easy decision for Brenden since she was already giving away one percent of her net worth annually. “Lending my name to a wonderful group of people, especially those in my generation, who are members, seems like a positive way to encourage others to do the same,” she said.

Brenden is well aware that her family’s circumstances make it possible for her to be more generous in her giving than most people her age. “Many of them are just getting into their careers and starting their families,” she said. “But, they can start by giving of their time and energy and then give money. The number of zeros on a check isn’t as important as the dedication to serving the community.

“There are so many good non-profits and art organizations out there that need help,” she added. “They need people to volunteer to help them more than they need anything else.”



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## Recent study shows need for 1% Club

### Charitable Giving Among Americans Rises

By ADAM GELLER  
AP Business Writer

June 14, 2005, 9:32 AM EDT

NEW YORK — Americans increased donations to charity by 5 percent in 2004, a lift for philanthropies that saw contributions stagnate in the past few years, says a new study, released Monday.

But givers sent most of their additional donations to organizations in which they have a direct stake, rather than social service groups dedicated to helping those less fortunate, says the report by the Giving USA Foundation.

Overall, donations rose to \$248.5 billion, the highest yearly total ever. That represents a 5 percent increase, or 2.3 percent when adjusted for inflation.

The increase marks the first time since the stock market bubble in 2000 that contributions rose in inflation-adjusted dollars.

The economic recession that began in early 2001 curtailed philanthropic giving. In 2003, donations declined by 1 percent, after the adjustment for inflation. But, at least for corporations, foundations and wealthier donors, the subsequent improvement in the business climate has eased the way for larger donations, said Henry Goldstein, chairman of Giving USA.

“We know that there is a relationship between economic progress and philanthropic return,” he said. “Clearly the economy for this reporting period appears to have been more stable and this certainly helped push up the number.”

The Giving USA Foundation is chartered by the American Association of Fundraising Counsel, a trade group. Research for the report is generated by the Center on Philanthropy, located at Indiana University.

Despite the overall increase in giving, donors contributed a smaller percentage of their personal income to charity than in the past. In 2000, donors earmarked about 2.1 percent of their income for charity, or about \$191. That declined last year to 1.9 percent, or about \$188.

Religious organizations and education were the biggest single recipients of contributions, netting an estimated \$88 billion and \$34 billion, respectively, last year.

Total gifts to many types of organizations rose. Environmental and animal rights organizations enjoyed a 4.2 percent increase in inflation-adjusted terms, for example, while donations to arts and humanities groups rose 3.9 percent.

But gifts to human services organizations — including food banks and homeless shelters — declined 1.1 percent when adjusted for inflation, the third consecutive year they have decreased.

“I would be a little concerned about whether that’s going to be a trend over time and what to make of it,” said Goldstein, who also works as a fundraising consultant in the New York office of the Oram Group.

At the same time, gifts to international affairs groups — many of which are dedicated to human services work overseas — fell 1.8 percent. The figure doesn’t include most of the giving after the tsunami late last year in Asia.

Most of that giving will be reflected in the 2005 data to be reported next year, Giving USA said.

Several non-profit organizations contacted said their fundraising was boosted by the upturn in the economy.

Rodger DeRose, CEO of the Crohn’s & Colitis Foundation of America, said the organization has recently seen double-digit growth. John Scales, vice president of development for Texas Children’s Hospital, said that in 2004 donations soared to \$23 million from \$11 million.

“People have a different kind of attitude now,” Scales said. “During harder times you still have a lot more cautious and conservative people. When the economy is on an upswing, people are more open and willing to contribute.”

But they and others said, more than the rebound in the economy, the upturn in giving has resulted from a more strategic approach to soliciting donations.

Daniel Cardinali, president of the nation’s largest non-profit organization aimed at dropout prevention, Communities In Schools, said the downturn in the economy forced groups like his to operate more like businesses.

“We had to mobilize our free resources to tighten our business model and make it more results driven,” Cardinali said.

But the boost in the economy remains a driving force in increased donations.

“We feel we can be much more aggressive about asking because we feel like people have more money,” Scales said.

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Associated Press writer Millie Munshi in New York contributed to this report.  
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Article Published in The Denver Post  
Sunday, April 03, 2005

## Denverites inspire others to donate retirement checks

By John Leland  
The New York Times

When Jerry Conover got his first Social Security check six years ago, he did not know what to make of it. He had earned a good income as a lawyer, and was still working part time in Denver as an arbitrator and mediator in legal disputes.

“I said, ‘This is wonderful, but I don’t need it,’” said Conover, 71, whose annual Social Security checks amounted to \$18,000.

I put it in a metaphoric lockbox to give to my kids or grandkids.”

Then, he started talking with friends who were in a similar position - receiving government checks at the end of lucrative careers - and they came up with a plan: give away the Social Security checks.

In 2003, they formed a nonprofit organization called Hope for Generations to use their Social Security checks, and those of others like them, to benefit low-income children.

## CHAMPIONS OF CHARITY

### 25 CEOs AND CORPORATE EXECUTIVES TALK ABOUT INSPIRING MOMENTS IN BUSINESS AND LIFE.

*“So long as faith with freedom reigns  
And loyal hope survives,  
And gracious charity remains  
To lighten lowly lives.”*

The words belong to the 19th century English poet Alfred Austin, but they could have been said by any of the corporate executives featured in this month’s issue of Inspire Your World. In this special “Champions of Charity” section, Inspire Your World talks to a diverse group of 25 leading CEOs and executives representing a cross-section of American businesses. Regardless of the size of their balance sheets or workforce, the desire of these executives to do good is a constant factor in how they manage their companies and business units. For them, philanthropic works are an extension of who they are and the fulfillment of a commitment to help the communities where they live and work. Many of those profiled in this special section view giving back as a “natural impulse,” because at some point earlier in their lives, when they needed help, someone provided it. In the following pages, these corporate Champions of Charity share their motivation to give back, what their projects are –

combating domestic violence, fighting hunger, improving financial literacy, helping those with disabilities – and how they inspire fellow employees to answer the better angels of their nature.

—Angela Crincoli Harrington, Editor-in-Chief

### Champions of Charity

- Altria Group Inc. - Jennifer Goodale
- Banco Popular North America - Robert R. Herencia
- Booz Allen Hamilton Inc. - Ralph W. Sharder
- Coldwell Banker Real Estate Corp. - James R. Gillespie
- Commerce Bancrop Inc. - Vernon W. Hill II
- Curves International Inc. - Gary Heavin
- Kings Super Markets - Dan Portnoy
- KPMG LLP - Gene O’Kelly
- Kraft Foods - Amina Dickerson
- Loews Hotels Holding Corp. - Jonathan Tisch
- Newmark & Company Real Estate Inc. - Barry M. Gosin
- Orange & Rockland Utilities Inc. - John McMahon
- The Philadelphia Phillies - David Montgomery
- Prudential Foundation - Gabriella Morris
- Public Service Electric and Gas Company - Ralph Izzo
- Shore Memorial Hospital - Albert Gutierrez
- The Sprint Foundation - Ralph Reid
- Staples Inc. - Ronald L. Sargent
- Starkey Laboratories - William Austin
- State Street Corp. - Ron Logue
- Steiner Sports Marketing - Brandon Steiner
- The Timberland Company - Carolyn Casey
- Unilever North America - Jhon W. Ride
- United States Postal Service - John E. Potter
- United Water Inc. - Anthony J. Harding

Source: *Inspire Your World*  
([www.academyoffriends.org](http://www.academyoffriends.org))

## Reminder: 2005 Annual Dinner



**Richard McFarland**, former President and CEO of Dain Rauscher (1982 to 1990), Chair of the Minneapolis United Way Campaign (1984), Bush Foundation Trustee (1989-1999), Minneapolis Foundation Trustee (1998-2006) and Chair (2004-2005), will be the keynote speaker at the 5th year’s Annual Dinner of the One Percent Club. McFarland’s presentation is entitled: “*Will We Pass the Torch or Drop the Torch?*”

Date and time: Sept. 28<sup>th</sup>, 5:30pm to 8:30 pm.  
Place: The Minneapolis Club, 2nd Ave So., and S. 8th St.  
Cost: \$75 per person

Please plan to bring a potential member.

Source: *The New Yorker*, May 2, 2005



“What would you recommend for someone who’s wealthy?”