

Charitable donations still important despite recession

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By Joyce Gannon, Pittsburgh Post-Gazette



Daniel Marsula/Post-Gazette

Along with holiday cards and shopping, December marks another ritual for those inclined to generosity: annual gifts to charity.

For individuals whose savings and investment portfolios haven't rebounded from last year's market crash and the uncertain economy, giving expert Eileen Heisman has this advice: Don't add any new causes to your list, but stick with the charities you've been loyal to in the past.

"Give, even if your gift is not as big and is more modest. Stay to the one, two or three that are important to you," said Ms. Heisman, chief executive of the National Philanthropic Trust, a Jenkintown, Montgomery County-based charity with \$660 million in assets under management.

And she says as long as you're thinking about donations, go ahead and write the check sooner rather than later.

"Give early. Don't make charities solicit over and over again because it costs them a lot of overhead," said Ms. Heisman. "Do it now instead of on Dec. 30."

The National Philanthropic Trust, launched in 1996 by the Pitcairn Trust, specializes in donor-advised giving and fund administration for individuals and financial institutions including JP Morgan Chase, UBS and Legg Mason.

Since its inception, it has raised \$1.7 billion and made 37,000 grant totaling more than \$1 billion to organizations in 22 countries worldwide.

Ms. Heisman landed there following an early career in political campaigns and charitable fundraising. Raised near Philadelphia and a cousin of John Heisman, for whom the college football award is named, she enrolled at Emerson College in Boston but transferred to Carnegie Mellon University after one year on the advice of a friend.

She majored in psychology and believes that her years on the Oakland campus "defined me as a student and as a professional. And I fell in love with Pittsburgh and the school. It set the tone for the rest of my education and for looking at the world."

After graduating from CMU in 1976, she earned a master's degree in social work at the University of Michigan, and returned to her hometown where she landed jobs on the staffs of Joan Specter, a member of the Philadelphia City Council, and her husband, U.S. Sen. Arlen Specter, D-Pa.

She switched to the nonprofit sector with positions at the Philadelphia Foundation and Abington Memorial Hospital before connecting with the Pitcairn Trust when it launched the National Philanthropic Trust.

She also serves as an associate of the Heisman Trophy Charitable Foundation.

Ms. Heisman said the National Philanthropic Trust currently has only a "modest" connection to the Pitcairn Trust, an organization that manages the wealth of the heirs of John Pitcairn, a co-founder of Pittsburgh-based PPG Industries.

As a donor-advised fund, National Philanthropic Trust contributes to areas its donors want to support, including the arts, education, environment, social services and health care.

Like other nonprofits hit hard by the collapse of Wall Street last year and a sluggish economy, National Philanthropic Trust's endowment has shrunk considerably, forcing it to lay off staff and cut expenses.

Despite the recession, though, "Donors are actively making grants," said Ms. Heisman. She expects charitable giving this year to hold steady at about the same level as last year, when it declined by 2.2 percent from 2007.

"The ultrawealthy still have substantial sums of money. Some bonuses are being given out, though they are not talked about as much. There is still some wealth being created in some sectors," she said.

Another change Ms. Heisman has observed in the giving climate is a drop in the number of people who attend charity galas and a reduction in scale of such events. "Some people are eliminating social giving -- meaning going to galas and inviting friends to your galas. But if you really like a charity, just write a check."

Galas require a significant investment of overhead, so some nonprofits are switching to cocktail parties instead of sit-down dinners, setting up cash bars instead of offering free drinks, and sending electronic invitations instead of expensive printed ones, she said. "But you have to be careful not to let the events disappear altogether. Donors are people, and they need to be reminded of things."

Despite daily exposure to high levels of wealth and donations, Ms. Heisman holds up as role models "the people you don't hear of."

"There are a lot of modest people who volunteer in the community or in coaching. They are heroes ... people who are doing things modestly and making a huge difference in people's lives. Oprah [Winfrey] and Bill Gates set a high bar, and that's great. But there's a lot going on in the back yards of unsung heroes."

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