

## Getting Your Name on Building Gets Cheaper as Non-Profits Compete

By Alexis Leondis



Oct. 9 (Bloomberg) -- The price of immortality is cheaper these days in the wake of the financial crisis.

Wealthy individuals for centuries seeking posthumous fame have donated money to construct hospitals, parks and college buildings in return for getting their names on projects. Nonprofits and universities may be more willing now to negotiate over how much donors have to give and how long they have to make the payments in exchange for recognition, according to [Melissa Berman](#), president and chief executive officer of [Rockefeller Philanthropy Advisors](#) in New York.

That's because most institutions have experienced a decline in the number of donors that make large gifts, she said, as the U.S. endures the worst **slump** in the post-World War II era.

"The price of immortality has to be down because organizations are scrambling to attract money out of a smaller pool," said Frederic Fransen, founder of Indianapolis-based [Donor Advising, Research & Educational Services, LLC](#), which has helped high-net worth families manage more than \$200 million in philanthropic giving.

How about naming the entrance to the nature boardwalk at the Lincoln Park Zoo in Chicago? The list price is \$1 million. A benefactor who's donated to the zoo before may be able to get it for as much as 20 percent less.

"Gifts have definitely slowed down, so we're taking another look at some of the **naming opportunities**," said Christine Zrinsky, vice president of development for the zoo, referring to a renovation project around the pond area. "We would be a bit more flexible."

### Fewer Contributions

The Lincoln Park Zoo, set against the backdrop of the Sears Tower and high-rises along Lake Shore Drive, offers donors the opportunity to give \$25,000 to name an exhibit in the animal house or \$5,000 to name a bench memorializing a loved one. The zoo would also be willing to extend the amount of time donors have to fulfill their pledges, Zrinsky said.

Some organizations are struggling to find revenue as wealthy donors as well as corporate sponsors reduce contributions, said Andrew Hastings, vice president of external affairs at the National Philanthropic Trust in Jenkintown, Pennsylvania, which helps donors establish charitable funds.

The number of gifts of \$1 million or more from individual donors fell 50 percent to 133 in the second quarter of 2009 compared with a year earlier, based on a **study** by the [Center on Philanthropy](#) at Indiana University in Indianapolis. Overall, private gifts to U.S. organizations involved in arts, culture and the humanities declined 6.4 percent to \$12.8 billion in 2008, according to a report by the [Giving USA Foundation](#), the research unit of the Giving Institute in Glenview, Illinois.

### Billionaires Decrease

Donors with household incomes greater than \$200,000 or net worth of at least \$1 million make up almost 70 percent of all individual giving, according to a 2008 Bank of America and Center on Philanthropy study. The number of U.S. billionaires decreased to 391 from 489 this year, said Forbes magazine's annual ranking released Sept. 30. The number of U.S. millionaires fell 18.5 percent to 2.5 million in 2008, according to a survey published

in June by Capgemini SA and Merrill Lynch & Co.

People crave immortality and fundraisers understand for large gifts, attaching a name is a very strong inducement, said **Leslie Lenkowsky**, professor of philanthropic studies at Indiana University. The cost for naming a building is usually 50 percent of the building's actual cost, said Bruce Flessner, a principal at Washington-based Bentz Whaley Flessner, which has advised clients including Cedars-Sinai Medical Center in Los Angeles and Mississippi State University during their capital campaigns.

#### \$100,000 Shop

Naming opportunities abound. A sampling of options for philanthropic-minded individuals interested in recognition includes \$10 million for the reading room in the library at **Harvard Law School** in Cambridge, Massachusetts, \$1 million for an atrium at the **Rock and Roll Hall of Fame and Museum** in Cleveland, \$100,000 for the museum shop at the **Fairfield Museum and History Center** in Connecticut, or \$25,000 for sculptures at the **National Rehabilitation Hospital's** therapeutic art project in Washington.

**All Children's Hospital** in St. Petersburg, Florida, is building a \$400 million replacement facility and outpatient care center. Donors can contribute and get their names on an emergency center, pediatric intensive-care unit and patient rooms, among other options. The cardiac intensive-care unit was expected to generate a \$1.5 million donation and a benefactor paid \$1 million for it, said Sylvia Ameen, director of the hospital's capital campaign. The anticipated amounts are "soft numbers," Ameen said.

#### Negotiable Timetables

Private aid to health-care organizations declined 6.5 percent to \$21.6 billion in 2008, while gifts to educational organizations were down 5.5 percent to \$41 billion, according to the Giving USA study. Universities are struggling as endowments and foundations managing more than \$1 billion in assets posted a median investment loss of 17 percent in the year through June, according to Wilshire Associates, an investment-consulting firm in Santa Monica, California.

Payment periods may be extended at Cornell University, in Ithaca, New York, which is down 26 percent in endowment investments in the year ended June 30 and New York-based Columbia University, which had a decrease of 16 percent, according to their respective development offices. University of California at Los Angeles is willing to extend the duration of a donor's pledge beyond five years as it faces a \$130 million drop in state funding, said Tracie Christensen, associate vice chancellor of development at the school.

#### Leverage

"I never thought about leverage, but I suspect in their minds, they thought they had to be a bit more flexible," said **Michael Maurer**, an alumnus of **Indiana University's** law school, who committed \$35 million to his alma mater in exchange for naming rights in December 2008.

Maurer, 66, who made his fortune in the development and operations of cable television systems, said he wanted to thank the school for the \$2,000 scholarship he received in 1965.

Institutions may be reluctant to acknowledge they altered terms of donations. Many have established policies for naming rights, said Bruce Matthews, a vice president of **Campbell & Company**, a nonprofit consulting firm based in Chicago. They may not change the terms substantially because it will diminish the value of the naming opportunity and affect future gifts, Matthews said.

Nonprofit organizations may be more creative with what kinds of gifts donors can make. Arnie Zaslow, 79, executive vice president of ATD-American Co., a supplier of institutional furniture and textiles in Wyncote, Pennsylvania, made an unconventional donation to **Abington Memorial Hospital** outside of Philadelphia.

#### Nurses' Messages

Zaslow, along with his brothers, Jerry and Spencer, pledged \$150,000 over the next five years to establish the Zaslow Fund for Excellence in memory of his sister-in-law. The fund will be used to provide massages to nurses in the hospital on an ongoing basis to reward the care his sister-in-law received, Zaslow said.

"Nothing is going to go for 10 cents on the dollar -- this isn't a bottom-feeder business," said Flessner, the consultant. "There's just more flexibility now to make you immortal."

To contact the reporter on this story: **Alexis Leondis** in New York [aleondis@bloomberg.net](mailto:aleondis@bloomberg.net).

*Last Updated: October 9, 2009 00:01 EDT*