Two Jewish men lead state’s sole community foundation

By Nancy Kirsch
Friday, 17 February 2012 15:43

Gifts benefit some 1,300 nonprofit organizations

PROVIDENCE – Two Jewish men – Neil D. Steinberg and David M. Hirsch – serve the Rhode Island Foundation (the Foundation), the state’s only community foundation, as president and chief executive officer, and chairman, respectively. Hirsch may be familiar to readers of this newspaper due to his robust commitment to the Jewish community, as evidenced by several leadership positions, including service as the current AIPAC Rhode Island chair, a past president of the Jewish Federation of Rhode Island (now the Alliance), a past chairman of The Miriam Hospital Foundation and a past national vice chair of United Jewish Appeal – among other assignments.

Hirsch issued a clarion call, a challenge, to Rhode Islanders: “We must come together for the common good and not wear teachers’ hats, union hats, etc.” Hirsch, who chaired the search committee that hired Neil D. Steinberg as president and chief executive officer of the Foundation in 2008, wants to foster on a statewide basis that which Steinberg has done for the Foundation: Creating a focused vision and establishing a proactive and safe place for people of different interest groups to work together as Rhode Islanders. “It takes time,” he said.

Hirsch believes philanthropy is highly personal. Asked how a nonprofit organization might help engender philanthropic attitudes and behaviors, he said, “Everyone approaches it from their own perspective and experience.”

Given the Foundation’s broad array of grantees – some 1,300 in all – Hirsch encourages prospective donors to contribute their dollars to the Foundation’s unrestricted funds or, if they have an enduring passion for a cause, to an endowment that addresses the cause. The Foundation’s professional staff, he said, has expertise to assist donors in selecting interest-area funds.

Although many donors have set up donor-advised funds (a $25,000 gift is the minimum required to establish such a fund), the Foundation focuses on programs addressing six sectors: health, education, human services, arts, environment and community and economic development.

Asked if it’s frustrating to have donors direct their donations to, say, Cornell or Harvard – institutions with their own robust endowments – when Rhode Island has so many seemingly intractable challenges, Hirsch said, “Our goal is to enable donors’ philanthropy. We work with our donors to be most effective; it can be frustrating, but it is hard to argue with people’s philanthropic interests.” Sometimes, Hirsch said, the Foundation approaches donors to see if their contributions might “close the gap” between what a grantee needs and what the Foundation can give. In such instances, he said, money that might go elsewhere gets rechanneled to the state.

Operating on an endowment model, the Foundation uses income from the endowment to make grants. Despite a weak economy, in 2011, the Foundation brought in more than $70 million – a record-breaking amount – and distributed $28 million, income from its endowment of more than $500 million. Where did the $28 million go?

The Foundation funds a wide range of nonprofit organizations in the six sectors referenced earlier. Eager to “inspire by example,” the Foundation sometimes makes special grants, including a 2011 grant of $300,000, which was apportioned among Crossroads Rhode Island, Rhode Island Food Bank and the Rhode Island Good Neighbor Energy Fund. By being very public with such gifts, the Foundation hopes to motivate other philanthropic ventures.

“You can’t close your eyes to what you see every day,” said Hirsch, adding that the organization occasionally coordinates initiatives with United Way of Rhode Island.

Given Rhode Island’s small size and intractable problems known to all in the state, one might speculate that local donors are more generous. Not so, said Hirsch, who noted anecdotal evidence indicating that wealthy Rhode Islanders are less generous than their counterparts nationally on a per capita basis. The Foundation has commissioned research from the Center on Wealth and Philanthropy at Boston College to determine why Rhode Island might be an outlier.

To stimulate Rhode Islanders to propose solutions to local challenges, Letitia and John Carter are funding the Rhode Island Innovation Fellowship. As the Foundation’s website explains, “Rhode Island Innovation Fellows will receive up to $300,000 over up to three years to develop, test and implement innovative ideas that have the potential to dramatically improve any area of life in Rhode Island.” More than 430 proposals were submitted, and the Foundation expects to announce two Fellows in April 2012.

Interviewed a day after the Susan G. Komen Foundation announced it would cease funding Planned Parenthood (a decision it later reversed), Steinberg was asked if the Foundation has ever been subject to political pressure. Although “donors might have opinions, we’re like Switzerland,” he said. “We fund just about every [nonprofit] organization that qualifies. That [Komen] situation wouldn’t happen here.”

Steinberg has a rich professional history in finance and philanthropy: Before coming to the Foundation in May 2008, he served as vice president of

http://www.jvri.org/index.php?view=article&catid=41:community&id=...
development for Brown University (his alma mater) and oversaw the school’s most successful fundraising campaign. Earlier, he worked for FleetBoston Financial, serving as Fleet Bank Rhode Island’s chairman and chief executive officer.

“Giving” and “giving back” mean different things to this former banker. Giving is a response to fundraising, he said, and giving back is the outcome of philanthropy. “When someone asks if you will buy a table for an event or take five pledge cards to make phone calls, that’s straightforward fundraising,” Steinberg said. In contrast, true philanthropy “inspires individuals, families or foundations to give away money,” said Steinberg. When a philanthropist gives money, “he or she should feel good. It should be satisfying and should give people the ability to make a difference. It’s an opportunity to help make dreams come true.”

The Foundation has no “typical donor.” Some people’s “most valuable asset is their time, expertise and willingness to do things,” said Steinberg, and others are very successful financially and can now give back.

Steinberg, a native of West Haven, Conn., learned tzedakah from his grandparents. “I put [tzedakah money in the box at Hebrew school, now I’m putting checks in the [Foundation] box.”

As Tony Maione of the United Way of Rhode Island (see “United Way is infused with passion” on page 21) noted, today’s donors are focused on the impact of their giving. “There is still a generation that exists that is very magnanimous in supporting organizations that do wonderful work,” Steinberg said, “but [today] all nonprofits must do a better job explaining the impact [of giving]. It’s not always about metrics, but there must be a clear mission and [explanation of] what are you trying to accomplish.”

As an entity that funds programs, not agencies – again, akin to how the Alliance shifted its grant-making in recent years – the Foundation wants to see results. “Philanthropy is from the heart and the head, but from my perspective, the head now has equal billing. The expense and complexity of current issues and challenges drive the need for careful analyses,” he said.

What worries Steinberg? “The needs of the people of Rhode Island – philanthropy unfortunately can’t make up for government cuts. It’s true nationally and true here.” Noting that the Foundation is the largest foundation in the state, he wishes for 10 more like it.

His top three wishes for the ailing state of Rhode Island? Steinberg said, “Fiscal responsibility and seeing our cities and the state on solid financial ground so dollars could be used to make improvements and not plug holes; continuing to create an environment where every child can get the best education, the ticket to economic development; and providing satisfactory and proactive heath care.”

His message to the community? “Give more. Get involved, learn what’s going on and support your passion.”

For more information about Rhode Island Foundation, contact 274-4654 or www.rifoundation.org.