



INNER CIRCLE CONVERSATION ON FOUNDATIONS

with DAVID EGNER, CLOTILDE PEREZ-BODE DEDECKER and ROBERT GIOIA

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JIM COURTNEY

Cooperation and collaboration among the region's largest foundations is crucial, according to Robert Gioia, left, Clotilde Perez-Bode Dedecker and David Egner. The executives talked about challenges facing the philanthropic community during a discussion at the Buffalo office of Hodgson Russ.

Foundation assets

COLLABORATION KEY FOR WNY'S BIGGEST FOUNDATIONS

David Egner is clearly the new guy in town, but he's quickly becoming a valued member of the team.

The team referenced here is a group of executives who lead the largest foundations in town, making decisions on where and how to spend millions of dollars each year in philanthropic funds.

Egner, the CEO of the Detroit-based Ralph C. Wilson Jr. Foundation spent an hour chatting with his contemporaries from the Western New York region's two largest locally-based foundations: Clotilde

Perez-Bode Dedecker of the Community Foundation for Greater Buffalo; and Robert Gioia of the John R. Oishei Foundation.

The discussion is part of a series of executive conversations and roundtable discussions led by Buffalo Business First.

The three foundations have combined assets of more than \$1.5 billion and last year paid out grants exceeding \$70 million.

While each foundation remains a powerhouse on their own, the leaders of all three still recognize they are stronger together. And

while \$1.5 billion sounds like a lot of money, they also understand it's simply not enough to solve all the problems of Western New York.

"More is good and more is never enough when it comes to the needs of the non-profit sector in the third poorest city in America," Dedecker says.

To get even close to achieving that challenge, they say they'll continue to partner with other foundations, as well as the corporate and government sector, while working to engage individuals to do their part.

► With more philanthropic firepower coming online in Western New York, there's more resources available. How are you working together to maximize those resources? Tell us about some of the conversations that perhaps you have had together and

conversations you'd like to have with others.

CLOTILDE PEREZ-BODE DEDECKER

President & CEO, Community Foundation for Greater Buffalo

More is good and more is never enough when it comes to the needs of the nonprofit sector in the third poorest city in America. We have

a long and building collaborative approach to philanthropy in Western New York. I think one of the oldest philanthropic collaborations that continues today is the support of Read to Succeed Buffalo, which has had the Community Foundation, the Oishei Foundation and the Wendt Foundation in play for quite awhile, over 10 years. The Fund for the Arts is another example. I know that New York State Council on the Arts is

always very impressed with how the art funders in our community have come to the table together to look at the sector. And the mother of them all really is the Say Yes Buffalo effort – 200 partners including 50 foundations that are in the game and a public/private nonprofit partnership that is a best in class example of collective impact. So there's no doubt that to go upstream and really get at the root causes of the challenges in our community, working together and collaboratively with shared goals and carefully articulated strategies to achieve those goals gets us to the big plays.

► **Dave, you said, "As big as we are, we're not big enough. We can't solve all the problems." Your foundation is pretty huge. So why do you need additional partners? Why is that important?**

DAVID EGNER

President & CEO,
Ralph C. Wilson Jr. Foundation

If you look at the resources, even with the return, it's a drop in the bucket compared to public sector spending. Take our caregiving area. If the market returns a reasonable amount, we'll spend about \$400 million in both markets (Buffalo and Detroit) on caregivers. That's about a month's worth of the Medicare and Medicaid budget for the state of New York. So it's just not enough to make systemic change without a whole series of strategies up and downstream from that work. What I've observed in Western New York is that when there's a facilitator, and the Community Foundation plays this role so many times, you can get to collective impact. But somebody has to be a facilitator that moves people toward agreement in metrics and investments. And without that, the collaboration doesn't work. It's kind of hollow. It takes money and energy. And we often just assume, well, can't you all just get together?

CLOTILDE PEREZ-BODE DEDECKER

It takes more energy than money.

► **For a long time, there were individual grants awarded to a lot of organizations and Oishei may have been one of the first foundations to really push collaboration. When did that switch, that shift, happen and why?**

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ROBERT GIOIA

President, John R. Oishei Foundation

I want to back up to your question of how are we collectively chatting and communicating. Some of it's very structured; some of it's very casual. Our conversations are very open and they have to be open. What we did recently, the Oishei Foundation started a quarterly dinner with trustees from maybe 10 or 12 foundations. No staff, no hired guns were there. It's the trustees get together and really talk about what the issues are locally and how might this giving community be supportive of that. Let me now fast-forward to what your recent question was. Informally, wasn't it Ann Monroe who had the "rolling scones" years ago?

CLOTILDE PEREZ-BODE DEDECKER

That was me. When I started in this role as president of the Community Foundation, I thought it would really be helpful to meet with my peers on a regular basis, an open agenda. We decided collectively that we wouldn't have an agenda; we'd go around the table and talk about what's keeping you up at night. So we did that for probably the first six years of my presidency at the foundation and then other, more formal structures have taken shape. But it was just an

► CLOSER LOOK AT THE SERIES

The conversation with David Egner, Clotilde Perez-Bode Dedecker and Robert Gioia is part of an ongoing series of discussions with business leaders.

Throughout the year, decision-makers from diverse Western New York industries meet for discussions moderated by Business First journalists.

Excerpts from the conversation are published after the event.

Upcoming topics include Venture capital, startup and entrepreneurial community; Banking and Transportation and logistics.

The discussions, sponsored by Hodgson Russ LLP, are held at the law firm's Pearl Street offices in Buffalo.

open conversation for foundation presidents.

ROBERT GIOIA

So it really began with Tom Baker and I think Tom deserves a ton of credit here. And it was with the private high schools, 16 of them, and everyone was coming in with a request and he said "wait a minute." He said "we can't answer 16 requests." You all have to come together, and that's what started BISSNET, which has now been morphed into EDCO. And the other one was Fund for the Arts. Tom brought many of the funders, the art organizations, together. I think you were on the Oishei Foundation at the time.

CLOTILDE PEREZ-BODE DEDECKER

I was the representative for Fund for the Arts and Oishei at the time, yes. We recycle.

ROBERT GIOIA

At that time we considered a multi-million-dollar gift for technology for most of these schools that were really lacking in technology. And then what morphed into that was a scholarship program that continues today. We need to do more of that, but we also need to really be able to do one-offs as well and basically work with other organizations and especially with the new kids on the block – whether it be Cullen or whether it be Wilson – to educate them as to what we think are the needs of the community. They will probably agree in some areas and may have other ideas, as well.

► Robert, you've said a lot in the past about the importance of foundations not being the sole source and the only funder, stressing the importance of government

and the private sector in continuing to help try to solve some community issues.

ROBERT GIOIA

We try to utilize our funding to be either the spark or the catalyst to try and facilitate other funding. Just like yesterday when the governor came in and said, "I'm going to give a \$1.2 million challenge grant to Buffalo carousel." We can't do it all. I think David said it properly. I mean, look at the social services budget for Erie County. We can't even touch that and yet we know the needs. And look at the needs we still have in the community. How can we complement that? My chairman continually reminds me that we cannot replace or supplant public dollars. And in some cases we are insisting that the public participate, as well, very much like with the Fund for the Arts, which was started and then ramped up when they had the red-green budgets.

CLOTILDE PEREZ-BODE DEDECKER

To your point, our total foundation reach, as reported by you, I believe, is \$1.9 billion in the eight counties of Western New York. That yields, in 2015 I think, it was \$115 million. When you look at the 5,000 nonprofits in the eight counties of

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Western New York, the revenue for those nonprofits is \$7.4 billion. The challenge for each foundation is to find the right balance of how you're going to allocate your very precious, limited but most flexible resources upstream, getting at these systemic issues through powerful collective impact approaches that take a long time and a lot of energy. How are you going to support strong programs that are downstream dealing effectively with the challenges?

ROBERT GIOIA

I think balance is the right tone that we all have to take. There's going to be times where you have to hold your nose and just help them out where they really got themselves into trouble. Most of us want to have outcomes and have measurable outcomes, but sometimes they're dying and they're serving a need in the community and they need some adult supervision. We have to provide that.

► The assistance that you provide in the community goes way beyond just writing a check. Tell us more about your role in bringing forth these types of initiatives.

CLOTILDE PEREZ-BODE DEDECKER

Charity Strong is a new program we just announced two weeks ago that is building a bridge between those that want to serve and non-profits that are looking for board leadership. It also offers easily accessible portal to best practices, tools and documents related to governance. So actually, all three of our foundations are funding that effort. It came out of the Attorney General's Committee on Nonprofit Excellence. Which yielded the Nonprofit Revitalization Act for New York State and recommendation for Charity Strong. So here's a tool that really helps build the capacity of the nonprofit sector. You show me a strong, engaged board and I will show you an effective mission at play. Our mission is to connect people, ideas and resources. Partnerships are at the core of what we do and convening coalitions and brokering partnerships and leveraging resources are unique spaces for a community foundation that is firing at all fronts. This year we've got over \$6 million in new funding brought in from federal and national philanthropy. They're looking for powerful coalitions of local stakeholders moving agendas. So our role is to wave the flag and to say, look, we're doing the work here in Buffalo, we're getting outcomes and we would absolutely welcome your partnership in this effort. I would also ask (Robert) to talk about Oishei's program.

ROBERT GIOIA

Paul Hogan came up with the idea.



JIM COURNEY

A newcomer to the local philanthropic scene, David Egner said the Ralph C. Wilson Jr. Foundation plans to take an active role in the region.

He said, "We're meeting a lot of young people within the nonprofit sector. We really should try to get some of them together." I said, "Paul, how would you do it?" Let's get 20 of them and spend a night away at Beaver Hollow, no agenda. Actually it's now 120 leaders that get together. They just get together and talk about stuff. It has been extremely helpful. Some initiatives have come out of it. I can't tell you the number of applications or requests for proposals for development directors that are out there. But it helps to try and connect to other organizations.

► Dave, what is the responsibility of a foundation like yours beyond writing a check?

DAVID EGNER

My old boss used to run the Kellogg Foundation. At the time, he was the longest-tenured CEO of a large foundation in the world. And I said to him on the first day, "What do I need to know to be successful in this business?" And as an old fruit farmer in the local vernacular, he said, "Well, first thing you need to know is we don't do nothing." And what he really meant by that was you could have strong organizations on the ground and we're in privileged positions. So in many respects, our role is to strengthen and to connect and broker for and represent those institutions in that way, because in the final analysis, we're making investments into those people who are running those institutions. So you have to be strategic, since you really don't have any money and you've got to be really cautious in how you gather people together because if it's all because of you, when you stop writing the checks, the program will die. It's always encouraging to hear from colleagues in Western New York because they have been ahead of this curve for a long time.

CLOTILDE PEREZ-BODE DEDECKER

To a degree, we can influence the use of our tax dollars because we live in a democracy and government is us, we sometimes forget that. So to the degree that our relatively small pots of very flexible funding can fill in the gaps and influence and direct and inform the public sector funding, now we're really punching above our weight. We are very fortunate in this community that I would say at the city, county, the state and the federal level, government has had an awakening in terms of the power of philanthropy.

DAVID EGNER

The thought from this office was to find intersections where there's common interest between the public sector and the philanthropic sector, and it worked in a terrific way, especially in the earlier childhood spaces, with tremendous outputs in Michigan. But we were very, very cautious to make sure this was owned by foundations. So we set it up in the Council of Michigan Foundations, the association that was there. But they were on the governor's cabinet, so it was this kind of quasi-public/private office, and that worked beautifully. This is a challenge as we move forward with government trying to redefine its role in what is a time of decreasing revenues coming in, particularly into your cities. At the same time, you've got a change in the private sector. More and more companies are becoming international in their approach and national in their approach and not local. So what's the changing role of philanthropy in this evolving market? I think that's a question we're still trying to answer.

► What's missing? What's lacking in the community that we really need to build up to make the nonprofit community stronger?

DAVID EGNER

You have to start with data. And we're in a world now that's dealing data streams, not data points. And we don't have the institution that is every day getting up thinking about data, data interpretation. And we don't have the expertise in the nonprofit sector facilitating how that data should be used, agreeing on what outputs should be and then coaching folks for how to use it.

► How do we get there?

DAVID EGNER

We are starting to think about that. We haven't had those conversations quite as deeply as we need to yet. We took a group of Michigan nonprofit intermediaries, to Cincinnati last week to look at Strive Together and two other projects in Cincinnati. Strive Together is the original collective-impact organization and what we wanted to talk to them about was their data product. We want to replicate that with our partners here at the right time.

► There were some efforts in the past, and maybe the two of you recall, with UB in collecting data on the sector.

CLOTILDE PEREZ-BODE DEDECKER

When I was at the county, we flew to Fairfax County, Va.. They have this amazing, robust key indicators data system where all the nonprofits plug in and you can actually see at the macro level where the needs are being met or not in a community. So there was a lot of interest and it just actually fell down at the feet of lack of funding. It's not cheap. And then years later we came around again and it was the United Way and the Oishei Foundation, Community Foundation again with UB. And we looked at doing it with UB, and again, it died at the feet of funding needs. So I don't think there's been any lack of appetite or lack of recognition of the importance of that, but it does take more money than we've had because I'm a firm believer of where there's a will, there's a way.

ROBERT GIOIA

You can't start it and get back to it. It's a constant, constant updating, and in our world of philanthropy and the challenge of you want an outcome. It's difficult to measure an outcome over a couple years when you're collecting data. But what it starts to do is create trends and starts to focus people, especially in the philanthropic, especially in the nonprofit world, on what they really need to focus on. You can't hide from data. So the real challenge will be the commitment to it and continued longtime commitment to it because

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you're not going to see a change in a couple years. But eventually, once it's in place, then the difference can be profound.

DAVID EGNER

Our early observation is that the sole notion of a central warehouse of data doesn't work. It's a shift in thinking because we used to think if we have one place to go or call, we can get all our data problems solved. Doesn't work that way. So Charity Strong is just as important on this issue of data and making sure that as they train board members, this data piece comes into play and time as the market continues to change.

CLOTILDE PEREZ-BODE DEDECKER

If you are the board member of a widget factory, you need to understand the widget market so that you can position your product competitively – highest yield, lowest cost – because your bottom line is profit. And that concept applies to every board in every sector. So depending on your mission, you need to understand that industry, that market, to be able to be strategic within the forces that play in that market. That is the core of the job description of a board member. It has to be a person that has the capacity to continuously learn, analyze and synthesize. Those are the competencies a board member needs.

DAVID EGNER

The other missing piece in this data puzzle is civic engagement. And both Robert and Clotilde started to touch on that through the brokering roles they played.

CLOTILDE PEREZ-BODE DEDECKER

If you get this piece right or better, you increase your relevance as an organization and that creates a virtuous cycle of attracting additional resources to further advance your mission. So once you increase your relevance in terms of effectiveness and impact, the next piece I think nonprofits really need in our community is the fundraising capacity. And I would actually recast that as a relationship-building capacity. When you look at the Giving USA report, you see that in terms of non-government charitable giving to the nonprofit sector, you have 3 to 5 percent, depending on the year. Corporate giving, you have 12 to 15 percent, depending on the markets coming from foundations. The rest comes from individuals. The foundations simply do not have sufficient capital to be the answer to that \$7.4 billion in annual revenues for the nonprofit sector.

► Talk about what kind of initiatives could be game



JIM COURTYNE

Clotilde Perez-Bode Dedecker said workforce development is a priority for the Community Foundation for Greater Buffalo.

changers for this region.

CLOTILDE PEREZ-BODE DEDECKER

There's nothing in the history of this community that is going to touch the future the way that Say Yes will touch the future. Not only is it an unprecedented public/private sector coalition, 200 partners, but it's getting results and outcomes.

DAVID EGNER

Their collaborative spells out exactly what I was pointing to in data. So it's data driven. It's got civic engagement at all levels. And something I've never seen in an effort supported heavily by philanthropy: You talk to anybody in this town about Say Yes and they're all positive and in full agreement on its outputs. I've never seen that before.

CLOTILDE PEREZ-BODE DEDECKER

We've never seen it, either. This is new. This is really transformational. I take an interview a week from some national research university to better understand the Say Yes phenomenon because it is a phenomenon and our public sector leaders need to be recognized for coming to the table. The state Board of Regents, the elected officials at the county level. The city has been a champion for the work. The Buffalo Public Schools, the teachers' unions. We have an outstanding superintendent right now, Dr. Kriner Cash, who is all in and gets the power of partnerships. That hasn't always been the case.

ROBERT GIOIA

And it was not easy getting started but certainly is well worth it. I would say we talk about cradle to career and you talk about early childhood and you talk about Say Yes. The other game changer is we have to figure out is workforce development.

CLOTILDE PEREZ-BODE DEDECKER

And the good news is, we're on it.

CLOTILDE PEREZ-BODE DEDECKER

And WIB is at the table, in fairness, as a very engaged partner in this workforce coalition space. It does take coming to the table collectively to look at how can we do things differently to get better results. And again, I will have to say that I've yet to get a "no" when I go to the key stakeholders to say, "Would you come and help us co-create solutions?" I stand in reverence of our public sector because of their willingness to come to the table and be part of the solution.

► Sounds like you don't exactly agree on what's working and what's not.

ROBERT GIOIA

WIB is not the issue. My opinion with Workforce Investment Board is the regulations that just absolutely stymie. I mean, you walk in with a book of regulations like this and you say, "You have to be kidding me."

CLOTILDE PEREZ-BODE DEDECKER

The federal funding streams come very regulated and they're not very flexible.

ROBERT GIOIA

It travels from one department to another department to another and another and we have to break through all that. And that's going to take some creative and some gut wrenching. And the county executive wants to try and be helpful here because he controls what is regulated by others.

DAVID EGNER

No matter where you sit in this country, from the federal level to the city level, the workforce system is the most fragmented system that the public sector pushes forward because of the years of siloed efforts. It's a mess.

► We hear so much about social service initiatives. On the workforce side of things, though, you don't hear as many initiatives.

CLOTILDE PEREZ-BODE DEDECKER

We can talk poverty all we want, but at the end of the day you need to be able to read, write, do math to get a job. So poverty is a financial state that you can't meet your basic needs, and to the degree that you can get an education and/or get the right training to get a job to earn family sustaining wages, you move out of poverty. So not to oversimplify the issue, but we can't sit there awed by the size and scale of the challenge. You've got to step forward and

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work collectively. So we can do it when we work across the sectors with intentionality and focus and discipline. That takes discipline and it does take a lot of energy.

ROBERT GIOIA

And you can't do it alone. You have to do it with other partners, and that's what is great about this community. People are willing. And you can see what happened with the Albright-Knox and the like and Say Yes. Look at the number of partners that you have with Say Yes and other initiatives, as well.

► Do you think the general community recognizes how Say Yes fills into workforce development?

CLOTILDE PEREZ-BODE DEDECKER

That's the beauty of this country, that education is still a pathway to the middle class and to being a fully engaged contributing member of your community. Is it perfect? No. Is there work to be done? Absolutely, but it still works. And that's the operative word. We have to work it to continue to improve our civil society. It doesn't happen naturally.

ROBERT GIOIA

And it's going to take some time. There are some people who are trapped within the system who are going to need additional support, but once you build the infrastructure from pre-K, from cradle to career, there are people who are stuck who we need to help.

DAVID EGNER

This is such a complex issue. I'm reminded of the H.L. Mencken line: For every complex problem, there's a simple solution and it's probably wrong. I think this one is going to need multiple experiments that are constantly evolving in order to make change happen, and that's going to require partnership at all levels, private, public and nonprofit. And you further complicate what is an incredibly fragmented system with the changing world of work. Work is going to change drastically. I think it comes back to that notion that we can't fall in love with the solution; we have to fall in love with the problem. And if we're not constantly taking the problem apart and adjusting the solution, we're going to end up in this very same spot 50 years from now saying we've got a fragmented system that we can't get any outputs out of.

► Are you hearing from any other foundations or individuals who are looking to invest in either an endowed fund with



JIM COURTYNE

Robert Gioia, president of the John R. Oishei Foundation, said communication among the foundations benefits the entire region.

the Community Foundation or start up their own or build their own foundation?

CLOTILDE PEREZ-BODE DEDECKER

Last year we closed the books with \$342 million and we will be closing the books this year over \$380 million. So there's the answer to your question. We are in the midst of a tremendous transfer of wealth nationally and community foundations are a very attractive option to customize your personal philanthropy, your family's philanthropy, your family's foundation, to address your philanthropic objectives in the near term and perpetually if you so choose to have a perpetually endowed fund. This is a very generous community and our growth trajectory is a very clear indicator of the commitment to community that exists in Western New York.

ROBERT GIOIA

As a former chairman of the Community Foundation and having a fund at the Community Foundation for some 40 years, there's no better way to relieve the burden of managing a philanthropic fund or a charity than to ask the Community Foundation to do the work and support it and have some pretty nice investment returns and also give you some guidance as to what some of the important needs are in the community.

► Dave, you're the new guy at the table. What was your assessment of the philanthropic community here?

DAVID EGNER

I'm still learning. It's going to be a while before we're smart enough to talk about it in a full sense. My first takeaway – and it's interesting because it's a conclusion I had come

to in southeast Michigan some time ago, as well. I think all post-industrial cities define themselves by their deficits and their liabilities instead of their assets. No one looks around and says look at the incredible assets, I mean, an international border. There's an asset in logistics, there's an asset in what can be a set of investments economically that create binational corporate opportunities. Fresh water, incredible, and that's going to be liquid gold moving forward. The incredible social fabric and cultural fabric. Most communities the size of Buffalo would kill to have the Albright-Knox. I'm really struck by the fact that when a philanthropic community and civic leadership start focusing on the assets, things start happening in a more robust way like Say Yes did. Say Yes focused on the assets and they saw kids in the system as the asset and started talking about improving the asset. So my first takeaway was when the assets are pushed forward, we see progress. My second was that you have a really connected philanthropic community. The fact that the foundations chat with each other, talk to each other, work together is incredibly important. And the third takeaway is in terms of what was on the data point.

► What do you see as the state of philanthropy in Western New York and where do you think it might be five years from now?

ROBERT GIOIA

I think it's very strong. We're very connected, we communicate well with each other and share ideas and hits, wins and losses, if you will, lessons learned. I think the challenges we're going to have is the market has not been kind to us the last couple years and I think most are forecasting it's not going to be that

much better. David and Clotilde and I were talking about 3 to 5 percent over the next couple years. We need to better find out ways to really utilize what we have. And I think David hit on it – we really do communicate with each other.

CLOTILDE PEREZ-BODE DEDECKER

We have an extraordinary regional economic development plan that you'd have to be blind not to see. The impact of that well-diagnosed, well-analyzed prioritized approach to revitalizing our regional economy. At the end of the day, I think the next five years have to be about building a more inclusive, expanded economy for Western New York.

ROBERT GIOIA

I don't think any of us around this table would have ever thought five years ago that we would be where we are today within Western New York. It was no accident.

DAVID EGNER

Well, first, it's important to know what privileged positions we sit in. We get to wake up every morning, and sometimes two or three times at night ...

ROBERT GIOIA

Or just don't go to sleep.

DAVID EGNER

Or just don't go to sleep, that's right. How's it been since you've taken that job, Dave? I sleep like a baby, I wake up every two hours screaming (laughs). But we get to think about this stuff in its context, its complexity. Other people don't have that privilege. It's a great privilege to think about how do you improve the human condition? How do you react to community need? How do you engage citizens in that process and improve institutions that serve that process? So it's a privilege to be here. Certainly it's not just writing checks. I think that's sometimes what we're confused as doing – foundations just write checks. It's about how you think through these processes. And ultimately our role is to empower others to act and encourage systems to change. We're in a unique position at the Wilson Foundation because we've got 18 years, two months and 17 days left and we're done. So this notion of being responsive to a market is very clear in our mind. We can only respond and see gaps and help fill them, which is why our partnership with other philanthropic players is so important. To be engaged on the ground with them, but always with the notion of empowerment and encouraging action from the civic level and from the institutions that service those clients at the civic level. If we try to do this on our own, we're going to fail.