On behalf of the Council on Foundations' board of directors, and president and CEO Vikki Spruill, it is my pleasure to welcome you to Philanthropy Week in Washington and to Foundations on the Hill. I wish to thank the Council's staff, especially Senior Vice President Sue Santa and her team, and to recognize the Council's long-standing partnership with the Forum of Regional Associations of Grantmakers, its chair Dave Biemesderfer and interim director Mary O'Neil. I also wish to thank The Philanthropy Roundtable and especially its president Adam Myerson, and Mission Investors Exchange and deputy director Melanie Audette. It is only through a united front that we will have any influence over federal policy makers.

We also wish to thank The Duke Endowment and CEO Gene Cochrane, Mike Halligan of the Dennis and Phyllis Washington Foundation, and Michael Marsh of Northern Trust for sponsoring Philanthropy Week in Washington.

As we all know -- or should know -- it is an absolute necessity that we inform the discretion of our elected officials who have the ability -- through taxation and regulation -- to make us or break us. That ability is greatest at the federal level, hence our need to tell our story and present our case before members of Congress. We must ensure that they understand the role we play in the lives of their constituents, that what we do -- organizing and disseminating private dollars to advance the common good -- is not only in the best interest of their constituents and local communities, but is one of the best mechanisms we have for preserving democracy. But
Congress is only one part of a complicated federal system. The bureaucracy is critical too, for it is the bureaucracy that interprets legislation, writing and enforcing regulations, all of which can and does have a direct effect on our ability to do what we do. I'm proud of the Council's determination -- under the leadership of Vikki Spruill and Sue Santa -- to broaden and deepen our relationship throughout the administration, work that began with a previous Council. We need as many friends as we can make at the federal level.

As this country continues a decades long debate about the proper role of government, and as we argue incessantly at every level about what to tax and what not to tax, ironies and contradictions abound. On the one hand, government at all levels wants to be our partner. Once upon a time, we knew what that meant -- we on the philanthropic side experimented with the capital under our control to invent social innovations, to pilot and test models in education, health care delivery, vaccine development, safe roads, child and elder care, poverty alleviation, you name it, while we expected government to take the most promising work to scale. Now -- more often than not -- government expects private philanthropy to not only take promising programs to scale, but in many cases to supplant public dollar funding not only for programs that work but also for basic governmental functions. We call it privatization. The public has the need; private philanthropy provides the dollar. As public funding continues to deteriorate -- especially at the local and state level and as we live through federal dollar budget cuts for social programs -- foundations are being asked to keep libraries and parks open, and it won't be long before we are asked to fund the paving of roads, the repair of bridges, and bail out public pensions.

Ironically, while elected officials have outsized expectations of our ability to fund the public's business, they simultaneously debate proposals that cripple our ability to fund -- ideas
that when played out over time will dismantle endowed philanthropy. Yesterday, the far-fetched idea was to increase the private foundation payout from the current 5% to a whopping 12%; last year the radical idea was to force the spend down of donor advised funds over a five year period. Companion proposals include limiting wealthy folks' ability to give by further capping charitable contributions, and to rank, if you will, tax deductions by the "needy" status of the beneficiary of the gift.

Folks, this is a marathon debate, not a sprint. We only win the argument consistently and over time if we understand that these ideas are interconnected. They are framed in the context of declining federal public dollar support for social programs, and they are designed to increase private dollar payout while simultaneously raising funds for government.

If implemented, these proposals threaten the continued existence of endowed philanthropy. One, I suppose, could argue that spending more capital today on charitable enterprises makes for a better tomorrow, reducing the need for perpetual endowments, and one, I suppose could argue that wealth is made everyday eliminating the need to store capital for philanthropic giving, but I would submit this: in the case of the Jessie Ball duPont Fund, Mrs. duPont gifted $48Million upon her death to create the Fund. Over the past 30 years, we have granted $350 Million -- 7 times what she gave. We give away $15 million year in and year out in qualifying distributions. If we had spent down her gift in equal amounts following her death, the Fund would have ceased to exist in 3 years. Now, some might not care about that. But I know in my heart of hearts that the 3,500 people who live in Port St. Joe, Florida, a poor bi-racial community left with a devastated economy when the paper mill closed in 1999, were pleased we existed when their unemployment rate skyrocketed to 25%. And I know first hand that folks in
Port St. Joe are grateful that we have not nor will we abandon them, as we help them develop summer jobs for youth, pre-kindergarten reading-skill programs for children, and housing repair programs for seniors. As the only sizable private funder with a presence in Port St. Joe, I dare say that without the Fund's permanent endowment the folks in Port St. Joe would be much poorer without us.

Think carefully about the stories you tell your elected representatives and their staff members. Think about the ultimate beneficiaries of your grant making, about their present lives and the future they will live into. Talking about data, and number of grants, and capital under management -- while sometimes important -- does not make the soul sing. Share your passion, explain why what we do -- organizing private capital to serve a larger public purpose -- is of ultimate concern in the lives of ordinary folk who live after-all in someone's district or state.

Thanks for being here and thanks for what you do every day to lessen someone else's burden and enrich our collective enterprise.