

THE ACORN



NEWS FROM THE GREATER WORCESTER COMMUNITY FOUNDATION



INSIDE

2

Grants in Action:
Helping Those with
Alzheimer's

Homeownership Possible
with CommonCents

3

Interview with
James E. Collins
Foundation Treasurer

4

Advisor to Advisor:
Charitable Gift Annuities
Now Offered by Foundation

Profiles in Giving:
Robert W. Booth &
Great Brook Valley Health
Center

5

What's Happening

Who We Are

6

Water & Land Stewardship
Fund Makes First Grants

Kids help out and have fun at the Hawley Street Community Garden in Worcester. (**Story, page 6.**) Photo courtesy of Regional Environmental Council.



Families learn techniques to cope with Alzheimer's. The program was funded through a Fairlawn Foundation grant.

HELPING THOSE AFFLICTED WITH ALZHEIMER'S

Alzheimer's is a devastating disease. As brain cells are destroyed, a person experiences gradual memory loss, a decline in the ability to perform routine tasks, disorientation, difficulty in learning, loss of language skills, impairment of judgment and personality changes. There is no known cause or cure for the disease, which affects an estimated 18,000 people in Worcester County.

It is not just the person with the disease who is affected. Alzheimer's requires constant care, leaving caregivers in a difficult, stressful situation. Many caregivers predecease their afflicted partners.

To address the growing need for services in Central Massachusetts, the Alzheimer's Association approached the Fairlawn Foundation about funding a comprehensive initiative for Alzheimer's patients and their families. The Fairlawn Foundation agreed, awarding the Alzheimer's Association \$120,000.

Julie Palmieri, based at the Worcester Senior Center, is coordinating the initiative. Recently, the Alzheimer's Association brought a leading researcher to Worcester to speak with physicians and medical students at UMass Memorial Healthcare about getting involved in Alzheimer's research.

New programs are underway. A four-part series for those recently diagnosed with the disease is being offered at the Worcester Senior Center. Professional and family caregivers are being taught the latest in therapeutic interventions. All the training helps caregivers learn to focus on what remains, not on what is missing.

"In addition to all the education programs and outreach we've doing, I've also been getting a lot of calls from local people looking for help in dealing with this disease. People are so grateful to have a local resource, so they don't have to drive to Boston or Springfield. The grant from the Fairlawn Foundation made it all this possible," commented Ms. Palmieri.

HOME OWNERSHIP POSSIBLE WITH HELP FROM "COMMONCENTS"

Saving for a house down payment is difficult. Although mortgage interest rates are at an all-time low, rising home prices, stagnant wages and high rents have made home ownership an elusive dream for many. This is especially true for low-income people.

Worcester Community Action Council secured a \$50,000 Federal matching grant to start the first CommonCents Individual Development Accounts (IDAs) in Worcester County. The Greater Worcester Community Foundation awarded a \$10,000 grant toward the program.

The CommonCents program will help 25 low-income families purchase homes using matched savings accounts. Money in the account can be used toward down payments or closing costs. For every dollar a family saves, CommonCents will match it 3:1. For instance, a weekly savings rate of \$13 per week would yield over \$5,300 after two years toward a home. Worcester Community Action Council (WCAC) is working with local nonprofit housing organizations to identify suitable homes for the families.

WCAC Executive Director Patsy Lewis says, "The match gives people a real incentive to save towards a home. There is a great sense of accomplishment and hope when each month your savings account balance is larger."

Individual Development Accounts (IDAs) for home purchases are now available to area families.



Photo courtesy Main South CDC

INTERVIEW WITH TREASURER JAMES E. COLLINS

Jim Collins serves as the Foundation's Treasurer and Chair of the Investment Committee. He is Executive Vice President and Treasurer of Clark University and a Trustee of the George I. Alden Trust.



The Investment Committee manages the Foundation's endowment funds. How do you know if the Committee is fulfilling its charge?

The Investment Committee fulfills its charge if it meets or exceeds the objectives set by the Board. To maintain the Foundation's purchasing power we need to earn about 8%, and since 1995 we've done about that. We first earned far in excess of this rate and more recently have had negative returns. In this last quarter we have once again seen positive returns.

The Committee measures its results against the investment pools of similar organizations. For us, that peer group is other community foundations of a similar size. We also measure our results against appropriate investment benchmarks like the S&P 500 or the Russell 3000 to see how we would have done if we'd been a passive investor. Our goal is to exceed these indices by about 1% per year. Again, on an average basis, we have achieved this since 1995.

The Committee works with an independent investment consultant, Bill McCarron of Prime Buchholz & Associates. Bill's job is to provide objective measurement about the endowment's performance and to help search for investment managers to carry out our investment strategy. The Investment Committee - not the consultant - hires and fires investment managers and determines the portfolio's asset allocation.

I am fortunate to work with an Investment Committee that consists of people with a wealth of investment knowledge. They take their charge very seriously. We often have disagreements on strategy and that's a healthy and good thing. The community is well served by the volunteers on this committee.

Many people confuse the terms "income only" and "spending policy". Can you explain these concepts?

In the past, trusts were only invested in fixed income vehicles, so the concept of "income only" made sense. When inflation increased in the 1970's the value of bonds eroded, so people invested in stocks. The concept of a "spending policy" takes both income and capital appreciation into account. A spending policy's goal is to maintain purchasing power over the long-term. The Foundation's spending policy of 4.5% of a Fund's market value averaged over the past five years is designed to do just that.

What is "asset allocation"?

Asset allocation means you have investments spread among a variety of asset types. The goal behind asset allocation is to smooth returns and reduce volatility over the long-term through re-balancing and a disciplined

investment approach that avoids market timing.

Although we are up in the most recent quarters, we have had three years of a down market. In this difficult environment is there a temptation to alter the portfolio's balance between stocks and bonds?

The recent market environment forced us to constantly test each other's assumptions, and this is appropriate. Some prefer the safety of bonds, but in the past three years bonds have been bid up in much the same manner as stocks were throughout the 1990's. True, principal would not be lost, but if inflation or interest rates were to rise then purchasing power could be severely eroded. Given this, shifting the balance between stocks and bonds at this time might not be the most prudent strategy. The Foundation does not generally engage in market timing. We have kept true to our discipline, trying the best we can to balance a variety of different kinds of risk.

INVESTMENT COMMITTEE

Michael D. Brockelman
Bowditch & Dewey

P. Kevin Condron
Central Supply Company

Dix F. Davis
Allmerica (retired)

Warner S. Fletcher
Fletcher, Tilton & Whipple

Abraham W. Haddad, DMD

Mary Kett
Salomon Smith Barney

Agnes Kull
Greenberg, Rosenblatt, Kull & Bitsoli

Charles R. Valade
Commonwealth National Bank

FOUNDATION LAUNCHES CHARITABLE GIFT ANNUITY PROGRAM

THREE DONORS GIVE FROM \$10,000 TO \$1,000,000.

JOIN THEM. YOU'LL GET INCOME FOR LIFE AND BENEFIT CHARITY TOO

A Charitable Gift Annuity is a contract between an individual or couple and the Greater Worcester Community Foundation. In exchange for a contribution of \$10,000 or more, the Greater Worcester Community Foundation promises to make guaranteed, fixed payments to you for life. The amount you receive is based on your age and the amount of the gift. The Greater Worcester Community Foundation uses State Street Global Advisors to invest and manage the contribution. The remaining assets after your lifetime will be used to support your charitable interests.

Is a gift annuity safe? Yes, since it is backed by the full resources of the Greater Worcester Community Foundation.

What are the tax benefits? You are entitled to a charitable deduction for the "gift portion" of the contribution. Payments made to you during your lifetime are partly tax-free. When long-term appreciated securities are contributed, tax on any capital gain is reduced and, if you are the beneficiary of the annuity, the tax is also deferred.

A Charitable Gift Annuity is irrevocable. The principal cannot be returned. Since a charitable gift is involved, the payment rates are somewhat less than those offered by commercial annuities. Nevertheless, they generally provide greater cash flow than fixed investments, and the tax benefits are an added bonus.

SAMPLE RATES			
(Assuming one beneficiary, immediate payment)			
AGE	ANNUITY RATE	AGE	ANNUITY RATE
65	6.3%	80	8.3%
70	6.7%	85	9.7%
75	7.3%		

To learn how a charitable gift annuity might help you, call Audrey Klein-Leach, development officer at 508.755.0980.

Text adapted from Charitable Gift Annuities: The Complete Resource Manual, by Frank Minton, Ph.D.

PROFILES IN GIVING



Robert W. Booth honors his father with a gift to benefit many.

WHO WANTS TO BE A PHILANTHROPIST?

I meet many generous people in this business. Some make you glad to be involved in community life. Others truly inspire you. Robert W. Booth and Zoila Torres Feldman are two such people.

Bob Booth was the bachelor son of George W. Booth, publisher of the Worcester *Telegram & Gazette*. In 1988, Bob stood to gain significantly from the sale of the paper. Instead of keeping it all for himself, Bob gave most of the proceeds to charitable and cultural institutions. He also created the Robert W. Booth Fund in Memory of George F. Booth with a gift of \$10 million. Since 1988, the Fund has doubled in value and the Foundation has awarded \$9 million through discretionary grants. There is hardly an organization in the community that has not been touched by Bob Booth's magnanimous act.



All are welcome at Great Brook Valley Health Center

Zoila Feldman is an immigrant from Ecuador, a nurse and longtime executive director of the Great Brook Valley Health Center located in one of the city's poorest neighborhoods. She transformed a tiny agency on the brink of closing its doors into a \$20 million health center with a new facility and respected staff. The Center helps children and adults overcome chronic health problems or change unhealthy behaviors. In addition, Zoila has led her board and donors to create several endowment funds at the Greater Worcester Community Foundation that will ensure the Health Center's future. She, like Bob, looks beyond today and works on what is needed for tomorrow.

What a pleasure it is to serve such noble friends.

Amber

WE'VE MOVED! On June 30th, we moved to 370 Main Street, 6th floor in Worcester. Our telephone and fax numbers remain the same: tel. 508.755.0980 fax: 508.755.3406 Please update your records.

STAFF CHANGES

Debra Medeiros was recently hired as program officer to succeed **Jackie Brousseau-Pereira**, who joined the Human Service Forum in Springfield earlier this year. Debra earned a Master of Public Administration from New York University and was most recently Senior Development Officer at Lifespan in Providence, Rhode Island. **Joanne Reegan** of Worcester joined us in July 2002 as Finance Assistant replacing **Debbie McArdle** who left to spend more time with her family. Joanne has more than 22 years experience in office administration and finance. Welcome Debra and Joanne!

STUDENT NEED SOARS

This year we received a record 510 applications for student aid and awarded \$377,500 to 250 students. "It's an added bonus when donors continue making additional gifts to their funds. Their generosity means we can help more young people achieve their goals. Every dollar matters to these kids. They are so appreciative," said Scholarship Coordinator Kerry Conaghan.

WEB SITE ENHANCED

Our new web site features all of our grant guidelines and applications, as well as resources for nonprofits, professional advisors and anyone interested in learning more about us or philanthropy in general. See for yourself by visiting www.greaterworcester.org.

FUNDING FOR THE ENVIRONMENT

The Massachusetts Environmental Trust (MET) has awarded the Foundation another \$40,000 for environmental grantmaking. Youth for Community Improvement (YCI), the Foundation's youth grantmaking committee, will award the money to area organizations over the next two years.

GENEROSITY UPDATE

Over \$13 million in gifts has come to us through bequests since 1975. This is nearly one-fifth of the \$71 million contributed to us since inception. The gifts range in size and vary in purpose. You can create your own legacy. To find out how easy it is, call Audrey Klein-Leach, 508.755.0980.

NONPROFIT SUPPORT CENTER SPEARHEADS NEW ENGLAND EXECUTIVE TRANSITION PARTNERSHIP

Leadership change is a pivotal event in an organization's history. Managing the transition successfully is key to an organization's ability to grow. Read about the **Nonprofit Support Center's** role in this initiative in the next issue of *The Acorn*.

INVESTMENTS INCREASE

From January to July our endowment pool is up 12.8%.

ADVISORS LOOK TO US FOR CHARITABLE GIVING ADVICE

195 professionals are registered through our web site to the **Planned Giving Design Center**, a resource on legal and tax issues related to charitable giving. The Community Foundation of Western Massachusetts is our partner; UMass Memorial Foundation and Fletcher, Tilton & Whipple are our generous sponsors.

WHO WE ARE, AND WHAT WE DO

The Greater Worcester Community Foundation (GWCF) is a resource that builds healthy and vibrant communities in Central Massachusetts. Since its founding in 1975, it has invested more than \$30 million in cultural, service and civic organizations, and it has built a charitable endowment of \$75 million. For individuals, businesses and private foundations, GWCF offers low-cost stewardship of gifts, professional grants management and the most generous tax benefits provided by law.

Board of Directors

Michael D. Brockelman
President

Ross K. Dik
Vice President

James E. Collins
Treasurer

Robert S. Bachelder
Clerk

Lawrence J. Glick
Officer At-Large

Cynthia M. McMullen
Officer At-Large

Sarah Trillo Adams

Pamela K. Boisvert

P. Kevin Condron

Dix F. Davis

Daniel de la Torre

Warner S. Fletcher

Ramon V. Frias

Mary E. Kett

Peter H. Levine, M.D.

Janet Wilson Moore

Barrett Morgan

Martha R. Pappas

Gladys Rodriguez-Parker

Paul R. Rossley

Roberta R. Schaefer

Staff

Ann T. Lisi
Executive Director

Pamela Keogh, CPA
Finance Officer

Audrey Klein-Leach
*Development/
Communications Officer*

Debra Medeiros
Program Officer

Kerry L. Conaghan
Program Officer

Michael S. Wronski
Program Officer

Gail T. Randall
Special Projects Officer

Wendi Stein
Grants Manager

Joanne Reegan
Finance Assistant

Cynthia M. Lavallee
Office Manager

Distribution Committee

Ross K. Dik, *Chair*

Pamela K. Boisvert

Brian Chandley

Ellen S. Dunlap

Susan G. Gately

Kevin R. Kearney

Donna McGrath

**WATER & LAND
STEWARDSHIP FUND
ANNOUNCES FIRST GRANTS**

In 2000 the Water & Land Stewardship Fund was created through a \$150,000 challenge grant from the Massachusetts Environmental Trust. With fundraising complete, grant guidelines were drafted and an advisory committee appointed. Wyatt Wade chairs the committee that also includes David Arroyo, Henry Beth, Laura Bronwell, Allen Fletcher, Mary Melville, and Josie Shagwert.

"The Fund's purpose is to improve the region's environment, especially water quality and land use issues related to that," said Chair Wyatt Wade. "Our first grants although small promise to have a significant impact."



Loida Scotland at Hawley Street Community Garden. The Regional Environmental Council received a Water & Land Stewardship Fund grant to expand membership.

Grants

Athol Bird and Nature Club \$500
For protection of the Millers River Watershed.

Central MA Chapter of the MA Congress of Lakes and Ponds
\$2,000 For a web site about watershed issues and resources.

Charlton Heritage Preservation Trust \$1,200 For Cranberry Meadow clean up.

Girls Incorporated of Worcester
\$2,500 for forest stewardship at Camp Kinneywood.

Indian Lake Watershed Association, Inc. \$1,000 For water quality monitoring on Indian Lake.

Leesville Pond Watershed and Neighborhood Association \$500 for outreach materials.

Massachusetts Audubon Society
\$1,500 For water quality monitoring along the Blackstone River.

Metacomet Land Trust \$2,500 to create a web site and for geographic information systems training.

Regional Environmental Council
\$2,500 to expand membership.

Total Water & Land Stewardship Fund Grants December 2002 & March 2003: \$14,200



370 Main Street, Suite 650
Worcester, MA 01608
tel 508.755.0980 • fax 508.755.3406
www.greaterworcester.org

RETURN SERVICE REQUESTED

ADDRESS UPDATE

- Please change my address as noted on the right
- I am receiving duplicates; please delete my name on the right
- Please remove my name from your mailing list

Please be sure to include the label on the right so we can follow your instructions. Your assistance will help reduce our mailing expenditures.

Non-Profit
Organization
U.S. Postage
PAID
Worcester, MA
Permit No. 703