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The New Philanthropy in the New West Virginia¹

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Welcome

Good afternoon and welcome to this workshop on the role of the future of the nonprofit sector in West Virginia. My name is Roger Lohmann and I am a Professor of Social Work and one of the number of faculty and staff members at WVU involved in our expanding nonprofit research and service activities. A range of nonprofit organizations, voluntary action and philanthropy have been primary research and practice interests of mine for more than 30 years. In 1989, together with Linda Hagerty who was then our Director of Continuing Education, I initiated the Nonprofit Management Academy. At the time, the Academy was the only program in the country offering a broad program of continuing education courses to practitioners interested in the nonprofit world. As Bob Jones, our current CE director will tell you, we still offer those CE workshops, including this one, and as you will hear a little later today we are hoping to expand our offerings to include a Graduate Credit certificate as well. Today I would like to talk with you about the New Philanthropy and its implications in the New West Virginia. In doing so, I hope to shed a slightly new light on some things you are well familiar with, and suggest some emerging potentials that you may not have thought of before.

New Philanthropy

My title suggests that there are two things new of interest here: philanthropy and West Virginia. I also want to introduce you to another term, *the independent sector*. Let us look briefly at each of them in turn. What do I mean by Philanthropy? And what could possibly be new about such an old idea? The term itself comes from ancient Greece. Its modern meaning was captured very succinctly by Robert Payton, former director of the Indiana Center on Philanthropy, who defined it as “private action for the public good”. The term is often applied primarily to the work of foundations and fund raising. I prefer to use the term more broadly today. It includes all facets of private (that is, non-governmental) action directed

¹ Remarks prepared for the WVU School of Social Work and Public Administration Continuing Education Workshop on “Nonprofit Leadership in the 21st Century: Challenges and Opportunities.” February 22, 2000, Charleston WV.

at the public good, including voluntarism, civic and community action, mutual aid and self-help groups, labor unions, organized religion, United Ways and everything else that gets subsumed under such labels as The Nonprofit Sector and The Third Sector.

I should note that in speaking of “*the* public good” I run the risk of seriously dating myself and stepping outside the economic and political mainstreams of contemporary life. Our political life is so seriously fragmented today that the notion of a single, unified public good seems like an obsolete idea. In many parts of our society today, the very idea of a “public good” apart from separate bundles of individual private goods is a highly suspect notion. Yet I think the idea of public good is a durable notion that will outlive the current fetishism of *laissez-faire* we are all living through.

This afternoon I will have almost nothing to say about the role of business, or of government in pursuit of the public interest in a New West Virginia, and nothing about the role of adversarial community action of the type associated with union organizing in the past. I want to note briefly that this is not because of any opposition on my part to either, or a notion that these are unimportant developments. Instead, I want to concentrate exclusively on private philanthropy, and in particular on foundations and fund-raising, and to a lesser extent other aspects of private philanthropy in West Virginia simply because these are topics which have typically received less attention than they deserve in the state. Together, this philanthropy and the organizations, institutions and forces most concerned with it make up an independent sector, situated somewhere apart from government, business, and to some extent also the familiar nonprofit organizations that depend primarily on government grants and contracts. One could easily come away with the very wrong impression that private, non-governmental action for the public good is completely unimportant in West Virginia. That conclusion is, in my view, very wrong indeed.

The idea of philanthropy is a very old notion; one that goes back at least 2500 years. In other respects, large parts of the Nonprofit Sector that many of us have known and worked in or for most of our professional lives dates only to the 1960's. And in particular to the fateful, but to-date undocumented, administrative decisions made at some point in the Kennedy and Johnson Administrations to dramatically extend the administrative apparatus of the American nation-state through grants and contracts made directly to nonprofit organizations. Thus the administration of a large number of social programs beginning with the Manpower Development and Training Act and the Community Action

Programs of the War on Poverty was opened up for the very first time in American history to private nonprofit organizations to work alongside public agencies.

For most of us, the New Philanthropy involves certain departures from this baseline laid down first in the 1960's. In particular, it involves looking beyond a world in which all forms of community action are dependent on federal grants and contracts. Some things could be done, we saw, solely with foundation grants and the proceeds of fundraising campaigns. In my comments, I will be looking at certain social and economic trends that are developing in the state as in the rest of the country, and a range of possible social and economic responses to them. I will be concentrating particularly on those responses that fall outside the governmental arena and don't rely primarily on business leadership. This is the area of greatest neglect in recent social thinking about the state.

“The New West Virginia”

The second key term in my title is “The New West Virginia.” One might ask what could possibly be interesting and new about philanthropy in West Virginia? Everyone knows that whatever happens in small places like West Virginia has already happened five years before and on a much larger scale in the largest cities. Some might even wonder what could seem new to a scholar like me, known for his historical interests and intense focus on the past. I hope you will agree as I develop this theme that a number of key things are, indeed, new and different in the third sector in West Virginia during this, the third era of the state.

The First West Virginia

The state of West Virginia as a political entity in less than 150 years old. In my reckoning, there have been at least three West Virginias during that time, including the current one that I want to focus on today as the New West Virginia. To help you see more clearly what I have in mind, I need to comment briefly on the other two as well. The first West Virginia was the land of subsistence forest agriculture so well described by Professor Ronald Lewis of WVU in his recent book on the history of timbering in the state and the clear-cutting of the virgin forest. This was the land of the isolated, self-sufficient, buckskin clad mountaineers and their muskets. It was first settled by those Scotch-Irish settlers who pushed beyond the English eastern seaboard settlements of Pennsylvania, Maryland and Virginia and moved into the western frontier in the 18th century. It was a land of small farms, intensive subsistence agriculture and small, even tiny, villages. Some vestiges of that way of life survive

even today in the hundreds of tiny settlements that persist throughout the state. In this first West Virginia, the phrase “the Union” meant the federal union that Mr. Lincoln had set out to save in the war that gave birth (and original meaning) to the state.

The First Philanthropic Sector

There was already a distinctive sector of the type that in my work I call a commons in the earliest *western Virginia* (Lohmann, 1992). This was a world like the one described by Alexis de Tocqueville; a sector of voluntary associations. Just as the French aristocrat observed in his famous work on *Democracy in America*, this was a world of tiny protestant congregations, often made up of only a few families living in the neighborhood; of volunteer fire companies, volunteer militia companies and much later, 4-H clubs. (see especially, de Tocqueville’s comments on association. The sports mascots of West Virginia University and the University of Tennessee both refer to elements of this world – the Volunteer and the Mountaineer. It is easy to conjure up overly romantic images of this first West Virginia. We can’t shield ourselves from the uncomfortable facts that voluntary association is available to all, for good purposes and bad. This same matrix of community-based voluntary associations sometimes also proved to be the seedbed for vigilante and Ku Klux Klan activity and at least one notorious clan feud, as well as the celebrated John Brown raiding party and the Underground Railroad to Canada. This was also a world of neighboring, barn raisings and cooperative crop harvests. All in all, it was a distinctive and recognizable world and time.

The Second West Virginia

Beginning in the late 19th and early 20th centuries, this pastoral society was joined, and in many ways overwhelmed, by an emerging second West Virginia; a world of coal mining, company towns, scrip and an entirely new meaning of “The Union.” This is a world symbolized by the coal camp and the miner’s lamp on a hard hat. As we have come to learn, it is also a world symbolized by the prematurely old, retired miner walking about accompanied by his oxygen tank. I don’t need to say too much more about this. You all recognize this West Virginia instantly. Many of you grew up in it and some of you still live in what remains of it.

There is also an important major variant of this second West Virginia that gets considerably less attention in state culture, but is nonetheless very important in its economy and politics. This variant coexisted right along side the social world of coal in the state and vestiges

of it also remain important today. This is the world of heavy industry that grew up along the Monongalia, Ohio and Kanawha Rivers. This was a world of glass and steel and petrochemicals; a world dependent not only on coal but also on once-rich reserves of oil and natural gas. It is very curious that, however important this variant may be to the real politics and economy of the state, it figures so little in the public life and culture of West Virginia. It is the miner and the mountaineer who symbolize the culture of the second West Virginia; not the mountaineer and the glassblower. Outsiders who come here today are just as surprised as I was when I first came to Appalachia three decades ago to discover how much this too is part of the second West Virginia.

The Second Independent Sector

Above all else, the nonprofit sector of this second West Virginia both in its coal-mining and its heavy industrial variants was characterized by a dramatically larger, more urban, scale of community life and a much more diverse, multi-ethnic population. This second West Virginia was (and in many ways still is) also a world of alienation, solidarity, suspicion and polarization for large portions of the population. It was, I believe, this second West Virginia in which the strong sense of alienation and powerlessness still to be observed almost everywhere in the state took root and flourished. While the reasons for this alienation are complex and interesting, they are beyond my main interests today. I mention them only to note that in the second West Virginia, they were frequently at odds with the older notions of community solidarity and common good.

There are several distinctive language markers of the fate of the public interest in this period. "The Union" in this world gradually lost all of its original Lincolnesque meaning and came to refer instead to labor organizations such as the United Mine Workers, the Steelworkers, the United Auto Workers and other smaller labor organizations. "Association" in such circumstances also lost many of its positive Tocquevillian connotations, and came to mean roughly cabals of bosses and owners. These two terms came to connote what is still one of the dominant cleavages for many people in the state. *Union* came to be most closely associated with labor and *association* came to take on strong anti-union connotations and be most closely linked to management. As a result, it is still genuinely difficult in many parts of West Virginia today to speak of a unified public interest or a common good.

Organization in the second West Virginia was often organization against, or in opposition to, some other pre-existing organization. Labor vs. management, community against community, in-state vs. out-of-state

interests and so on. There was, of course, often good reason for such antagonism since the opposition in these cases often included some of the richest, most powerful and most ruthless industrial associations in American business history.

Throughout the state, the Second West Virginia was a world of cleavages rather than of solidarity. Of ethnic and class-based rather than community-wide associations. Italian-American Clubs and Polish Societies as well as Eastern Stars and Rotary Clubs.

This was the world in which many of the distinctive forms of philanthropy still evident in the state were born and arose. Beginning in the 1960's, federal grants brought a new veneer to the state as program after program papered over, without really resolving, many of the underlying cleavages of the second West Virginia.

The Third West Virginia

In some respects, a newer Third West Virginia has been emerging alongside the residues of these first two West Virginias at least since the 1950's. It was then that automation first began to cut into the number of mining jobs and the Chinese, to take just one example, began to experiment with the kind of third world industrial development that was then identified in newspaper headlines as "back yard blast furnaces".

For a very long time, signs of this new West Virginia were ignored or dismissed as temporary aberrations. Everyone who grew up or lived for any length of time in the second West Virginia grew accustomed to periodic downturns and unemployment of the boom and bust economy that signaled some of the key cycles of life. Even today, a surprising number of West Virginians are still waiting for the day when the coal and steel industries bounce back, the mines and factories reopen and "things get back to normal around here."

In the meantime, we have seen the birth of a newer and much different West Virginia – terms like "post-industrial", "service economy" and "information economy" springs too readily to the lips without really providing much information about this new world. Certainly, we know that this is the world of interstate highways and more available health care. That vision was held forth from the first by the Appalachian Regional Commission. It is also the broader American world of shopping malls, vacations at Myrtle Beach and gubernatorial proclamations of computer literacy for all school children in the state. It is the world in which Marshall University can serve as host for an international nonprofit on-line educational site known as Diversity University and WNPB in

Morgantown could in 1997 create a leading edge statewide computer network for nonprofits called WISE.

It is a world of entirely new forms of association and combination. A world in which a School of Social Work, a state National Guard and a state Community Action association can partner with a business association (Software Valley) to create a unique two-way interactive video, multimedia network that will serve at least some of the training needs of all of them. You will be hearing more about this particular development later this afternoon.

On the whole, the evidence of this new Third West Virginia can be pretty overwhelming and not entirely encouraging. According to one recent source, "Over the past 15 years, the economy in West Virginia has shifted from traditional manufacturing (primary metals and chemicals) and extractive industries (coal in particular) to a service based economy. From 1977-1987, the state lost almost 70,000 jobs in coal mining and manufacturing. . . .The average salary had been \$20,000 per annum in manufacturing and \$36,400 in coal mining. (Maggard, 1994).

During the same period, almost 32,000 new service jobs were created with an average salary of \$15,000 per annum." (Mencken and Maggard, 1999, 88)

Since the 1950's, the number of coal mining jobs has already fallen by roughly 90%. At one time, there were almost 200,000 mining jobs in West Virginia and today that number may be less than 20,000. In other words, 9 out of 10 miners who worked in the mines after the war in 1945 have no sons or daughters working in the mines today. This third West Virginia is often a world of paradoxes: Far more people have indoor plumbing , television and newer cars than ever before; But far too many fathers, mothers and children are working in two or three low-wage service jobs to maintain their life style. Many more people are getting much more education, and then leaving the state to find meaningful employment. More people are working more, and at more jobs, but too many of them have too little to show for their efforts.

This is a world of the Weirton Steel ESOP: The largest and most celebrated employee owned takeover of an industrial company in American history when it occurred. Yet it went largely unnoticed in much of West Virginia, and failed to serve as a model for other one-industry communities faced with immanent decline around the state. The Third West Virginia is also a world with the lowest unemployment rates in a generation, but at the personal cost for many families of moving from high

paying jobs in mining or heavy industry to one (or, more likely, two or three) low-paying jobs in service industries.

The good news is that the Third West Virginia is characterized by a convergence of West Virginia with the rest of the country. West Virginia is in, and of, the American economy, culture and public life more fully today than it has ever been in its entire history. This, however, is (as they say) also the bad news: In far too many cases, West Virginia comes into the economic and cultural mainstream at or near the bottom on many economic and social indicators. For a society of hearty, self-sufficient mountaineers integration with the nation may not matter and for a society of alienated industrial workers it may be the stuff of utopia. In the world of West Virginia today, American dreams are our dreams, for better or for worse.

A New Appalachian Urbanism

One major implication of this Third West Virginia that I want to call attention to is the fact that West Virginia is, in reality, no longer a rural state (and in fact has not been one for quite some time already). It is instead a state in which a large and growing majority of the population is concentrated in the two metropolitan areas of Charleston-Huntington and Wheeling-Weirton, and the approximately one dozen smaller cities scattered around the state. (Beckley, Bluefield, Parkersburg, Martinsburg, Morgantown, Fairmont, Clarksburg, etc.) In many ways, Morgantown is indicative of what is happening in greater or lesser degree all over the state. To describe traffic in Morgantown on any Friday afternoon as “rural” requires a linguistic imagination I simply cannot fathom. “Rural” in West Virginia has gradually lost almost all of its First West Virginia connotations and taken on the dominant American pattern. Rural areas are the peripheries on the outer edges of the urban service centers on which they are dependent.

In 1990 already, Mon County had a population of slightly over 75,000 and Morgantown had an official population of under 25,000. Anyone who sincerely believes that most of the remaining 50,000 people are true “rural residents” living in isolated self-sufficiency in First West Virginia enclaves has surrendered to the romance of the myth. Such folk certainly do exist in Mon County and elsewhere in the state, and I mean them no disrespect. We need to recognize, however, as the ARC did 30 years ago, that they are only there in small and dwindling numbers. Physically, a significant number of coal camps still exist in Mon County and elsewhere throughout the state. Realistically, most serve today as suburban and

exurban bedroom communities for people working in the larger or smaller cities of the state.

The New Philanthropy

The first and most obvious implication of the New Philanthropy in this New West Virginia is the rather remarkable convergence that has been occurring for quite some time in West Virginia and elsewhere between public, private and nonprofit activities. This isn't just a matter of governments contracting out service delivery, which most of us in human services are familiar with, or even cross-program managed care cooperation across federal Medicare, state Medicaid programs and assorted private insurance carriers. It is a matter of the multiple ways in which the lines between what it means to be public, nonprofit or commercial are simply dissolving into one great organizational amalgam.

Coalitions of competing software companies everywhere are often able to develop and exploit new markets only with the aid of nonprofit standards associations to help them define cross-company standards which competitors can each exploit. They can't define their markets until they define their marketable products, and this doesn't occur without some level of cooperation. Incredible as it may seem, the behemoth Microsoft first developed the signature products Word and Excel not for DOS or Windows but for a competing software platform, the Apple Macintosh.

This has also been the case with products as diverse as GIF, Quicktime, the Java language, J-PEG, and literally hundreds of other products. E-business as we know it today probably would not exist without the numerous underlying layers of technical cooperation laid out by pioneering nonprofits like the Internet Society or the pioneering role of the National Science Foundation (NSF) and major research universities, both public and private. NSF, of course, is not really a foundation at all but a statutory public, government agency.

The New Leviathan

Everywhere we look, we see that what it means to be "public", "private, non-profit" and "private, commercial" are shading over into each other in entirely new and unprecedented ways. This is as true in the New West Virginia as it is in the nation as a whole. Make no mistake: Of course, we all have our lawyers who maintain the legal niceties and corporate fictions that these difference are still real as matters of law. But beyond all the legalisms, we are seeing in our time one of the most amazing institutional convergences between business, government and community since the end

of the Middle Ages. Businesses run their own foundations. Non-profits open and operate successful businesses as commercial subsidiaries. Governments engage in wholesale layoffs of public employees and operate entire programs only with volunteers. To cite just one of many possible cases, if present trends continue, the U.S. Forest Service could someday be an agency staffed entirely by volunteers. This sectoral convergence, in which the lines between what is government, business, private nonprofit and purely personal is real, ongoing and affects all of our daily lives.

When I speak of the New Philanthropy in West Virginia, however, it is only partly the impact of this amazing sectoral convergence for the 1960's style nonprofit sector of publicly funded nonprofit organizations that I have in mind. More importantly, I am interested in the ways in which those engaged in private action for the public good are adapting to and seizing the opportunities of the new Third West Virginia beyond the emerging corporate Leviathan.

Commercial and Electronic Fund Raising

One element of this convergence currently holds a great deal of promise, and also more than a little risk. This is the movement of a broad range of commercial corporations into the fund raising arena, largely because of the powerful marketing and advertising boost that these businesses can receive from being perceived as "philanthropic" and "public spirited" in their normal business activity. One need only mention the great success of the Ronald Mac Donald Foundation to get a glimpse of some of the possibilities. Buy your hamburger for \$.99 and leave the penny in a specially fitted slot at the pick-up window and a sick child's family will have a place to stay near the hospital. It might be easy to mock this mission were it not for the success of the Ronald MacDonald Houses in delivering on it. And variants on this theme are spreading like wildfire throughout the corporate world. Who has not heard some variant on the theme, "Buy our product and we will donate to our favorite charity"?

Moralists and purists should be very concerned that the messages these operations convey: Let us make your charitable contributions as painless as possible; casual and requiring no thought on your part. You can be good while you shop. Don't waste your precious time thinking of how to help others; let us do it for you. There is the concern here that when you let businesses make your charitable contributions for you, it is their priorities and not yours which will be reflected. Most disturbing, however, is that there is no law or established practice that I am aware of that says such business actually must actually make the contributions they promise. Commercial law is a much different animal from the

nonprofit laws which have traditionally governed fund raising; one in which the conventional doctrine of *caveat emptor* (buyer beware) has real meaning.

If you decide to buy particular products, fairly priced in the market place, because of some vaguely worded assurance by the seller that “a portion of the purchase price will be contributed to charity” , that’s fine. If you believe you can save the rain forests by turning in your old plastic cosmetic bottles in a soap and lotions shop, so be it. But be clear on one thing – how large that contribution will be, what the seller may conceive of as a charity and, in general, the traditional concerns of nonprofit accountability are anything but clear in such cases. It is entirely within the realm of possibility that your charitable merchant considers his local Chamber of Commerce dues or a nonprofit trade association membership to be a suitable charity, and you’ve contributed only to paying his annual dues. In the New Philanthropy, the actual meaning of that slippery term “charitable” is being stretched, pulled and tugged in many new and different directions.

One of the many places in which this trend toward weaving charity into ordinary business is most evident is in the development of fund-raising on the internet. As with everything else, this new electronic medium gives amazing new twists to what were once almost entirely local and community activities. Two of the largest on-line fund raising ventures at the present time, for example, are operated by Wall Street brokerage houses.

This convergence is only part of the real story of the New Philanthropy. At the very same time, something quite new and different is also happening in West Virginia. It may not have been noticed because it is occurring outside and beyond the world of purchase of service contracts, managed care, and the newer forms of inefficiency, waste and mismanagement associated with

“being more business-like” in the New Public Management of reinvented government.

Foundations

One of the things that is happening in the Third Sector nationally and in West Virginia is a virtual explosion of small and medium sized family and company foundations. In only a little more than a decade, the number of known foundations in the U.S. has risen from under 25,000 to over 40,000. A recent search of the Guidestar web site <www.guidestar.org> for West Virginia puts the total of identifiable foundations in the state at a

rather remarkable 436 foundations, including such gems as the Alcoholic Beverage Servers' Relief Foundation of Martinsburg. (This group is currently reporting no assets to the IRS.)

For years, of course, the largest foundations serving West Virginia were all located outside the state. In historical order, this might include Russell Sage, Rockefeller, and more recently the Eberly Foundation, a particular favorite with those of us in the College of Arts and

Sciences for which it is now named and the statewide beneficial influence of the Benedum

Foundation. Even more recently, such giants as the Robert Wood Johnson and Kellogg

Foundations have made major commitments within the state in health care and higher education. Also recently, within the state, the Kanawa Valley Community Fund, and newer community foundations like those in Parkersburg and Morgantown have begun to make their marks. The WVU, Marshall and other college and university and athletic foundations have all shown significant growth.

Most of the new foundations in the U.S. and in West Virginia are, in philanthropic terms, relatively small. However, nationally the number of new foundation startups also includes 3 or 4 of the largest, wealthiest foundations in the world, including Gates, Packard, et. Al. Regrettably, the same cannot be said for new foundations in West Virginia.

This is regrettable in part because increasingly in the world of small and medium sized foundations in particular, a rather peculiar kind of red-lining is taking place by which more and more foundations are defining their mission and their interests territorially. It almost goes without saying that West Virginia and Appalachia have been written out of a very large number of such out of state foundations.

Fund Raising

With over 400 foundations in the state, private philanthropy is already a large scale phenomenon in West Virginia, and it will only get larger. But foundations only tell part of the story of philanthropy in West Virginia. Another major reason for optimism in West Virginia has been the rapid expansion of fund-raising knowledge and skill in the state. Most of us in the room can probably remember a time not terribly long ago when any fund raising campaign in the state that raised \$100,000 was considered a big deal. Now annual campaigns in the millions can be found in several

communities, and capital campaigns in the tens and even hundreds of millions are not unheard of.

In most instances, the truly “big money” in such campaigns is being collected by two types of institutions: higher education and health care. Why is this? In part, this is a genuine reflection of statewide priorities; a set of assumptions shared by much, if not all, of the state and community leadership. It is comforting to think that this is really what the public wants, and equally discomfoting to fall back into second West Virginia alienation and assume that it is simply because these institutions have somehow gained unfair advantage.

The truth here is both obvious and prosaic: Higher education and health care do have a huge advantage in fund raising in the state, and there is nothing unfair about it. They get the money, both nationally and in West Virginia because they ask for it, and they do so effectively. These institutions have taken advantage of well-established fund-raising practice knowledge and technology and developed effective fund-raising organizations, staffed by competent professionals who know how to organize and carry out effective fund-raising activities. They get money, in short, because they ask for it. The fact that there is more of it out there to get in the Third West Virginia means that they just get more.

This key aspect of the New Philanthropy has been almost totally lost on much of the nonprofit social service sector in the state and nationally. As a rather obvious result, the amounts raised in social service solicitations nationally have remained almost static for most of the past decade and the proportion of the total philanthropic dollar going to social services has been falling for nearly a generation. It is not too much of a stretch to suggest that social services invented modern, non-religious fund raising in the pioneering Community Chest campaigns of the 1920’s. It is also not too much to suggest that those same social services have forgotten almost everything they knew in this area since they bought into the federal grant Leviathan in the 1960’s. I ask you to think about why it may appear self-evident that a single donor would give \$50,000 (or \$10 million) to a School of Social Work in a university but not to a social agency?

When I and one or two others involved, were preaching the message of private fundraising ten years ago in Mon County there were few converts and many skeptics. Yet it is a fact that since 1985, the Mon County United Way created a special leadership givers program, became a bi-county regional agency (expanding to Preston County) and grew from an annual campaign of under \$300,000 to nearly \$1.5 million. In the process, the number of large donors giving more than \$1,000 annually grew from zero (That’s right! There were none in 1985!) to nearly 100, and now there are

at least a half-dozen givers at the \$5,000 level. Overall, the campaign there has been expanding at an average rate of more than 10% per year for more than a decade (with the rate of growth actually slowing in the past 3-4 years).

It is important to note that this occurred during a period of low inflation and at a time when United Way contributions nationally (and throughout much of the rest of the state) were static or declining. And, in my opinion the Mon County record is not nearly as impressive as it might have been. As a United Way director in another part of the state reminded me recently, the Mon County United Way board has been fairly conservative in its estimates, preferring to exceed its goal each year, rather than stretching to almost achieve higher goals. As a former Treasurer, I can tell you that that is exactly what that board has been doing and continues to do. This is a perfectly legitimate choice for a board to make, but over the long term it tends to significantly under-estimate the potential collections.

If your second West Virginia local pride and competitiveness rises up and you seek to write the success of Mon County United Way off to the economic boom there associated with growth of the university and health care, you would certainly be partially correct. But you would also miss at least part of the point. Economic growth is occurring in other cities in the state also, even though we all know that not everyone is sharing in the good times. We have the lowest unemployment rate in many years, even though many of those jobs are low-wage, dead-end ones. Such economic growth is a partial precondition of fund-raising success, of course, but it does not offer anything like a full explanation. It is not economic growth per se but the application of solid fund raising practice that is the critical difference in this case. The money is there, but it needs to be asked for properly. In the early 1980's, there were people in Morgantown willing and able to give \$5,000 a year to the United Way just as there are today. It's just that no one had asked them, or asked them properly. But learning how to ask is just one of the lessons of fund raising yet to be learned in large parts of the nonprofit sector.

Going "Where The Money Is"

There is a delightful old story about the bank robber Willy Sutton. During the 1920's he was captured after a spectacular career of successful heists, and at the post-capture press conference when the authorities were parading him before the media he was asked, "Willy, why do you rob banks?". Sutton looked at his inquisitor for a moment and then said "Because that's where the money is!". Many nonprofit agencies and many

fund raisers in the nonprofit sector have yet to learn that particular lesson. For many people, philanthropic activity in West Virginia must be focused entirely outside the state because of their belief that that's where the money is.

I can't tell you how many nonprofit people over the past 20 years have told me that fund raising may be all well and good for nonprofits in wealthier parts of the country. But here in West Virginia we need to rely on external public funds in order to get things done. Why is it self-evident to so many people that this must be an either-or situation? It certainly isn't an either-or for the foundations attached to every major public college and university and most hospitals in the country. All of these institutions today are heavily dependent on federal funds, and yet they've also managed to develop significant fund raising capacities as well.

My message to the nonprofit community of the state is this: There is far more money available to fund raising today than you ever imagined – even right here in West Virginia, and the potential in the next half century is beyond your wildest imagination! But you can't just walk out of here this afternoon and expect to start collecting it. You have to learn where to look for it, how to recognize it and how to ask for it once you find it. You're not going to learn how to do that in one three-hour workshop, and you're not going to get good at it in your spare time. As much as anything, it's the lack of evidence that nonprofits in the state are getting tooled up in this area that should be a cause for concern.

Higher education and health care in the state have done a remarkable job of recognizing the Third West Virginia and gearing up to take advantage of the new opportunities it presents. The rest of the third sector, and in particular, social services lag far behind by any measure. And from all indications, they will continue to fall even further behind unless things start to change relatively quickly.

Mutual Aid and Self Help Groups

Another fascinating aspect of the New Philanthropy in West Virginia for me is the still limited but expanding role of mutual aid and self-help groups in the state. (Borkman, 1999) Professional service providers are committed to their own techniques of helping and tend to develop their own unique blinders. As a result, many have missed a good deal of the importance of this phenomenon as a form of private philanthropy. Every major disease category, of course, has its network of self-help groups. Perhaps the most fascinating example of this type of activity from my standpoint, is the marvelous work the WV Office of Behavioral Health Services has done over a number of years. They have been fostering self-

help and civil society among the deinstitutionalized population of persistently and chronically mentally ill citizens who formerly lived in Weston and Huntington Hospitals in some truly remarkable ways.

In other cases, however, I fear that we may not yet be approaching the full potential of this genre of activity. Everyone knows, for example, that the transition from the second West

Virginia has left large numbers of casualties in the form of displaced coal miners. And, everyone who thinks about the matter at all knows coal mining jobs aren't coming back in large numbers. There have been various public retraining efforts and benefit programs targeted at this problem of workforce development. But I'm not aware of any significant efforts at encouraging or organizing mutual aid and self-help activity by the displaced miners themselves.

We may have forgotten (or some of us never knew) that mutual aid, in such forms as burial societies and early forms of industrial accident insurance and worker's compensation were early, philanthropic forms of union activity, just as important in many cases as strikes and labor actions. Displacement from well-paying jobs in coal mining should not be thought of as an individual's problem alone. But the conservatives may be right: Perhaps we should not be so quick to conclude it is society's problem either, if in doing so we neglect to notice the important potential for private, organized action of a self-help nature.

It is already very late in the day, and many opportunities have already been lost. But at the absolute barest minimum, self-help groups where displaced mining and industrial workers can share their experiences are called for every time another mine or factory closes in the state. Self-help and mutual aid groups, properly done can have broad appeal to men as well as women. The experience of the Vietnam Vet's Centers has certainly proven the possibilities for such activity. But we lose sight of the some of the greatest of philanthropic potentials if such activity is limited only to sharing grief and grievances over what has been lost. Displaced miners and other industrial workers are, in many instances, intelligent, highly skilled, disciplined and educated workers. But as individuals they are also dispirited. We simply don't know what they might be capable of working together in groups. In one of the residuals of the polarized second West Virginia, many leaders may be fearful of a potential for organized mayhem in such a suggestion. I think we should concentrate instead on the historical record of the potentials of organized self-help.

Changing Demographics Bring Changing Opportunities

The last two points I want to make about the New Philanthropy in the New West Virginia are both related to the changing population demographics of the state. By now, everyone has no doubt heard that according to current population estimates, West Virginia has become "the oldest state in the nation". What exactly this means for the state is still somewhat unclear. Some foresee a new world of retirement villages, assisted living communities and senior housing and service developments for the state. Others see the Third West Virginia as a permanent "charity ward" in which jobs and tax revenues from coal mining and manufacturing are replaced by pensions and Social Security payments and lost tax revenues. I've done a good bit of gerontology in the past and I want to comment on two aspects of the age revolution for the new philanthropy in West Virginia.

Changes in Families

The first point I want to make here is about the implications of changes in family composition that the age revolution represents. Although overall dependency remained roughly the same for the entire 20th century, the nature of that dependency shifted markedly from the First West Virginia to the Third. Families once composed of few middle aged adults, even fewer older adults and many children (in many cases 6 or more) gradually transformed into families consisting of many fewer children (1.2 on average nationally) and many more older adults. This was associated with declines in infant mortality, people lived longer and many more people living (surviving) for full lifetimes. In the last two decades of the 20th century, this aging of society was joined by a massive movement toward the two-income family and the rise of the female headed household.

Changes in Volunteers

Taken together, these two trends have had profound impact on changing the nature of volunteers in West Virginia and elsewhere. By now, everyone who follows the third sector knows that one of the consequences of women entering the labor force in such large numbers was to virtually wipe out the traditional pool of volunteers. Housewives were less available than previously to serve as hospital volunteers, scout troop leaders, museum and symphony docents, and in all the multiple other ways in which they had made themselves useful to society as volunteers. Yet, paradoxically, study after study confirms that nationally

volunteering is up; there are more volunteers doing more things in more and different ways than ever before. How can this be? There are many reasons for this, and I will only focus on a couple.

In part, this is because the term “volunteer” has taken on entirely new meanings in the third West Virginia. People often combine work and leisure in entirely new and unprecedented ways today. I am a volunteer. At no charge to a national association to which I belong, and substantial personal cost (in time and energy), I have operated a well-known third sector discussion list named as ARNOVA-L for almost ten years now. I do my volunteering in my own home office and I’m on call seven days a week, 365 days a year for the roughly 1,000 subscribers (many of them corporate) and estimated 5,000 readers. These folks have been engaged in one extended 10-year long conversation now heard in more than 40 countries around the world on nonprofit research and related topics. As a volunteer, I keep the whole thing moving behind the scenes, read the postings and occasionally inject myself into the discussion when necessary.

This is just one of millions of instances of the new volunteering. Professionals, whose volunteer activities are part of their careers and extensions of their employment have already replaced non-wage earning housewives as one of the principal categories of volunteers in most parts of the U.S. Women are still volunteering in large numbers, but for very different types of volunteer positions.

Retired older persons – those who are called by gerontologists the “young old” – are a second major category of new volunteers. Retirees between the ages of 65 and 75 For example, my daughter is an art history graduate and currently in a nonprofit management program at NYU. She was until quite recently volunteer coordinator for a museum in the Bay Area in California. Almost all of her large corps of several hundred volunteer docents were retirees.

The implication for nonprofit management in the independent sector is clear. Volunteers are available in abundance to help you with your program, but the new volunteers aren’t interested in licking envelopes and sweeping floors. If you can find meaningful things for them to do, they will come, but only if you do will they be prepared to stay!

Intergenerational Transfers

Perhaps the single most far-reaching development of the New Philanthropy, and one intimately associated with the startling growth in the number of foundations in the state and nation is really only beginning to make itself felt. This is the astonishing, indeed mind boggling

intergenerational transfer of wealth that will unfold as the large cohorts of the Baby Boom generation, and those immediately before and immediately after them, age and die.

Current estimates of the amount of money that will change hands in the next five decades as estates are settled upon surviving family and others are truly mind-boggling. They range upward from \$4 Trillion dollars in the next two decades alone. Some of the amounts being mentioned currently are so large as to be almost meaningless. The overall point, however, should be very meaningful for every nonprofit that believes in its mission: Some very large sums of money will be changing hands over a very long period of time and an incredibly large number of people will be involved. Significant portions of that money (no one can know for sure how much) will go to assorted philanthropic causes in what is expected to be far and away the single largest intergenerational transfer of wealth in human history.

The scale of this transfer is due to three completely unrelated factors: I've already mentioned the age revolution. Eventually all of us will, if we're lucky, grow old and die. A second factor is the astonishing scale of private wealth in our society. Current estimates are that in the next 25 years upwards of 20% of the total population will be over 65. That's one in five people. And the proportion of seniors with significant estates (say, arbitrarily, more than \$100,000) to leave to survivors is growing by leaps and bounds even in West Virginia. Just imagine that every person who dies in West Virginia from now on leaves a very minimal \$1,000 to charity – a favorite church, or college or hospital or social service or museum or theater company or a music association. That figure alone would be a very large sum of money. If my recent convenience sample is even remotely representative, in Morgantown alone that will be \$10-12,000 a day from now on for at least the next 50 years. And, from all indications, the amounts transferred from individuals to charities could be substantially greater than that for a large and growing part of the population. On average, the older population is expected to be both larger and to die with more wealth to transfer with each passing decade for at least the next half century.

Increases in this area are, in fact, already detectable. That's part of what the large increase in the number of foundations in West Virginia is all about. In particular, it explains the rationale for the sudden growth spurt of community foundations in the state in places like Parkersburg and Morgantown. People whose bequests are only, say, \$500 to \$10,000 or larger can, through the community foundation avenue become philanthropists, and people as they age are showing signs of great interest

not only in volunteering, but also in this type of giving. People with larger sums of money to give are creating their own family and company foundations in record numbers, in West Virginia and in the nation.

Any nonprofit organization that isn't already aware of this particular implication of the greying of America needs to become aware immediately, and begin making real plans in this area. Colleges and hospitals are already doing so, I assure you, and have been doing so for some time. But this phenomenon is so large, I don't believe any of those already working in this area would argue that they have any expectation of cornering the market on donors. People, as they age, have different interests and genuinely want to give their money to different things. Legitimate philanthropic fund raising isn't about conning people into giving to your cause; it isn't about any kind of trickery or deception. It's about finding those who may already lean toward in your cause and giving them the opportunity to clarify their interest in your cause and act on their convictions. If you fail to find them, they may give less, and with less enthusiasm to someone else, and a few of them may even find you on their own. What nonprofit organization today can really afford that luxury of waiting to be found by a few intrepid donors?

Conclusion

So there you have it. West Virginia isn't any longer a land of intrepid mountaineers engaged in subsistence agriculture. And it isn't a culture of coal mining or glass blowing either. Many among us may still speak of 'pokes' and live up 'hollars', but language isn't behavior. These same people also shop at malls where many of those pokes have designer logos. And those same people may vacation at Rehoboth Beach, Nags Head and Myrtle Beach in large numbers whenever they can afford to do so. Certainly, the fact that the New West Virginia is still partly an unfolding mystery for all of us should not lead us to downplay the continued existence of problems.

At the same time, it should not lead us to be too pessimistic about its possibilities either. One of the greatest possibilities in the future of West Virginia is the potential for serious in-state philanthropy – private, non-governmental action for the public good.

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