

PHILANTHROPY MAKES TAMPA THRIVE

Signs of charitable giving abound in this area, with donations sponsoring cultural exhibits, raising money for life-saving medical equipment, clothing children without resources, helping victims of domestic violence or funding cancer research.

Philanthropy is an essential part of an economically stable, culturally rich society. In the Tampa Bay area we are fortunate to have individuals who are willing to share their success with the community. The Tampa-Clearwater-St. Petersburg area is home to 327 foundations with \$882 million in assets. These groups gave \$83 million in 2005 to help better the lives of our citizens.

With many Americans living on the financial edge and citizens clamoring for reduced taxes and government spending cuts, communities seek to fill the funding gap and build a safety net through private donors, charitable foundation and corporate giving.

As Tampa Mayor Pam Iorio said, "governments tend to fund only a basic level of service; foundations and private money take those services to the next level. They build and sustain amenities in the community that governments can't sustain."

Tampa Bay Philanthropists

Florida leads the Southeast in foundations with 3,739 foundations having assets approaching \$17 billion. According to the New York-based Foundation Center's data those foundations donated \$1 billion in 2005.

The Tampa Bay community is fortunate to have an ever-strengthening core group willing to support charitable giving. Some of the giving is done anonymously, some quietly and some done at well-orchestrated press conferences. Listed by donation date, here is an overview of some of the larger donations in our area:

- Bretta B. Arthur donated \$1.2 million to the Tampa Museum of Art's capital fundraising campaign to build a new facility (November 2007).
- The Glazer Family Foundation (of the Tampa Bay Bucs fame) gave \$5 million to build a new children's

museum in downtown Tampa which will be named the Glazer Children's Museum (October 2007).

- Lightning hockey player Vincent Lecavalier donated \$3 million to All Children's Hospital (October 2007).
- Donald A. Adam donated \$20.4 million for the development of a Comprehensive Melanoma Research Center at H. Lee Moffitt Cancer Center & Research Institute. It is the largest single gift in Moffitt's history (May 2007).
- Carol and Frank Morsani gave the University of South Florida \$10 million, which brings their total to \$23 million given to USF. The gift helped build a new football practice complex and a new stadium for the women's softball team and created the Carol and Frank Morsani Center for Advanced Health Care (June 2006).
- Richard Gonzmart, President of the Columbia Restaurant, gave more than \$1 million to area groups, including the H. Lee Moffitt Cancer Center & Research Institute, USF Athletic Foundation, Boys & Girls Club and the Tampa Bay Performing Arts Center (January 2006).
- Drs. Kiran C. and Pallavi Patel gave \$18.5 million to the University of South Florida. The gift, which is the single largest in USF's history, funded a new building and created an endowment to build and sustain the Dr. Kiran C. Patel Center for Global Solutions (May 2005).
- Ron K. Bailey formed the Bailey Family Foundation which gives \$2 million worth of scholarships annually to one student from each high school in Hillsborough, Pinellas and Polk counties.

Despite the millions given to local charities, the Tampa Bay area lags behind similar communities in the U.S. in charitable giving. The Foundation Center's research shows the Tampa Bay area's number of foundations and amount given is less than any of the 25 largest metro areas in the U.S.

Why are we behind our philanthropic peers? There are few Fortune 500 companies headquartered in the Tampa Bay area; there is a lack of "old money" from established families and corporations (compared to heavy hitting



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Northern based donors such as the Rockefellers, Carnegies and Astors); we have a large number of retirees with emotional ties to their "home" states. Florida foundations send 61 percent of their grant money "back home" – outside the Sunshine State – according to a 2004 study by the Florida Philanthropic Network.

How Can I Afford to Give?

Living the American dream often means bigger is better – with our expanding waistlines, skyrocketing payments at the pump for our monster-size SUVs, the 20 oz. sodas we guzzle and the ? pound burgers we feast on. Our home size has swelled to an average of 2,434 square feet from a 983 square feet average in 1950 when families had almost twice as many children.

The only thing shrinking is our savings accounts. The Commerce Department reported that in 2005 consumers spent all they earned and then some, pushing the personal savings rate into negative territory at minus 0.5 percent. The savings rate has been negative for an entire year only twice before – in 1932 and 1933 when the country was coping with the Great Depression.

Most of us don't have extra millions sitting in our bank account, just waiting to be donated to a worthy cause. (Bear in mind any gift, no matter what size, is always appreciated.) So, how can you save money so you can do some charitable giving of your own? Here are some tips from top financial experts:

- The secret to financial prosperity: Live below your means. It's simple arithmetic – spend less than you earn and invest your savings.
- It's never too late to start building your wealth. But remember it takes time and it's okay to start small.
- Pay your credit card bills in full – and on time – every month. This is perhaps the most frequently recommended strategy for financial health and freedom. It's easy to let a month or two slide by paying the minimum or forget to pay a bill on time. But the finance charges you accrue could make that shoe sale you just couldn't pass up cost you plenty if you carry a credit card balance.
- Pay yourself first – have money taken out of your paycheck automatically and invested. Even if it's a small amount, you'll be surprised how quickly it adds up. 10 or 20 years from now you'll have a healthy nest egg.
- Whenever you get a raise, increase your automatic deposit. Bank your new-found extra cash, don't spend it.
- Sign up for your employer's retirement savings plan or open an IRA.
- Save, save, save. Jane Bryant Quinn, Newsweek's financial columnist, advises "In your 20s, save at least 10 percent of your salary. In your 30s save 15 percent and maintain that level of savings into your 40s and 50s."
- Make an extra mortgage payment or send a few hundred dollars earmarked for principal whenever possible.
- Build equity in your home. Don't be tempted to use your home equity to purchase material things – let your equity build so you can own your home by the time you retire.
- One week a month, cut out all discretionary spending – movie rentals, fast food meals, Starbucks lattes, Panera scones – and take the money you would have spent and put it in an account. You'll be surprised how much money accumulates – and you'll find out you can get by with less.
- Don't live a hyper-consumer lifestyle – frugality is the key to financial success. In *The Millionaire Next Door: The Surprising Secrets of America's Wealthy* authors Thomas J. Stanley and William D. Danko delve into the minds of the wealthy using case studies of people who have already become millionaires. Most of the millionaire households profiled don't live extravagant lifestyles.

Doing What He Loves – And Doing It Exceedingly Well

Coming in at number two on the Forbes list of billionaires is Warren Buffet, who recently pledged \$30 billion of his Berkshire Hathaway stock to the Bill and Melinda Gates Foundation. The most recent Forbes list had a record 946 billionaires. Ingenuity, not industry, is the common characteristic among the elite group, with fortunes coming from diverse industries such as media, real estate, coffee, dumplings and ethanol. The average billionaire is 62-years-old and 60 percent made their fortune from scratch (as opposed to inheritance).

In 2006 CNBC's Liz Claman had the rare opportunity to interview Warren Buffet. Three key pieces of advice he offers young people are stay away from credit cards, invest in yourself and do what you love and do it well. Here are some interesting aspects of his life:

- He bought his first share of stock at age 11 and he regrets that he started too late.
- He still lives in the Omaha home he bought for \$31,500 after he got married 50 years ago. He says that he has everything he needs in that house. His house doesn't have a wall or a fence.
- He drives his own car and doesn't have security people around him.
- He doesn't travel by private jet, although he owns the world's largest private jet company.
- He doesn't carry a cell phone or have a computer on his desk.
- He doesn't socialize with the "high society" crowd. He enjoys relaxing at home in a sweat suit.
- His firm, Berkshire Hathaway, owns over 60 companies. He writes one letter a year to the CEOs of these companies, giving them goals for the year. He doesn't hold meetings or call them on a regular basis. He has given his CEOs only two rules. Rule number 1: Don't lose any of your shareholder's money. Rule number 2: Don't forget rule number 1.
- Bill Gates, the world's richest person, met Buffet for the first time five years ago. Gates didn't think he had anything in common with Buffet, so he allotted only 30 minutes for the meeting. But when Gates met him, the meeting lasted for ten hours and he became a devotee of Buffet.