

Trust

The Pew Charitable Trusts

VOLUME 8 / NUMBER 2 / WINTER 2005-06



***The Bold, New Barnes
Boost for Retirement Savings
A Center for State-Based Projects***



Passages

Is any institution so perfectly organized as to be immune to change? For sure, organizations must be well designed for their mission, but also adapt to changing times—not to fads, but to the deeper currents that distinguish an era. Those that reinvent themselves are more likely to be relevant to the next generation.

Albert Barnes, the physician and chemist who collected works of art in the first half of the 20th century and placed them, for all time, in The Barnes Foundation, was ahead of his contemporaries in his eye for modern paintings and his vision of how all people could learn to understand art. He was, without doubt, totally devoted to his institution and sought to provide it a secure future.

Time proved him prescient on the quality of his world-renowned collection. But it was less kind to the legal and administrative structure that he laid out to assure the foundation's permanence and the access to its galleries of those he called "the plain people." Tragically, the Barnes eventually faced insolvency.

The foundation now has a new lease on life. Its board requested and was granted court permission to operate in a manner consistent with sound, 21st-century nonprofit practices. Dr. Barnes's plan for a durable base will come to fruition with the expansion of the Barnes's board and an endowment to sustain its programs.

And the galleries will move to the Benjamin Franklin Parkway in Philadelphia—a central location where visitors will be introduced to Dr. Barnes's unique approach to art appreciation.

These changes will also assure that this public trust will be accessible to individuals from all walks of life, as he intended.

The excitement about the Barnes has also affected Philadelphia, which is enjoying its own reinvention. Residents and tourists are discovering the city as a hub of culture and heritage through both our established institutions and the local artists producing today's cutting-edge work. The Trusts is committed to all facets of our cultural community, and we are proud when folks say of our hometown, "It's so hot, it's cool!"

Time also plays a role in the balance of power between the federal government and the states, since, by turns throughout our nation's history, one or the other has been more dominant. This fluctuation, if not balance, was built into our Constitution.

Currently, the states are shouldering the responsibility for many policy areas that previously were a federal concern. Recognizing that trend, the Trusts five years ago began to identify issues in which our investments could advance the debate. We drew upon the experience of our work at the national level that had immediate relevance for state policy discussions. Our initial efforts demonstrated the benefits of prekindergarten for all three- and four-year-olds, tracked state election reform and analyzed changes in voting technology, and ensured fairness in the states' systems of capital punishment.

Now, building on stated-focused initiatives, we have created a new operating unit, the Pew Center on the States. It will draw on the Trusts' institutional expertise in strategically identifying issues and advancing solutions effectively and efficiently in and across 50 different policy environments. The result we anticipate will be a resource that informs discussions and supports the states in serving their citizens.

Individuals no less than institutions must change with the passage of time, and one of the ways in which many individuals have not prepared is in paying attention to their

retirement savings. Yesterday, employers were in charge of their workers' pensions. Today, with 401(k)s and other savings instruments, we as individuals are increasingly in charge of planning for our financial future.

Yet the Trusts' Retirement Security Project has documented that, while many moderate- and lower-income workers are not doing a good job of building a nest egg, they want to save. RSP recommends common-sense incentives that will make that goal easier to reach.

Implementation of RSP's reform ideas could increase savings and security without creating a new government bureaucracy. And facilitating policy changes now can forestall further dependence on government programs for support—no small concern with 75 million baby boomers approaching retirement.

Finally, the Trusts kept pace with change when we became a public charity last year. We had the flexibility to choose that course, pursue it, receive court approval and—importantly—follow up strongly on these new opportunities because of the vision and commitment of our board. Sadly, that board is now reduced by one member, Dr. Thomas W. Langfitt, who served from 1980 until he died in August.

A distinguished neurosurgeon, Dr. Langfitt will be remembered especially for his wide-ranging curiosity, probing questions and unrelenting support for the Trusts' role in serving the public interest. Along with his neurosurgical career, he called his association with the Trusts the most intellectually exciting activity of his life. He enjoyed being part of the leadership of an institution that addresses important issues and, as the times evolve, reevaluates, rethinks and reinvents itself for the future.

*Rebecca W. Rimel
President and CEO*

Trust

Published three times a year by
The Pew Charitable Trusts

© 2005 The Pew Charitable Trusts
ISSN: 1540-4587

The Board of The Pew Charitable Trusts

Robert H. Campbell
Susan W. Catherwood
Gloria Twine Chisum
Alan J. Davis
Paul F. Miller Jr.
J. Howard Pew II
J.N. Pew IV, M.D.
Mary Catharine Pew, M.D.
R. Anderson Pew
Sandy Pew
Rebecca W. Rimel
Robert G. Williams
Ethel Benson Wister

President and CEO

Rebecca W. Rimel

Director of Public Affairs

Deborah L. Hayes

Editor

Marshall A. Ledger

Editorial Assistants

Colleen A. Miller
Jessica Riordan

One Commerce Square
2005 Market Street, Ste. 1700
Philadelphia, PA 19103-7077
Phone 215.575.9050

On the Internet:
www.pewtrusts.org

Design/Art Direction
Lewis & Nobel Design

Cover art: Howard N. Watson, *Down the Parkway*. Barnes Foundation interior
© The Barnes Foundation, reproduced
with the permission of The Barnes
Foundation.

Civic Life

The Importance of Place

2

The art-rich Barnes Foundation outlived its founder and his mercurial personality. But then its own survival was at stake—until now.



Policy

Making Good Choices

10

Moderate- and lower-income workers want to save for retirement—a goal that the Retirement Security Project is trying to make easier.



Policy

States United

17

The new Pew Center on the States is a home for the Trusts' state-based projects.



Departments

NOTES FROM THE PRESIDENT

Time and reinvention.

Inside
front
cover

LESSONS LEARNED

Managing knowledge

20

RECENT GRANTS

22

BRIEFINGS

Remembering Thomas W. Langfitt, M.D., op-ed on the cowtail stingray, "Philly's got Benenergy!"

26

LETTERS

28

The Pew Charitable Trusts serves the public interest by providing information, advancing policy solutions and supporting civic life. Based in Philadelphia, with an office in Washington, D.C., the Trusts will invest \$204 million in fiscal year 2006 to provide organizations and citizens with fact-based research and practical solutions for challenging issues.

The Trusts, an independent nonprofit, is the sole beneficiary of seven individual charitable funds established between 1948 and 1979 by two sons and two daughters of Sun Oil Company founder Joseph N. Pew and his wife, Mary Anderson Pew.

The official registration and financial information of The Pew Charitable Trusts may be obtained from the Pennsylvania Department of State by calling toll-free, within Pennsylvania, 1.800.732.0999. Registration does not imply endorsement.

The Importance of

By Marshall A. Ledger



Moving its galleries to Center City Philadelphia will enable the renowned Barnes Foundation to have the support and public access its founder desired.



A contemporary class at the Barnes (*above*) and a class taught by Albert Barnes with his Brittany spaniel, Fidèle, on his lap (*right*).

Giorgio de Chirico painted Barnes's portrait (*top*) in 1926.

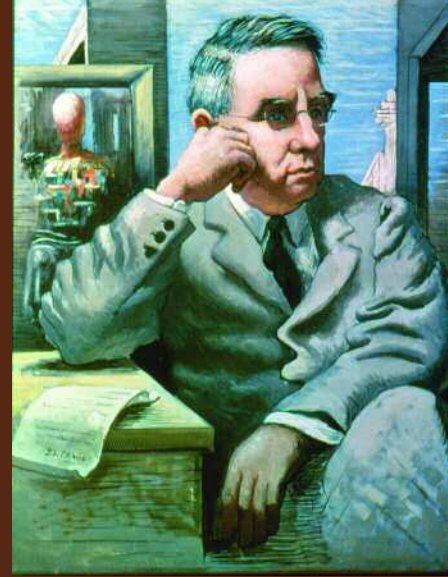
The foundation's logo (*left*).

Art and interiors © The Barnes Foundation, reproduced with the permission of The Barnes Foundation.

Place



“The truth is,” said Vincent van Gogh in a letter written in 1890, “we can only make our pictures speak.” One of the few listening attentively to the art itself—rather than to, say, the painting’s subject matter or an edifying lesson it might suggest or its historical context—was Albert C. Barnes. Born in 1872 and trained as a physician but more interested in pharmacology and chemistry, he co-developed a novel anti-inflammatory drug, Argyrol, which went into production in 1902.



His earnings from that and other medicinal products gave him the means to collect important art in staggering numbers—for instance, just among the avant garde of his time, he gathered 69 works by Cézanne (reportedly more than in all of the museums of Paris combined), 59 by Matisse (including *Joy of Life*, considered one of the 20th century’s most important paintings), 181 by Renoir, 44 by Picasso, works by Seurat, van Gogh, Modigliani and many others—as well as sculpture, native American textiles and jewelry, American furniture and industrial hardware.

Barnes’s earnings also gave him the leisure to extend an interest in art that he had as a youth, and he began to school himself in art appreciation. And in this, he started as he had as a scientist: He observed, disag-





Henri Matisse, *Madame Matisse: Madras Rouge* (The Red Madras Headdress), 1907.

gregated, analyzed in an orderly manner and then saw the whole anew.*

Letting his paintings “speak” to him, he “heard” them in terms of aesthetic qualities: color (which “comes nearest

*Author’s note: Mary Ann Meyers explores this connection in *Art, Education and African-American Culture: Albert Barnes and the Science of Philanthropy* (Transaction Publishers, 2004). I relied on her lucid study, which is thoroughly grounded in archival materials, for corroboration of other points as well as quotations and facts.



Seated Couple (late 19th-early 20th century) from the Dogon culture of Mali, one of more than 200 works of African sculpture collected by Barnes.

being the raw material of painting,” he said), light, space, line and mass. These were, to Barnes, “plastic elements” which, when properly unified, permit a work to aspire to art. These elements, he wrote, might be “shuffled and recombined” in any sort of visual material—for instance, in a magazine illustration—but without the artist’s profound “individual perception,” they amount only to “decorative patterns,” not fine art.

Barnes not only sought the experience of individual works of art. He also compared them, one to another, in terms of their plastic qualities. Further, he compared modern works to classical art and to works of various ethnic origins—especially African and African-American—because, to him, all art demonstrated “the essential continuity of the great [artistic] traditions.”

The educational process was difficult and expensive. Some acquisitions did not stand up to his investigation, and he removed them. In 1915 he noted, “I’ve given more time and effort to trying to find out what is a good painting than I’ve ever given to any other subject in my life.”

As he was teaching himself, he began teaching others. He had established classes in various academic subjects for his workers, and on the factory walls he hung art that he would sell to them at cost if they expressed an interest in particular works. To Barnes, this educational venture was the forerunner of The Barnes Foundation, the institution to which he dedicated his entire collection, which grew within his lifetime to some 2,500 paintings and thousands of other objects.

The foundation’s mission, according to its bylaws when it received a state charter in 1922, was “to promote the advancement of education and the appreciation of the fine arts; and for this purpose to erect, found and maintain . . . an art gallery and other

necessary buildings. . . .” The gallery would be “an educational experiment” and, after the death of Barnes and his wife, the trustees would ensure that “the plain people, that is, men and women who gain their livelihood by daily toil in shops, factories, schools, stores and similar places, shall have free access to the art gallery and the arboretum upon those days when the gallery and arboretum are to be open to the public.”

When the foundation opened on Latch’s Lane in Merion, a Philadelphia suburb, in 1925, the installations reflected Barnes’s pedagogy—and continue to do so. Works are not hung chronologically or by an external theme or even with explanatory labels other than the artist’s name. Instead, they hang, floor to ceiling, according to similarities or contrasts in their plastic qualities, which visitors are intended to grasp through patient, yet alert and increasingly sophisticated, observation.

The burlap-clad walls are renowned for their unlikely juxtapositions: works by a Flemish Baroque master, a French Impressionist and an American folk-art painter, all hung together. Or works created a millennium apart, separated physically by only inches. Or works of art placed just above, below and astride such everyday objects as chairs, tapestries and rugs, candlestick holders, iron door latches and andirons.

Barnes encouraged other comparisons. In the 13-acre arboretum on the foundation’s grounds, he arranged the landscaping outside the building’s windows so that viewers would make further connections as their eyes scanned the gallery walls and caught sight of flora outside. Seeing links to music, he had Beethoven’s Fifth Symphony playing in the background while he gave a talk on Cézanne’s *Card Players*.



Clockwise from top:

William Glackens, *Children in Park*. Glackens was Barnes's first tutor in art.

Henri Rousseau, *Woman Walking in an Exotic Forest*, 1905.

Barnes gallery.



All along, Barnes's aesthetic principles were becoming more firmly grounded, and he published a series of books that both applied those fundamentals in scrutinizing art and showed others how to understand art. The most comprehensive of these was *The Art in Painting*, first published in 1926, adopted by many universities and schools in its time and still used as a textbook at the foundation. Key to his "method," as he called it, is direct "contact with the paintings themselves" so that the viewers can go through an objective, if not scientific, process of observing the art, reflecting on the artistic elements and testing their conclusions by examining the painting again.

As rooted as was his artistic vision, however, Barnes never stopped (in his phrase) "learning to see." Broad-shouldered, with heavy eyebrows and penetrating, blue eyes, he would confront an ensemble of artworks arranged on the wall, just as he requested, to highlight comparisons and contrasts among them. Looking from piece to piece, consulting his notes, he would see new connections, according to Barton Church, a teacher at the foundation who joined the institution in 1949 and was interviewed by Ralph Blumenthal for *The New York Times* in 2002: "You'd hear him holler, 'Chris! Chris!'" said Mr. Church, recalling Barnes seated before a wall of paintings and calling for his handyman, Chris Naughton. "He would pick up his hammer and nails and come running to rearrange a picture."

For Barnes, the aesthetic experiments and refinements came to a standstill on July 24, 1951, when he died suddenly in an auto accident. But the foundation continued as a school, fortified financially by his endowment—initially \$6 million and then a bequeathed \$10 million—and by its charter assuring its permanence in suburban Philadelphia.

Time, however, outpaced Barnes's codified indenture. Most significantly, the endowment proved insufficient. Barnes required that it be invested conservatively, and over time it eroded. Meanwhile, expenses rose. The indenture had gone so far as to set staff salaries, which by 1971 had become inadequate, and the foundation required court approval to modify the document and pay employees fairly.

Eventually, the foundation sought to raise money by extending the visiting hours and admitting more visitors. In the 1990s, it floated proposals to enlarge the parking lot, send a portion of its holdings on a worldwide tour and sell off some of the paintings. The idea of deaccessioning was withdrawn after vociferous complaints from the art world and others, but the tour occurred and earned \$17 million, a large part dedicated to updating the building.

By the turn of the century, however, legal proceedings, which included challenges from the local community on zoning issues that effectively restrained the number of visitors, drained the endowment to the point where the Barnes, with its priceless collection, was in danger of insolvency.

Public access was another sticking point at the foundation. With the focus on art classes—it currently has some 150 students—public admission has always been limited, and when Barnes himself was in control, arbitrary. (He famously turned away not only scholars and others devoted to the visual arts but also people who had made an important mark in the world, such as the poet T.S. Eliot, and even the sculptor Jacques Lipschitz, whose own works were on display inside.)

In 1961, the foundation was required to honor its nonprofit status by opening its doors to the public one day a week. Reservations, however, were generally necessary, and still are; the

foundation is now open three days a week, but weekly admission is capped at 1,200, including school children.

Time has also changed the perception of the collection. Back in 1923, Barnes released 94 modern works for an exhibition in a Philadelphia museum, and the reviews mostly disparaged them as "incomprehensible masses of paint," "diseased and degenerate" and "unclean!"

Eventually, however, the general public caught up with Barnes's own artistic taste and clamored for entrance. By 1952, it was "morally indefensible to exclude the people always," as the former Barnes student Abraham L. Chanin argued at that time: "For plainly and simply, the collection is so magnificent that no really adequate idea of Cézanne, Renoir, Matisse, Soutine, Modigliani or Picasso can be formed without seeing it. Many who cannot join classes are entitled to see the splendor."

In September 2002, the Barnes trustees, in looking for long-term solutions to the problems of both finances and access, determined that they could not only ensure the institution's survival but also best fulfill Barnes's educational purposes by relocating the collection to the Benjamin Franklin Parkway in Center City Philadelphia and restructuring the board.

At issue regarding the board was its "uncharacteristically small size," as the petition to the court stated. It could not provide the "level of donor support" required for the foundation, the arboretum and Barnes's country home, Ker-Feal, which, on a 137-acre estate, has its own arboretum and houses American antiques. The five trustees sought an increase to 15 in order to have "a broad-based board that has access to numerous resources." The Philadelphia location would permit the extensive public access appropriate to a great

art collection held in the public trust.

Before seeking the legal changes, the foundation's board sought outside financial assistance. The Trusts and The Lenfest Foundation agreed to help raise \$150 million to build a new facility in the city, relocate the collection and establish an endowment to ensure the foundation's future security, "all in keeping with the mission of Dr. Barnes as set forth" in the foundation's original documents, and the Annenberg Foundation also pledged substantial support.

With these assurances, the Barnes trustees filed a petition in the Orphans' Court Division of the Montgomery County Court of Common Pleas to move to the city, expand the board from five to 15 members, and make amendments to the foundation's original documents "to eliminate obstacles to increased revenues and to ensure efficient operation and administration of the foundation."

The petition was granted in December 2004. In response to the ruling, Bernard C. Watson, Ph.D., president of the Barnes, stated that the decision "has provided the foundation with the means of preserving the Barnes collection intact, enhancing our ability to carry out the educational functions which are at the heart of our mission, and ensuring our financial well-being going forward."

"The key element of the petition—relocation of the gallery collection to a new facility in Center City Philadelphia—will be a great and very exciting challenge. The planning and execution of the major capital campaign to fund the design and construction of the new Barnes gallery will now, of course, become a major focus for the board of trustees."

Pennsylvania Governor Edward G. Rendell said that the ruling will promise "an exciting new future for the Barnes Foundation and create an invaluable, new addition to downtown



Philadelphia. I look forward to making this goal a reality.

"The relocation," he continued, "will make [the art] accessible to the thousands of people who visit downtown Philadelphia each day, and increase exposure to the amazing collection, which, along with its educational value, was the intention of Dr. Barnes."

The Barnes board began to name new trustees with international and national experience in the arts, education, business and philanthropy. And for a site, the city offered a place on the Benjamin Franklin Parkway, a thoroughfare that has been called

"Museum Mile" because of the many cultural institutions that flank it: the Rodin Museum and the central branch of the Free Library of Philadelphia on either side of the new Barnes, with the Franklin Institute and the Academy of Natural Sciences virtually across the boulevard, the Philadelphia Museum of Art at one end of the Parkway and the Pennsylvania Academy of the Fine Arts not far away—plus more than 60 public sculptures, including works by three generations of Alexander Calders.

In announcing the location, Philadelphia Mayor John F. Street said, "In my judgment, this is a huge, important advance for us in the city. We

Clockwise from left:

Henri Matisse, *Le Dance*, 1931, mural painted at Barnes's request.

Charles Demuth, *Interior with Group of People Around Red-Headed Woman*, 1919.

Pierre Auguste Renoir, *Woman at Rest in Landscape*, 1915-17.

Georges Seurat, *Models*, 1887-88.



have, over the years, continued to grow into a world-class place, and this is just an enormous step in that direction."

In an editorial, *The New York Times* called the legal decision "an act of judicial common sense" and went on to predict "a new beginning for The Barnes Foundation," especially in its new geographical context.

In a subsequent article, the newspaper reported on the Parkway's cultural cluster, quoting Meryl Levitz, president and chief executive of the Greater Philadelphia Tourism Marketing Corporation, who called the institutions "a string of pearls" for potential visitors; and Anne d'Harnoncourt,

director of the Philadelphia Museum of Art, who observed, "The idea of a concentration of [museums] is wonderful. The more things you can do, the more ways you can educate yourself, the better it will be."

The *Philadelphia Daily News* carried the point further: "The goal of animating the Benjamin Franklin Parkway, to become a vital place that attracts people and activity, comes closer to reality. But it's not just the Parkway that will benefit. The waves that emanate from this decision will ripple into the surrounding neighborhoods and affect not just residential and retail, but the business climate as well."

Indeed, the Barnes move fits into a larger rediscovery of Philadelphia. In an editorial, *The Philadelphia Inquirer*, noting especially the influx of new residents to Center City and nearby neighborhoods, called Philadelphia "one hot city." And *National Geographic Traveler*, seeing it as a premier visitor destination, called it "the next great city."

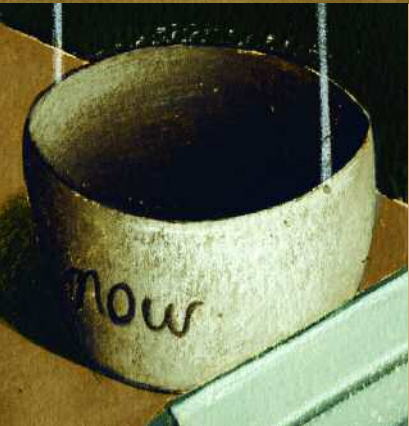
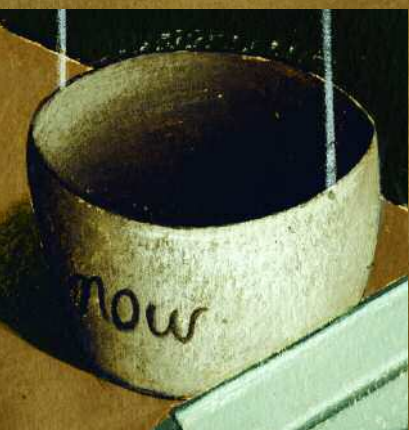
Relocating the Barnes will also benefit local artists as well as the arts and heritage organizations that make their work available to the public. As Marian A. Godfrey, the Trusts' director of Culture and Civic Initiatives, points out: "The arrival of the Barnes gallery in Philadelphia is a real turning point for local culture. The region already enjoys a vibrant community of artists and arts organizations, and these offer a dazzling array of work for local audiences and visitors. The Barnes will benefit from the reputation Philadelphia already has as a major cultural center, and, in turn, our other arts organizations both large and small will shine that much brighter in the glow of excitement generated by the arrival of this unique institution.

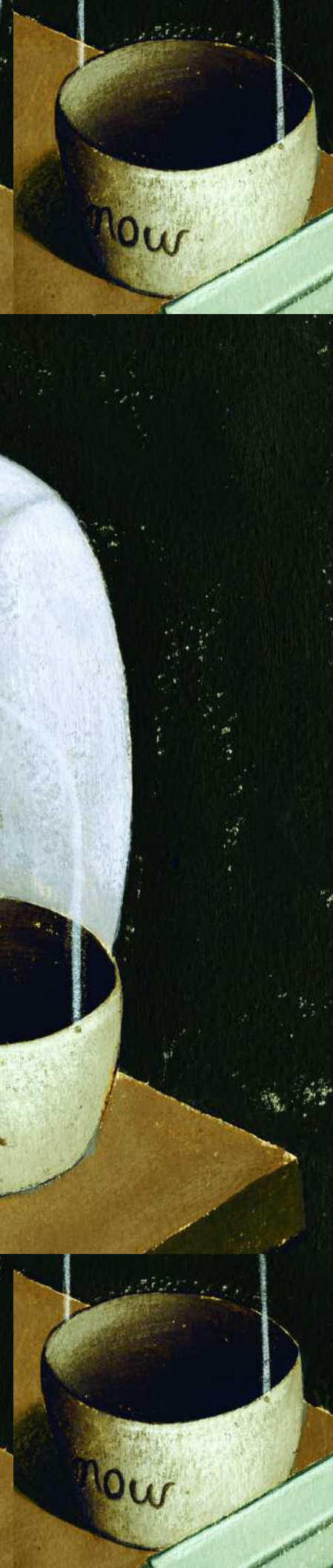
"Together, they will create a place that is far more than the sum of its parts—an indispensable destination for anyone interested in the arts."

The move will also serve Albert Barnes's own desire for his collection to have greater public exposure after his death. As the *Inquirer* expressed in an editorial: "Rarely has an act of desperation [the court petition in order to avoid insolvency] held out so much promise—for a venerable art institution, and for a city and region that now will be able to embrace The Barnes Foundation as never before." ■

More on The Barnes Foundation can be found at its Web site, www.barnesfoundation.org.

Marshall Ledger is editor of Trust.





Jon Krause

Making Good Choices

By Tim Gray

The Retirement Security Project has common-sense ideas to help workers build a nest egg for the future.

This H&R Block office in the St. Louis suburbs, just north of the city line, seems an unlikely site for an economic experiment. The shopping center where it's located, snug against busy Natural Bridge Road, houses a grocery, a sub shop, a bowling alley and a smattering of small stores that cater to the residents of this working-class neighborhood.

The H&R Block office itself, with its cubicles, computers and lime-green and gray décor, could pass for a travel agency except that posters touting destinations like Aruba and the British Virgin Islands have been replaced by ones imploring customers to open an Express IRA.

But here—and in 59 other offices in and around St. Louis—the tax-preparation company teamed up with the Trusts-initiated Retirement Security Project (RSP) earlier this year to determine whether moderate- and lower-income workers could be induced to save money.

H&R Block matched the contributions of people who agreed to set up individual retirement accounts. The company put up the funds—a total of \$500,000—and a group of economists recruited by RSP designed an experiment that would withstand the scrutiny of their peers. During tax season, H&R Block tax preparers offered some randomly selected customers matches of 20 percent or 50 percent if they opened an IRA.

The results silenced the skeptics.

When enticed with matching funds, workers saved more, and the more they were offered, the more they saved.

Conventional wisdom claimed that even incentives would not change the savings patterns of moderate- and lower-income Americans. The experiment, however, is “empirical evidence” of the opposite, according to Peter R. Orszag, Ph.D., RSP's director. To maximize effectiveness, the match must be clear and understandable, the savings vehicles must be easily accessible, and professional assistance should be available to advise potential savers.

With this research and analysis in hand, RSP aims to help inform policy to make it more effective in encouraging savings.

In partnership with Georgetown University's Public Policy Institute and the Brookings Institution, the two-year, \$3.9-million project is, in effect, trying to replicate around the country what was achieved in St. Louis. Backed by an advisory board that includes members of five presidential administrations (see leadership box on page 14), RSP is looking for practical, common-sense ways to both prompt people to save more and identify incentives to saving embedded in government programs and policies.

The project originated in discussions between Orszag and Health and Human Services staff at the Trusts about

© The New Yorker Collection 2003 C. Covert Darbyshire from cartoonbank.com. All Rights Reserved.



policies that might help America grapple with the problem of an aging population. “We wrote a paper called ‘Aging in America,’” Orszag says. “Out of that came retirement savings and long-term care as pressing issues.”

And the idea for RSP sprang from the discussions that followed. It is an attempt to address what Orszag sees as an imbalance in Washington policy debates about retirement saving. “You have pension lobbyists who are interested in an approach that doesn’t always benefit middle- and lower-income earners,” he explains. “And you have academics who are interested in helping less affluent people but have no real way of influencing the debate. And there was growing evidence about reforms that could work.”

RSP’s premise is that Americans need help saving. The average U.S. household puts away about 2 percent of its income, compared with 5 percent for the average Japanese household and 10 percent for the average European household, according to a study by the Organization of Economic Co-operation and Development.

The average Social Security benefit is just over \$10,000 a year, and although most Americans know that Social Security will not be enough to

live on, many do not have much more than that. In fact, the median retirement savings in a 401(k)-type plan or individual retirement account in households approaching retirement age (from 55 to 59) is about \$10,400, according to the Survey of Consumer Finances. The median for those with incomes less than \$30,000 is zero.

Some might say, “So what?” After all, this country’s economy remains the largest in the world.

But by failing to save, Americans imperil both their personal welfare and the economy’s future health, says William G. Gale, Ph.D., a principal at RSP and a senior fellow at the Brookings Institution.

“At the individual level, the costs are direct. If you don’t save, you miss opportunities to buy a house, go to college or get a car to drive to work. At the societal level, the costs are subtler, but just as real. The less that we save as a country, the less we have to invest. Just like a family that saves less has less future income, a country that saves less will invest less and have less future income.”

For much of the 20th century, Social Security and employer-provided pensions served Americans, including those who failed to save money in

personal accounts. But that safety net has begun to fray. Social Security, of course, is caught in a political scrum, but there is general agreement that something must be done to shore up its finances.

Even more crucial for RSP’s focus is the decline of traditional pensions, or “defined-benefit plans,” in which employers make contributions on the employee’s behalf and manage the money. “There have been no new defined-benefit plans started in the last 15 or 20 years,” says Brigitte Madrian, Ph.D., the Boettner Associate Professor in Financial Gerontology at the University of Pennsylvania’s Wharton School. (Her research has informed RSP’s policy recommendations.)

In their place are 401(k)-style plans, called “defined-contribution plans,” with employees choosing how much to invest and where to invest it. Today, defined-benefit plans cover about 20 percent of private-sector workers, while defined-contribution plans cover 35 percent. Some people have both.

With Social Security payments unlikely to become more generous and a loss of old-style pensions, Americans will either have to save more or face the possibility of an impoverished retirement.

Enter RSP into the discussion. Working with the Trusts’ staff, Orszag and his team have developed a four-point plan to help ensure that middle- and lower-income Americans don’t end up with less than they need in retirement. RSP aims to:

- Encourage employers to automatically enroll employees in retirement plans unless the worker turns down the offer. In most current plans, employees have to elect to participate.
- Persuade the Internal Revenue Service to allow split tax refunds,

depositing part in the taxpayer's retirement account and part in a checking account. This would make it easier for people to save at least some of their check from Uncle Sam.

- Make the case for broadening a tax credit for retirement contributions by middle- and lower-income people.
- Persuade federal agencies to relax restrictions on the amount of retirement savings people can have without threatening their eligibility for public assistance programs like food stamps and Medicaid. Under the current, 30-year-old rules, anything more than a modest nest egg disqualifies someone who has shown enough motivation to save.

RSP's research-based recommendations are already having an impact on the debate. Robert Greenstein, executive director of the Center on Budget and Policy Priorities, which has been called "socially liberal, fiscally conservative and academically rigorous," says: "As someone who's been in Washington for 33 years, this is one of the most rapid cases of the emergence of a new project as a central player in a policy debate that I've seen."

"The concept of making changes in federal policy to move pension plans to automatic enrollment was barely a part of the discussion a year ago. Now we have the White House and the chairmen of the House Ways and Means and Senate Finance committees indicating that it's a good idea and should be done. That's a massive impact."

And John Goodman, president of the National Center for Policy Analysis, which "encourages individual rights, free enterprise and self-government," teamed up with Orszag to brief members of Congress on the benefits of automatic 401(k) enrollment. "Typically in a Capitol Hill briefing, there's somebody stepping forward to say

something negative, but this was a love fest," Goodman says, noting that there was broad bipartisan support for the idea.

Says Maureen K. Byrnes, director of Policy Initiatives and Health and Human Services at the Trusts: "RSP's experience underscores that it is possible to earn bipartisan interest and support if one focuses on a compelling issue at the right time, with the right partners and with solid research that points to practical solutions."

Vicki Blanton sees first-hand the difficulties that working people face in trying to save. A lawyer at the J.C. Penney Company in Plano, Texas, she oversees the legal aspects of the pension plan intended for the company's 151,000 employees, many of them retail clerks making relatively modest wages. RSP invited her to speak at its launch forum in March. Networking with practitioners like Blanton is central to how RSP learns what works, Orszag says. "We have a substantial corporate-outreach component. That helps us inform policy."

What's more, J.C. Penney has the sort of common-sense retirement plan that RSP is encouraging more employers to offer, because it makes saving easier and more significant.

In 1997, J.C. Penney had decided

to nudge its employees toward saving more by adopting an automatic-enrollment 401(k) plan. After employees work for the retailer for a year, they are enrolled in the plan unless they ask not to be. After the change, participation in the 401(k) shot up from 71 percent of eligible employees to 85 percent, Blanton says, "and we've been able to keep it at that level."

At first, J.C. Penney put 2 percent of an employee's after-tax wages in the plan, though employees could contribute more. In 1999, the retailer raised the automatic contribution to 3 percent. This year, it bumped it to 4 percent and changed from after-tax to before-tax dollars. The change means that, for every \$100 of wages, an employee can save an extra dollar yet reduce take-home pay by less than a dollar.

Today, J.C. Penney employees have an array of mutual funds in which they can invest their 401(k) contributions, Blanton says. If they don't make a choice, the company deposits their money in a stable value fund. Employees won't lose money in that fund—J.C. Penney didn't want to expose itself to the legal liability if employees lost their principal—but their investments won't grow as rapidly as they could in a portfolio of stocks or one of stocks and bonds.

To help employees make investment choices, J.C. Penney in 2003 hired Financial Engines in Palo Alto, Calif. At no charge to employees, Financial Engines provides online investment advice and education. For an additional fee, the firm handles employees' investments for them by picking their mutual funds, reviewing investment performance and rebalancing when necessary.

Employees do nothing besides elect the service.



"Winning is crucial to my retirement plans."

© The New Yorker Collection 1993 Al Ross from cartoonbank.com. All Rights Reserved.

"It's for reluctant investors, typically people who've accepted the default election," says Christopher Jones, a Financial Engines executive vice president. "They're either too intimidated or too busy to deal with their investments."

RSP would like to see more employers follow J.C. Penney's lead and provide access to financial education and advice. Too often, even good plans and generous matching contributions leave employees floundering when it comes to picking investments because, in theory, the right mix of stocks and bonds varies from person to person.

"The important point is to not let the perfect be the enemy of the good," RSP's Gale says. "It's difficult to know what the exact, right asset allocation is for any one employee. But it's not difficult to know that sticking it all in money-market funds or company stock is a bad idea. Just moving into broad stock-market portfolios is a big help."

Automatic enrollment plans like J.C. Penney's aren't just a perk for employees, Orszag points out. They have practical benefits for employers, too: The more money a pension plan contains, the more efficiently it can be run. Larger plans, for example, can receive better deals on brokerage commissions and money-management fees, and a larger plan's fee represents a smaller percentage of its total assets.

Just as important, the IRS and the U.S. Labor Department look more favorably on plans with high levels of employee participation, Orszag says. Plans that don't meet required participation levels may violate tax laws.

Many of the insights underpinning RSP's encouragement of automatic enrollment—and, for that matter, plans like J.C. Penney's—have sprung from a relatively new field in the social sciences called behavioral economics.

Behavioral economists don't believe the traditional economic orthodoxy that people unrelentingly pursue their financial self-interest. Just look around, they say, and you'll see people exhibiting all sorts of behavior that defies economic doctrine. They refuse to sell dud stocks. They assume that they can beat the market and engage in loser's strategies such as day trading. And they fail to save enough.

Richard H. Thaler, Ph.D., the University of Chicago business professor who is a pioneer in the field, has been documenting these sorts of anomalies for decades. He figured out that the average person performs poorly at saving or managing a 401(k).

His research, which RSP has drawn on, reveals that the menu of funds offered in a 401(k) plan can influence employees' investment choices, even though conventional economic theory

says their goals and risk tolerance should be the determining factors. If, for example, a plan has a stock and a bond fund, many employees will plunk half of their money in each. If a plan has five different kinds of funds, they'll spread their money equally among those.

Confronted with this sort of behavior, Thaler and Shlomo Benartzi, Ph.D., of UCLA's Anderson Graduate School of Management have devised a way of channeling people's financial behavior into a force for saving. They call their plan "Save More Tomorrow" and introduced it in a scholarly paper this way: "Our goal was to design a program to help those employees who would like to save more but lack the willpower to act on this desire."

Think of it as economic judo. Just as a judo player uses his opponent's momentum against him, their plan

Experience and Expertise at the Helm

Marshall Ledger



RSP's common-sense approaches are bolstered by the quality of the project leadership and its advisory board. Director Peter Orszag (above) is an economist who in the 1990s worked in the White House as a special assistant to the president for economic policy and an adviser to the President's Council of Economic Advisers.

RSP's bipartisan advisory board includes former officials from the Nixon, Carter, Reagan, George H.W. Bush and Clinton administrations. The board members are: Bruce Bartlett, a columnist at *The Washington Times*; Michael Graetz, the Justus S. Hotchkiss Professor of Law at Yale Law School; Daniel Halperin, the Stanley S. Surrey Professor of Law at Harvard Law School; Nancy Killefer, senior director at the management-consultant firm McKinsey & Company, Inc.; Robert Rubin, director, chairman of the executive committee and member of the Office of the Chairman of Citigroup Inc.; John Shoven, the Charles R. Schwab Professor of Economics and the Wallace R. Hawley Director of the Stanford Institute for Economic Policy Research; and Eugene Steuerle, senior fellow at the Urban Institute.

harnesses such behaviors as procrastination and inertia to get people to save.

Thaler and Benartzi's plan begins with automatic employee enrollment and focuses on automatic increases in contributions at every pay raise until the legal contribution limit kicks in. Although employees can quit the program at any time, many do not; inertia holds them.

RSP's leaders see great promise in Thaler's proposals, which, in effect, turn inertia and lack of awareness into forces that encourage saving. RSP wants federal agencies to clarify regulations that would facilitate the adoption of automatic enrollment and automatic contribution increases.

The project has issued other policy recommendations that would make retirement savings easier and draw not on savers' irrationality but its opposite. For instance, the Saver's Tax Credit, another practical policy that RSP endorses in its reports, is designed to encourage people to save.

The Saver's Tax Credit is available to middle- and lower-income people who contribute to an IRA or 401(k). For each dollar savers invest, they can receive 50 cents, 20 cents or 10 cents back, depending on their income. The credit helps correct what Orszag calls the "upside down" structure of tax incentives for retirement savings—that is, the tax code provides its strongest savings incentives to those who are generally better prepared for retirement.

The collaborative RSP-H&R Block experiment in St. Louis was, in one sense, a test of the effectiveness of the premise behind the Saver's Tax Credit: that moderate- and lower-income families will save more if provided a financial incentive to do so.

The credit was signed into law by President George W. Bush in 2001, took effect in 2002 and was claimed

Marshall Ledger



At the La Raza conference, attendees of the panel on retirement savings lined up with serious questions.

on more than 5 million income tax returns that year. RSP senior advisor J. Mark Iwry, who previously served as benefits tax counsel in the Treasury Department, calls it "arguably the most significant legislation enacted in the last 30 years to specifically promote retirement savings for middle- and low-income workers."

It was originally intended to be refundable, which means that people could claim it even if they had no federal income tax liability. Rather than using the credit to offset their income tax liability, as people who owe taxes would, these folks would receive it in the form of a tax refund.

But to save money, refundability was ultimately omitted, and the credit is scheduled to phase out completely after 2006. By making the credit nonrefundable, lawmakers excluded more than 50 million households. RSP's research points to the benefits of making the credit refundable and permanent and expanding it so that middle-income households have greater incentives to save.

Another RSP-favored solution is even easier: the splitting of tax refunds, which the IRS can do with a simple administrative change. And it has huge potential. The average tax refund is more than \$2,000, Orszag

points out, and the IRS issues a total of more than \$200 billion a year in individual income-tax refunds.

"There's some empirical evidence suggesting that, given the opportunity to put part of your refund in an IRA, a substantial share of American households would do so," he says. Because, per current IRS policy, refunds may be sent directly to only one account—usually a checking account—most taxpayers end up spending them.



"My pension has been renegotiated, and in lieu of a monthly check I'll receive a crateful of seasonal fruit."

© The New Yorker Collection 2003 Barbara Smaller from cartoonbank.com. All Rights Reserved.

Asset limits in assistance programs are another RSP target. Those who receive food stamps, Medicaid or supplemental security are not permitted self-directed retirement savings larger than \$2,000 to \$3,000, depending on the program. "So those who are trying to do the right thing and save for retirement are penalized," said Orszag at the national meeting of the National Council of La Raza in Philadelphia last summer.

Although people with lots of money squirreled away shouldn't depend on government largesse, these low limits discourage people from saving much of anything. Sometimes they force folks to liquidate their retirement savings to qualify for help in times of crisis, Orszag says. That creates what he calls "an implicit tax on savings."

"Not only that," he told his La Raza listeners, "the rules are really complicated and confusing, even for researchers." For instance, he notes, "Many financial planners advise clients to roll over a 401(k) into an individual retirement account when they change jobs. But if you follow this advice, you can disqualify yourself from food stamps. Doesn't make any sense," he

comments, but then adds, "We can fix this problem."

Finally, RSP recommends financial counseling, which has been empirically shown to encourage savings and boost retirement security. In St. Louis, Denise Wilson does her part. Fortunately, she has hands-on knowledge of the contradictions and complexities of federal tax policies related to retirement. Wilson prepares tax returns at H&R Block's office on Natural Bridge Road. Many of her clients are single parents who make \$20,000 to \$25,000 a year.

And just as RSP's research suggests, many of them fail to save because they live from paycheck to paycheck. When tax time arrives, she says, "they need that refund to catch up on utility bills or buy clothes and shoes for their kids."

Even so, Wilson asks her clients whether they have retirement savings. That's part of her job, but also she's trying to help: "My own commitment to doing it came with my feeling that, if you don't know any better, you can't do any better."

Typically, her clients do not have

IRAs and know little about them. If they are curious, she walks them through the rules, explaining the difference between traditional and Roth IRAs and telling them that they can pull money out for such expenses as college tuition and medical bills. Since 2002, she has also outlined the benefits of the Saver's Tax Credit. And in March and April of this past tax season, she told them about the experimental match that RSP and H&R Block had devised.

"How much do I have to put in?" was the usual first response. "Then they say, 'Will it come out of my refund?' And I say, 'Yes, it'll come out of your refund.'"

From the experience of setting up hundreds of these IRAs, Wilson knows that following RSP's advice and splitting tax refunds would help even more people save. The fact that H&R Block is effectively doing that is one of the things that make its IRAs attractive to her clients: They can open an IRA and still get a refund.

Wilson would also like to see the federal government expand and extend the Saver's Tax Credit to help working people save more. She has seen how even modest retirement savings can improve her clients' lives.

"I had one client, a single parent, who'd been trying to save. When I first showed her how she could save in an IRA, she just broke down in tears. She's been with me for three years. Every year, she comes back, and every year she contributes a little more." ■

Student Debt: Another Financial Squeeze

Americans are worried not only about retirement security. They are also struggling with other financial challenges, including the ability to pay for higher education. Two-thirds of all college students now graduate with loan debt, compared with fewer than half in the early 1990s. Debt per student has tripled over the last two decades, even after accounting for inflation.

Building on the RSP experience and model, the Trusts recently launched the Partnership to Reduce the Burden of Student Debt, a two-year,

\$3.5-million initiative to respond to this growing concern.

"The Trusts' goal," says HHS director Maureen Byrnes, "is to advance practical, common-sense options to help ensure that paying for college doesn't put the financial future of millions of individuals and families at risk. This initiative is intended to be a resource to policy makers seeking achievable solutions to the concerns about mounting student debt."

For more information, visit www.pewtrusts.org.

The Retirement Security Project is located at 1755 Massachusetts Avenue, Suite 550, Washington, DC 20036, and its Web site is www.retirementsecurityproject.org. Contact the project by phone at 202.483.1370 or via the Web at info@retirementsecurityproject.org.

Tim Gray writes on money and business for The New York Times and other publications. In 2001, he was a Knight-Bagehot Fellow in Economics and Business Journalism at Columbia University's Graduate School of Journalism.

The Trusts' initiatives in state-level change now have a(n) (un)common center.



By Marshall A. Ledger

Imagine a young couple standing on the border of California and Nevada, poring over statistical summaries and trying to decide in which state they should live and raise a family. In Nevada, they notice, they would be more likely to own a house and have jobs. Less of their income would go toward taxes.

Across the border in California, they would probably earn more, but their cost of living would be higher. Yet they would be breathing cleaner air and drinking better water and have access to 10 times as many acres of state parks. Their children would be twice as likely to attend preschool, and their public schools would be better financed.

Of course, we rarely immerse ourselves in statistical data when deciding where to settle. We rely, instead, on personal considerations. Yet it matters where we live, because many of the issues that affect our lives are shaped by state policies and practices. And increasingly, issues strongly debated on the national stage—global warming, health care and education reform—are becoming the province of the states.

“State policy makers spend far less time in the limelight than their congressional counterparts—and yet their deliberations and decisions on a wide range of critical issues deeply affect the lives of all Americans,” says Susan K. Urahn, the Trusts’ director of State Policy Initiatives.

“In many ways, states are well equipped for the challenge,” she points out. “They’re often more willing than the federal government to take risks to develop innovative solutions to difficult problems. And in seeking examples of what works, state policy makers, business leaders, advocates and others look across their borders to see how other states are managing the same issues.”

In 2001, the Trusts launched a major initiative aimed at demonstrating the benefits of high-quality prekindergarten for all three- and four-year-olds. Recognizing the growing influence of state policy on a range of issues of national importance, the Trusts has been expanding its state policy portfolio. Recently, it took a giant step forward in supporting this work by creating a new operating unit, the Pew Center on

the States, based in Washington, D.C.

“In early education and other important areas, we work to help states advance effective policies that benefit their citizens,” says Urahn. “We want to expand our efforts—address a wider range of critical state-policy issues—but in the most thoughtful, efficient and strategic way possible. The center will help us achieve this goal.”

Trust asked her for details.

Q: How does the center fit into the Trusts’ work?

Urahn: As your readers are aware, the Trusts already invests in several critical areas of state policy development, including early education, death penalty reform, government performance and voting reform. While the issues are quite different, these initiatives have several important elements in common.

All are grounded in credible, rigorous, nonpartisan research. They focus on identifying centrist, pragmatic policy options. They shine a spotlight on states that have succeeded so that other states can learn. And they



engage a wide range of partners—at the national level and, most important, in the states—who are on the front lines working to solve important problems.

In the past, we designed our state policy initiatives one by one. Given how much they have in common, that's not the most efficient way to operate. Plus we recognized that, in reality, issues often intersect. State policy crosses an enormous range of topics, and state policy makers are very well aware that what they decide in one area will affect their choices elsewhere.

Others are making the same connections. For example, a growing number of business and law-enforcement leaders are interested in early education because they recognize it's a good economic investment and an effective way of reducing crime.

The center is about both the big picture and the details. It helps the Trusts and other funders maintain a bird's-eye view of state policy, looking across issues and across states. It also helps us develop particular expertise and work intensively in a handful of states on select issues. We need both perspectives to succeed.

Q: What will the center do in, say, the near future?

Urahn: A range of activities. Medicaid is on a collision course financially, with state expenditures rising yet federal contributions getting cut. The center is working with *Governing* magazine to develop a report analyzing the real-world experiences of states that have tried reforming the system. This study will be timely and inform both state and federal policy deliberations on this crucial program.

We are continuing our work to highlight states that are doing well on important issues, including working with partners to issue "report cards" on education and government per-

formance. We are designing an initiative that will help states look at both the public safety and fiscal nature of corrections policy, and exploring another that could examine state tax structures and monitor states' fiscal health. Meanwhile, we're setting up a scanning network that will look across states and issues to identify areas in which the Trusts and other funders might play a role. How's that for a start?

Q: How does the Pew Center on the States work?

Urahn: The center starts with the facts—but it doesn't stop there. It gathers data across the states on factors that affect policy—everything from budget, population and economic trends to states' policy climates. This baseline research helps inform Trusts' staff as we explore a range of potential state-policy issues on which to work.

It's also used to generate a series of Web-based indicators and reports that highlight (and in some cases grade) variation across states in areas of key concern to the public and policy makers—from education and corrections to fiscal health and effective government management.

As problems become serious, states begin to explore policy solutions, tackling issues in different ways. Here, the center identifies problems affecting multiple states and the places where innovation is emerging. Using a variety of approaches, from in-depth research to convening, it will highlight the different policy directions states take on particular issues and the impact of those decisions.

What we'll find here is that some approaches work, and some do not. When we have solid evidence that a policy approach is both feasible and effective, the center may support broad public education and advocacy efforts funded by the Trusts and others to encourage states to move forward.

Throughout the policy process, the

center has an array of tools at its disposal: issue tracking, research and analysis, surveys that gauge public support for change, publications—from policy briefs to report cards—policy academies and other convenings, technical assistance and communications.

All the center's efforts are nonpartisan, highly credible, timely and policy-relevant. And no matter what the issue, the center will always help bring new voices into the public debate, seeking out partners whose members, expertise or interests can help states move in positive directions.

Q: The states are where the action is?

Urahn: Yes, whether the states are acting by taking the initiative or reacting to the tone set by other states or the federal government. They are making critical policy decisions that affect every aspect of our lives.

Q: For example?

Urahn: In the 1990s, Wisconsin's reform of its welfare system became the model for sweeping changes at the federal level. More recently, California and Michigan have experimented with eliminating minority preferences in college admissions, and that has sparked a national debate on the issue. Georgia and Oklahoma make pre-school available to virtually all of their four-year-olds, and other states are following suit. The list of examples is long, and it's growing.

Even when the federal government takes the lead, states are still pivotal. For instance, Congress passed No Child Left Behind and the Help America Vote Act, but the ultimate fate of both laws rests in the hands of states.

Q: The Trusts is known for its work at the national level.

Urahn: Absolutely. Our state-based efforts began when we recognized

the influence of state policy on issues of national importance, and our early initiatives built on the expertise first developed in the national arena.

Q: And what are the important differences?

Urahn: At the federal level, it's one arena. With states, you have issues of national importance playing out in 50 different environments. The states and state policy makers are also closer to the ground. They have to balance their budgets—and that means making tough choices.

Q: You're dealing with 50 states—how do you focus the center's efforts?

Urahn: Well, we've compiled five principles that have grown out of our experience in state policy and now guide that work. The particulars go like this:

- *States embrace good ideas.* They pay attention to what other states do. There are regional and demographic differences, and solutions always must be tailored, but state officials are interested in understanding what policy approaches have proven effective elsewhere—and why.
- *Less is more.* Addressing a particular policy challenge in each and every state would be daunting, if not impossible. Fortunately, a 50-state effort is not required for a meaningful impact. A few states tend to have a consistent bellwether influence because of their size, demographics, regional importance or other factors, so changes there often generate momentum elsewhere. Or helping a few states which have fallen well behind on a particular issue and are trying to close the gap could have a tremendous multiplier effect nationally. The center can bring national visibility to successes in a handful
- of states and tip the balance across the country.
- *The issues are different, but the tools to advance sound policy are the same.* Always: start with good research. Objective, credible information on different options and their costs and benefits, information that is relevant and useful to policy debates and provided in a timely way. Some approaches are important regardless of the problem—for example, public education campaigns that raise awareness of problems, attract broad public interest, and generate support for solutions among diverse and often new stakeholders. And creating national visibility for issues while the work continues within a set of states helps generate momentum for widespread change.
- *The state policy arena has a range of actors.* Policy makers are not the only ones who affect the policy agendas. Many important constituencies—the business community, for example, along with national associations and organizations—also have significant influence. The center will tap into these networks, gather intelligence and help the Trusts and other funders assess who the best partners might be to identify policy options and advance policy solutions at the state level.
- *Finally, states want assistance.* State officials need to make well-informed policy decisions across a wide range of issues, and they often do so very quickly. So they welcome research, analysis and information about potential solutions—as long as it's credible, trustworthy, tailored to their own state's needs and interests, and respectful of the leadership and expertise within the state.

Q: What does it mean to be an “operating unit” of the Trusts?

Urahn: It means the center is part of the Trusts—one of the benefits of the institution's change to a public charity last year. Center staff are based in our Washington, D.C., office. Having the center in-house helps us both design and carry out our state policy work more efficiently and effectively.

We also are better equipped to bring the Trusts' hallmark strengths to bear in the state policy arena: focusing national attention on important, emerging public-policy problems, putting highly regarded experts to work conducting research and creating fact-based options, and locating common ground among diverse stakeholders.

Q: You mentioned partners.

Urahn: There are many people who can help us understand, navigate and succeed at the state level. With so much at stake on important issues, we want to make sure that we engage all the key players. We plan to reach out to universities, nonprofits, business, government and many others who are interested in state issues—experts to work with us on research and public education, for example.

We also want to partner with other funders who care about issues that matter at the state level. The center is designed to provide a cost-efficient infrastructure that can help them work more effectively and provide the advantages I described earlier—for instance, the ability to scan the field quickly, highlight what works and what doesn't and create linkages between issues and important constituencies that can lead to positive changes. ■

The Pew Center on the States is housed at The Pew Charitable Trusts' District of Columbia offices at 1425 K Street NW, Suite 900, Washington, D.C. 20005-3674. To contact the center, e-mail statepolicymail@pewtrusts.org.

Marshall Ledger is editor of Trust.

Using What We Know: Knowledge

By Scott B. Scrivner

Use what you know. It's a seemingly obvious point. But in an institution with scores of employees, multiple areas of focus and more than 50 years of grantmaking, how can we keep track of all that we know so that the accumulated knowledge is fully at our disposal?

It is not easy, and we do not always succeed, nor are we alone in our efforts. In recent years, organizations have given a lot of attention to understanding the ways in which they can better access and use information, knowledge and expertise. For a time, knowledge management, as this subject is commonly known, was one of the most popular management fads, with academics and management consultants alike offering a dazzling array of approaches.

In practice, however, they all too often attempted to use technology as a cure-all, or they recommended approaches that worked well for a single organization but were far less effective when put into practice outside the original context.

At the Trusts, we believe that the most effective approach directly reflects specific needs. Our knowledge management practices have come about not as prefabricated solutions, but rather as natural attempts to give staff what they need to do their jobs well (and thus the term is, in fact, rarely used at the Trusts).

As an organization, we strive to learn from our work and the efforts of our grantees to ensure that the Trusts' philanthropic investments—in knowledge, created and applied—pay the best interest. Although we are still learning, we can share several lessons that we have learned in the course of working to ensure that staff have access to and use what we, as an institution, know.

Practices that stem from what staff really need are preferable to off-the-rack approaches.



Design for Demand, Plan for Ongoing Change

After several false starts (where we responded to the “flavor of the month” in knowledge management), we have learned that we must understand and respond to staff needs rather than react to the latest management trend. Successful practices and tools for sharing information are demand-driven—in our experience, knowledge management efforts designed for their own sake are destined for failure.

Needs also change over time. We have found that even the most carefully designed system or procedure cannot be put in place and left unattended—it pays to regularly take stock of whether staff are using the available tools and getting what they need. If not, we change our approach and allow it to evolve as needed.

Technology: Sometimes Necessary, Never Sufficient

Search engines, vast online libraries, custom-built databases capable of storing millions of memos and reports—all are impressive stores of information. But are they useful? Not always. The marvels of today's technology can make it all too easy to lose focus on the role it should play: making it easy for staff to find and use the information that they need most.

As Bruce C. Compton, the Trusts' research manager and archivist, explains: “Technology is a great tool, but to paraphrase the film *Field of Dreams*, just because you build it doesn't mean they will come. A good knowledge-sharing tool is based on two principles: The information must be useful to the end-user, and the tool should be easy to use.”

Management at the Trusts

At times, low-tech approaches—like meetings—are most effective. In our experience, creating regular opportunities for colleagues to gather and learn from each other is a key part of making sure that we share key knowledge and lessons—and use them to improve our philanthropy.

Planning and Evaluation (P&E) brings staff together in a variety of ways. For instance, we host cross-departmental peer review sessions for developing strategies and also oversee the organization's orientation program for new staff.

The lessons that staff learn from their work also provide material for Pew University, our internal training program of seminars and brown-bag discussions, where participants share experiences and exchange ideas.

Where appropriate, we do use technology but also ensure that it is user-friendly and built to give staff what they want most. For example, an intranet gives staff access to a variety of programs created to make their jobs easier, including a searchable archive of internal documents, among them current grants and grant products. This intranet has an online library tailored for our research needs and a database of consultants with whom staff have worked.

The point is to use technology to make it easy to learn from past and current work so that it is a complement to, not substitute for, processes that encourage honest discussion among colleagues.

Learn from Your Mistakes . . . and Successes

Are our grantmaking programs making a difference? If so, how? Have our strategies met the challenges that they were designed to

face? Do we need to adjust our approach?

These are questions that all at the Trusts are accountable for answering, and we have learned a lot about what contributes to successes, and failures, in the course of addressing them.

Still, it takes a deliberate effort to ensure that we keep these lessons in mind and put them to work. That is a function of our annual planning process

Simon Shaw



and regular evaluations. They do not simply help us to understand how single programs have fared. They also allow us to identify common practices that have broadly contributed to the success of many programs. A major P&E task involves making certain that we have them in mind as we design new projects.

As part of the Trusts' annual planning process, for example, all of our departments set targets for their work over the next year and report on progress toward meeting milestones laid out in the prior year's

plan. This commitment to ongoing tracking of progress toward clear, measurable and ambitious goals creates a "need to know" mentality among the staff, who work with P&E throughout the year to develop clear targets, collect evidence of progress, make mid-course corrections and understand and respond to challenges. P&E also leads evaluations that provide information on the extent to which programs hit their targets—and help us to recognize when we have missed our mark and understand why.

How do we use these processes to keep staff informed? P&E acts as the steward of this body of information. By collaborating with program staff as they are designing new lines of work or planning their approach for the coming year, we strive to ensure that, as an organization, we put what we have learned into practice.

Knowledge Management Is Integral to Effective Philanthropic Practice

"Doing" knowledge management is simply a good business practice. In the words of Janet L. Kroll, the P&E officer who heads our orientation program and manages Pew University: "Our staff's need for information and knowledge is tied to our ability to work effectively as a philanthropic organization and bring about positive social change. By building a context in which knowledge management is an essential part of doing our jobs well, we both create incentives for staff to become active participants in the process and make it far more likely that the tools and processes we design will be well suited to our institutional and programmatic needs." ■

Scott Scrivner is an associate in Planning and Evaluation at the Trusts.



Snail by Ariana Reichert.

ADVANCING POLICY SOLUTIONS

Environment

Conservation of Living Marine Resources

Oceana, Inc.
Washington, DC, \$4,500,000, 1 yr.
General operating support for an international marine advocacy organization.
Contact: Andrew Sharpless
202.833.3900
www.oceana.org

Global Warming and Climate Change

Massachusetts Institute of Technology
Cambridge, MA, \$200,000, 1 yr.
Contact: Ernest J. Moniz
617.253.7515
<http://lfee.mit.edu>

Coal is the most abundant fossil fuel, with substantial resources in many regions, particular China, which will experience significantly increased energy demand in the next few decades. The combination of low fuel cost and security of supply is expected to drive increased coal use to meet a projected threefold growth in global electricity generation over the next half century. While the adoption of policies to address climate change will foster the growth of non-fossil electricity generation and energy efficiency, coal will likely still need to be a significant part of the world's energy mix.

The Massachusetts Institute of Technology Laboratory for Energy and the Environment will

conduct an interdisciplinary study on the future of coal in a greenhouse-gas-constrained world. MIT will critically examine various technology pathways, identify technology opportunities and gaps, apply rigorous economic analysis, seek to understand public opinion on key issues and then offer an integrated set of policy approaches.

These approaches could enable coal to continue to play a role in the production of electricity while constraining the growth of greenhouse gas emissions.

National Commission on Energy Policy, Inc.
Washington, DC, \$300,000, 9 mos.
To support the commission's 2005 communication and outreach efforts.
Contact: Lisel Loy 202.637.0400 x13
www.energycommission.org

Strategies for the Global Environment, Inc.
Arlington, VA, \$3,600,000, 1 yr.
For the Pew Center on Global Climate Change, educating the public and policy makers on climate change and encouraging domestic and international efforts to reduce emissions of greenhouse gases.
Contact: Eileen Claussen
703.516.4146
www.pewclimate.org

State Policy Initiatives

Rutgers University Foundation
New Brunswick, NJ, \$3,000,000, 1 yr.
National Institute for Early Education Research
Contact: W. Steven Barnett, Ph.D.
732.932.4350 x238
www.nieer.org

The National Institute for Early Education Research (NIEER) provides rigorous, relevant and impartial research focused on prekindergarten education. The research assesses the elements needed for high-quality preschool and shares these studies broadly to help inform the development of effective policies.

With this grant, NIEER will continue or initiate the following efforts:

- the third edition of the yearbook of state prekindergarten policy;
- state evaluations, which use an innovative methodology to determine the impact of each state's preschool program on children's readiness for kindergarten, and a long-term study to report the impact of one state's preschool program on children's math and literacy scores in first grade;
- specific projects, such as a report on the impact of prekindergarten on third-grade test scores, a benchmark of educational progress set by the No Child Left Behind Act; and
- research on states where the 'Trusts' early education network is active.

Education Writers Association
Washington, DC, \$175,000, 2 yrs.
To educate journalists about newsworthy issues surrounding universal prekindergarten.
Contact: Lisa J. Walker
202.452.9830
www.ewa.org

Kimberton Waldorf School
Kimberton, PA, \$150,000, 2 yrs.
For technological improvements to increase computer access and improve safety and energy efficiency.
Contact: John J. Egan, Jr.
610.933.3635 x120
www.kimberton.org

Other Policy Projects

The Children's Hospital Foundation
Philadelphia, PA, \$1,300,000, 4 yrs.
Clinical Genomics of Pediatric Cardiology Project
For a demonstration project integrating clinical and research data stored in a broad array of disconnected data sources in order to improve patient care and knowledge of disease.
Contact: Peter S. White, Ph.D.
215.590.5241
www.chop.edu

Inglis Foundation
Philadelphia, PA, \$360,000, 3 yrs.
For the development of Inglis Gardens at Washington Lane, offering affordable, accessible housing for low-income people with disabilities.
Contact: Anthony R. Venuto
215.581.0711
www.inglis.org

Woodrow Wilson International Center for Scholars
Washington, DC, \$3,000,000, 2 yrs.

Project on Emerging Nanotechnologies

To ensure that the federal government and the private sector address the potential human health and environmental risks as well as the benefits of emerging nanotechnologies.

Contact: David Rejeski
202.691.4255
www.nanotechproject.org

INFORMING THE PUBLIC

Information

The Pew Research Center
Washington, DC, \$4,500,000, 15 mos.
Pew Forum on Religion and Public Life
Contact: Luis E. Lugo, Ph.D.
202.419.4550
www.pewresearch.org

As a clearinghouse, the Pew Forum on Religion and Public Life gathers, analyzes and disseminates impartial and timely research at the intersection of religion and public life. As a town hall, it convenes public leaders, journalists and major advocacy organizations for frank conversations around topical, often contentious, issues such as stem-cell research, gay marriage, and religion and violence.

Among its future activities, the forum will continue its annual poll on religion and politics and produce three in-depth research reports: on a foreign-policy topic, on domestic issues and, partnering with the Brookings Institution, on Islam in the age of globalization. The forum will also publish shorter pieces analyzing emerging issues or providing background information on important topics. And it will partner with the Council on Foreign Relations on a series of briefings on Capitol Hill tailored to meet the information needs of senior congressional staff.

Religion

Christianity Today International
Carol Stream, IL, \$300,000, 18 mos.
For a project that celebrates *Christianity Today's* 50th anniversary in 2006 and explores the relationship of the Christian church and culture in the 21st century.
Contact: Harold Smith
630.260.6200 x4204
www.christianitytoday.com

New York University
New York, NY, \$1,500,000, 2 yrs.
To support the Center for Religion and Media at New York University and its research activities, fellows program, curricular offerings and lecture series.
Contact: Faye Ginsburg, Ph.D.
212.998.8550
www.nyu.edu/fas/center/religionandmedia

Princeton Theological Seminary
Princeton, NJ, \$1,750,000, 3 yrs.
For the Hispanic Theological Initiative, which, through fellowships and other programs, seeks to increase the number of Hispanic faculty in theological institutions in the United States.
Contact: Joanne Rodriguez
609.252.1736
www.htiprogram.org

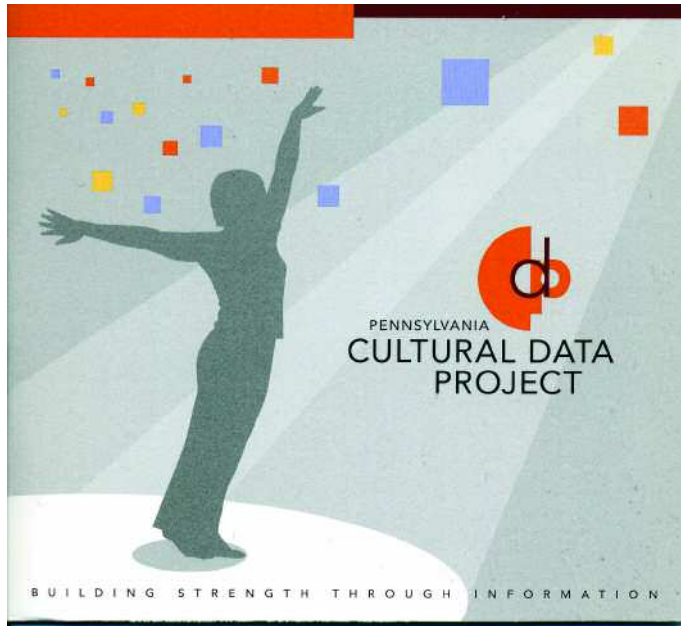
University of Southern California
Los Angeles, CA, \$1,500,000, 2 yrs.
To support the Center for Religion and Civic Culture at the University of Southern California and its ongoing research activities, curricular offerings and lecture series.
Contact: Donald E. Miller, Ph.D.
213.740.8562
www.usc.edu/LAS/religion_online

CIVIC LIFE

Culture

The Pew Charitable Trusts
Philadelphia, PA, \$1,020,000, 3 yrs.
The Pennsylvania Cultural Data Project
Contact: Barbara Lippman
215.575.4872
www.pewtrusts.org

The Pennsylvania Cultural Data Project provides a standardized financial and operating collection process for data on Pennsylvania arts and cultural organizations to ease their applications to the Pennsylvania



For information on the Pennsylvania Cultural Data Project, visit www.pacdp.org.

Council on the Arts, the William Penn Foundation, the Trusts or any of the Trusts' Artistic Initiatives. Applicants need to provide their data only once a year to one repository, the project's Web-based program.

The project is intended to decrease application time, provide grantmakers with more detailed information on the applicants, help arts managers benchmark key performance indicators and supply a steady stream of longitudinal data on arts and heritage organizations throughout the state.

Greater Philadelphia Cultural Alliance
Philadelphia, PA, \$2,000,000, 3 yrs.
For Campaign for Culture II, an integrated collaborative marketing program that increases attendance and builds marketing capacity at nonprofit cultural organizations in the region.
Contact: Thomas Kaiden
215.557.7811 x17
www.philaculture.org

Civic Initiatives

George Washington University
Washington, DC, \$533,000, 1 yr.
For the Young Voters Clearinghouse project, encouraging continued involvement of young voters in the

electoral process by educating key constituents about why the youth vote rose in 2004 and how best to reach young voters in the future.
Contact: F. Christopher Arterton, Ph.D. 202.994.5843

Victims of Communism Memorial Foundation, Inc.
Washington, DC, \$50,000, 1 yr.
For the Victims of Communism Memorial in Washington, D.C., commemorating the more than 100 million victims of Communism.
Contact: Lee Edwards, Ph.D.
202.608.6186
www.victimsofcommunism.org

Pew Fund for Health and Human Services

Action AIDS, Inc.
Philadelphia, PA, \$210,000, 3 yrs.
To support mental health services in conjunction with housing counseling and employment services for HIV-positive individuals in Philadelphia.
Contact: Kevin R. Conare
215.981.3314
www.actionaids.org

AIDS Law Project of Pennsylvania
Philadelphia, PA, \$126,000, 3 yrs.
To assist individuals with HIV/AIDS to enter and remain in the workforce.
Contact: Ronda B. Goldfein
215.587.9377
www.aidslawpa.org

ALS Association, Greater Philadelphia Chapter
Ambler, PA, \$25,000, 1 yr.
For purchase, installation and staff training in the use of donor-management software.
Contact: James V. Pinciotti
215.643.5434
www.alsphiladelphia.org

The ARC of Montgomery County
King of Prussia, PA, \$120,000, 29 mos.
To assist individuals with mental retardation in Montgomery County to direct their own care.
Contact: Paul Stengle
215.263.4700
www.marpa.org

Bethesda Project
Philadelphia, PA, \$198,000, 3 yrs.
To provide services to chronically homeless individuals.
Contact: Angelo Sgro 215.985.1600 x13
www.bethesdaproject.org

Calcutta House
Philadelphia, PA, \$140,000, 3 yrs.
To support a personal care home for individuals who are homeless and who have AIDS.
Contact: Daniel Tomko
215.684.0480
www.calcuttahouse.org

Cambodian Association of Greater Philadelphia
Philadelphia, PA, \$45,000, 2 yrs.
To purchase and install telecommunications and computer equipment to aid the agency in daily operations.
Contact: Cindy C. Suy
215.324.4070
www.cagp.org

The Career Wardrobe
Philadelphia, PA, \$90,000, 3 yrs.
For workplace attire and life-skills classes for women entering the workforce.
Contact: Sheri K. Cole
215.568.6693
www.careerwardrobe.org

CareLink Community Support Services
Broomall, PA
I. For employment programs for people with mental illness in Delaware County and expansion into Chester and Montgomery counties, \$130,000, 3 yrs.
II. For a client-information and outcome-tracking system, \$65,000, 2 yrs.
Contact: Eileen M. Joseph
610.325.9970
www.carelink-svs.org

Community Learning Center
Philadelphia, PA, \$105,000, 3 yrs.
To provide information, referral
and counseling to students of liter-
acy and adult basic education.
Contact: Jean L. Fleschute
215.426.7940
www.communitylearningcenter.org

Community Legal Services, Inc.
Philadelphia, PA, \$120,000, 3 yrs.
To provide legal assistance to low-
income adults regarding welfare
and other public benefits.
Contact: Catherine C. Carr
215.981.3712
www.clsphila.org

Community Women's Education
Project
Philadelphia, PA, \$150,000, 3 yrs.
For education and social services
for low-income, unskilled women.
Contact: Alexis Brown
215.426.2200
www.cwep.org

Deaf-Hearing Communication
Center, Inc.
Swarthmore, PA, \$40,000, 1 yr.
To upgrade its computer database
system.
Contact: Iris Boshes 610.604.0450
www.dhcc.org

Delaware County Community Col-
lege Educational Foundation
Media, PA, \$115,000, 3 yrs.
For job counseling, training and
placement assistance for low-income
women living in Chester and
Delaware counties.
Contact: Susan M. Shisler Rapp
610.359.5040
www.dccc.edu

Delaware County Women Against
Rape
Media, PA, \$90,000, 3 yrs.
For services for victims of violent
crimes.
Contact: B. Joyce Dale
610.566.4342

Domestic Violence Center of
Chester County
West Chester, PA, \$105,000, 3 yrs.
For services for victims of domestic
violence in Chester County.
Contact: Dolly Wideman-Scott
610.431.3546 x11
www.dvccc.com

Drexel University
Philadelphia, PA, \$180,000, 3 yrs.
To implement a chronic-disease
management program for low-
income minority adults.
Contact: Patricia Gerrity, Ph.D.
215.762.4215
<http://cnhp.drexel.edu>

Episcopal Community Services of
the Diocese of Pennsylvania
Philadelphia, PA, \$135,000, 3 yrs.
For intensive case management,
life-skills training and peer support
for homeless mothers who are in
recovery from alcohol or drug
addiction.
Contact: John E. Midwood, Jr.
215.351.1446
www.ecs1870.org

Family and Community Service of
Delaware County
Media, PA, \$135,000, 3 yrs.
For the Ralph Moses House, a
transitional living facility in the
city of Chester for people with
HIV/AIDS.
Contact: Alan L. Edelstein
610.566.7540 x222
www.fcsdc.org

Family Service Association of
Bucks County
Langhorne, PA, \$50,000, 2 yrs.
To upgrade and expand its client
data base to improve medication
management for clients served in
its behavioral health program.
Contact: Audrey J. Tucker
215.757.6916
www.fsabc.org

Hedwig House, Inc.
Norristown, PA, \$150,000, 3 yrs.
To expand and strengthen the em-
ployment program for persons with
serious mental illness.
Contact: Daniel L. Sylvester
610.279.4400 x11
www.hedwighouse.org

HIAS and Council Migration
Service of Philadelphia, Inc.
Philadelphia, PA, \$150,000, 3 yrs.
To link low-income immigrants
and refugees to needed counseling
and legal representation through
an improved intake system.
Contact: Judith Bernstein-Baker
215.832.0906
www.hiaspa.org

Homeless Advocacy Project
Philadelphia, PA, \$90,000, 3 yrs.
For free legal assistance for home-
less individuals.
Contact: Marsha I. Cohen
215.523.9590
www.homelessadvocacyproject.org

Horizon House, Inc.
Philadelphia, PA, \$180,000, 3 yrs.
For a supported education model
to help adults with serious mental
illness receive technical certifica-
tions or college degrees.
Contact: Jeffrey W. Wilush
215.386.3838
www.hhinc.org

Impact Services Corporation
Philadelphia, PA, \$190,000, 3 yrs.
To assist ex-offenders in gaining
and maintaining employment
when they leave the Philadelphia
prison system.
Contact: John MacDonald
215.739.1600 x144
www.impactservices.org

Intercommunity Action, Inc.
Philadelphia, PA
I. For the Philadelphia Re-Entry
Project, providing intensive services
to ex-offenders with both addiction
and mental illness diagnoses,
\$135,000, 3 yrs.
II. For improvements to its comput-
erized data-management system, to
enable the agency to better analyze
and make use of its data, \$61,000,
1 yr.
Contact: David Bolin 215.487.0904
www.intercommunityaction.org

Jewish Employment and Vocational
Service
Philadelphia, PA, \$150,000, 2 yrs.
To provide information and assistance
to adults with disabilities about
available public funds for home
modification.
Contact: Jay Spector 215.854.1800
www.jevs.org

La Comunidad Hispana, Inc.
Kennett Square, PA, \$150,000, 3 yrs.
To provide social, health, employ-
ment and other supportive services
to Latino farm workers and their
families.
Contact: Isidoro González, Jr.
610.444.4545
www.phmc.org/subsidiaries/lch.html

Lutheran Children and Family
Service of Eastern Pennsylvania
Philadelphia, PA, \$102,000, 3 yrs.
To provide information, referral and
mental-health counseling services
to immigrants and refugees.
Contact: Bob Klotz 215.643.6335
x230
www.lcfsinpa.org

MBF Center
Norristown, PA, \$100,000, 3 yrs.
To provide people with serious
disabilities specialized assessment,
training and job-placement services.
Contact: Norman R. Matusak
610.292.0710 x240
www.mbfcenter.org

Mental Health Association of
Southeastern Pennsylvania
Philadelphia, PA, \$180,000, 3 yrs.
To provide health care assessments,
referrals and health education to
people with serious mental illness
in Montgomery County.
Contact: Terry Rumsey
215.751.1800 x223
www.mhasp.org

Metropolitan AIDS Neighborhood
Nutrition Alliance, Inc.
Philadelphia, PA, \$135,000, 3 yrs.
To provide nutrition counseling
and meals for people who are
living with HIV/AIDS.
Contact: Jo Ann Bradley Jones
215.496.2662 x111
www.mannapa.org

PathWays PA, Inc.
Holmes, PA, \$135,000, 3 yrs.
To provide information and educa-
tion to improve the ability of low-
wage workers to access available
resources.
Contact: Carol Goertzel
610.543.5022 x224
www.pathwayspa.org



Penn Foundation, Inc.
Sellersville, PA
I. To support the Wellspring Club-
house, a psychiatric rehabilitation
program that seeks to improve the
social, educational and vocational
functioning of people with severe
and persistent mental illness,
\$145,000, 3 yrs.
II. To support a comprehensive
client-tracking system, \$45,000, 2 yrs.
Contact: Lucille Mauro
215.257.4760
www.pennfoundation.org

People's Emergency Center
Philadelphia, PA, \$135,000, 3 yrs.
For the Job Opportunities and
Business Skills program, providing
comprehensive employment and
career-advancement services for
homeless women.
Contact: Sandy Martin
215.382.7522 x314
www.pec-cares.org



The People's Emergency Center is a comprehensive social service agency for homeless women, teenagers and their children. Among other work, it operates Families First, a facility with day care, job training and health care. Here is a look at the JOBS program—Job Opportunities and Business Skills (*top down*):

Chef instructor Dion Lerman congratulates Dysheka Nash, now certified to work in food establishments.

An instructor from the Metropolitan Career Center helps students in the Computer Lab feel at ease using technology.

Graduation Day.

Playground for children whose mothers are attending a PEC activity.

Philadelphia FIGHT
Philadelphia, PA, \$150,000, 3 yrs.
For the Diana Baldwin Clinic, providing behavioral health services to persons with HIV/AIDS.
Contact: Jane Shull 215.985.4448
www.fight.org

The Philadelphia Health Management Corporation
Philadelphia, PA, \$180,000, 3 yrs.
For Health Care for the Homeless, providing health services to chronically homeless adults living in residential sites in the community.
Contact: Elaine R. Fox
215.985.2553
www.phmc.org

Prevention Point Philadelphia Incorporated
Philadelphia, PA
I. To support a social worker for the Street-Side Health Program, \$150,000, 3 yrs.
II. To develop and implement an agency-wide database, \$48,000, 1 yr.
Contact: Casey Cook 215.787.0118
www.preventionpointphilly.org

Project HOME
Philadelphia, PA, \$225,000, 3 yrs.
For comprehensive services for people who are homeless.
Contact: Mary Scullion
215.232.7272
www.projecthome.org

Temple University
Philadelphia, PA, \$105,000, 3 yrs.
For the Legal Advocacy for Patients Program for low-income people with chronic or terminal illness.
Contact: Cynthia Batt, Esq.
215.204.1162
www.law.temple.edu

Temple University
Philadelphia, PA, \$105,000, 3 yrs.
For the Temple Comprehensive HIV program, providing nutritional counseling to individuals with HIV/AIDS.
Contact: Ellen M. Tedaldi, M.D.
215.707.7901
www.medschool.temple.edu

Trevor's Campaign, Inc.
Newtown Square, PA, \$150,000, 3 yrs.
For Project SUCCESS, assisting homeless women in moving toward independent living.
Contact: David C. Buffum
610.325.0640
www.trevorscampaign.org

Unemployment Information Center
Philadelphia, PA, \$105,000, 3 yrs.
To provide assistance to unemployed individuals.
Contact: John Dodds 215.557.0822
www.philaup.org

Victim/Witness Services of South Philadelphia, Inc.
Philadelphia, PA, \$80,000, 3 yrs.
To conduct outreach, offer education and provide support services to crime victims who have limited English proficiency.
Contact: Alison Sprague
215.551.3360

Whosoever Gospel Mission and Rescue Association of Germantown
Philadelphia, PA, \$170,000, 3 yrs.
For the Career Track Learning Program, providing education and related social services to increase the stability of homeless men.
Contact: Robert A. Emberger
215.438.3094 x11

Women Against Abuse
Philadelphia, PA, \$100,000, 3 yrs.
To provide information, referral and counseling on legal matters to survivors of domestic violence.
Contact: Heather Keafer
215.386.1280 x27
www.womenagainstabuse.org

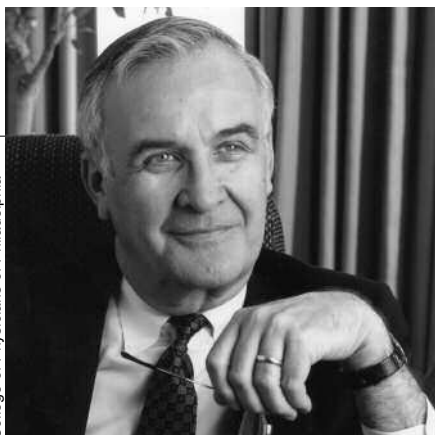
Women In Transition, Inc.
Philadelphia, PA, \$140,000, 3 yrs.
For a hotline and supportive services for women in abusive situations who also are recovering from addiction.
Contact: Roberta L. Hacker
215.564.5301 x126
www.womenintransitioninc.org

Women's Community Revitalization Project
Philadelphia, PA, \$165,000, 3 yrs.
For case management and other supportive services for women living in its affordable rental housing units.
Contact: Nora Lichtash
215.627.5550 x215
www.wcrpphila.com

Women's Opportunities Resource Center
Philadelphia, PA, \$220,000, 3 yrs.
For micro-enterprise training and related loans and savings programs for low-income women.
Contact: Lynne Cutler
215.564.5500
www.worc-pa.com



College of Physicians of Philadelphia



Remembering Dr. Thomas W. Langfitt

With a heavy heart, The Pew Charitable Trusts mourns the death of Thomas W. Langfitt, M.D., former president of the Trusts and a board member from 1980 until he passed away on August 7 at his home in Wynnewood, a Philadelphia suburb.

Dr. Langfitt's career was characterized by wide-ranging intellectual interests, a special skill in understanding, managing and motivating organizations, an institutional vision and leadership that demanded excellence and fostered success, and a tremendous warmth and concern for people.

"His mind was like a brilliantly cut, many-faceted diamond," said Trusts board member R. Anderson Pew at Dr. Langfitt's memorial service at the College of Physicians of Philadelphia in September. "He methodically examined the world around him, inspiring others to do likewise, always searching for appropriate ways to be involved in the process of change, to take what was and improve upon it, to make a positive difference."

Dr. Langfitt was named the Trusts' president when its growing resources permitted the organization to become proactive in addressing issues. "He was always convinced that this was a great institution with an even greater potential in the future," recalled Rebecca W. Rimel, the Trusts' president and CEO. "He knew the Trusts was a great asset that could have an enormous, positive impact in the world."

Prior to joining the Trusts, Dr. Langfitt built a distinguished medical career as a physician and administrator at the University of Pennsylvania. A neurosurgeon, he served as chairman of neurosurgery for 20 years and conducted research on the central nervous system and on severe head injury, spurring international interest in the emerging medical specialty.

He also served as the University's vice president for health affairs, a position that led to one of his first contacts with the Trusts, then a philanthropic division of the Glenmede Trust Company. In the late 1970s, Dr. Langfitt participated in an advisory group to help the Trusts develop goals and a plan to guide its various health-related grants—a program-wide rationale that would soon be applied to the philanthropy's other programs and signal the start of the Trusts' strategic focus.

Following the death of Ethel Pew, one of the Trusts' four founders, in 1979, Dr. Langfitt was elected to the Glenmede board. In 1987, he became president of both The Pew Charitable Trusts and Glenmede, serving until 1994 and 1995 respectively. During his presidency, the two institutions were restructured, with the trust company focusing on its investment services and the Trusts on its philanthropic activities.

"This promoted the enhanced pursuit of discrete goals and objectives consistent with a for-profit enterprise on the one hand and an eleemosynary enterprise on the other," explained Mr. Pew, adding, "Such change was enthusiastically embraced by the board due to Tom's predilection to lead by education and inspiration rather than fiat."

Dr. Langfitt was also instrumental in the diversification of the Trusts' investments, which into the 1990s had significant holdings in the stock

of the Sun Oil Company, started by the father of the Trusts' four founders. Such concentration in one company, Mr. Pew noted, impeded both the company's market attractiveness and the Trusts' ability to mitigate risk through a prudent selection of investments.

"Accordingly," said Mr. Pew, Dr. Langfitt led the change "through amicable negotiations that culminated in a planned divestment entirely satisfactory to Sun and the Trusts, without upsetting the public markets for Sun stock and without harming the significant value in the Trusts' asset base represented by Sun."

"It was one of his crowning achievements," said Ms. Rimel, "because we could have gone in different directions that would not have been salutary."

During Dr. Langfitt's tenure, the Trusts established a national reputation for high-quality, effective grant-making in the entrepreneurial spirit of its founders. "One of Tom's most important contributions," Mr. Pew pointed out, "was to encourage both the board and staff to recognize that most challenges to our society's welfare were not uni-dimensional, and that the Trusts' success would depend on employing multidisciplinary approaches to the problems it addressed."

The Trusts' first officer with program-specific expertise was Ms. Rimel, who advanced through the ranks and succeeded Dr. Langfitt as the Trusts' president and CEO. In the early 1980s, she was an assistant professor of neurosurgery at the University of Virginia, conducting research on the aftereffects of minor head injuries. Dr. Langfitt, who had gone to the university as a visiting professor, "taught me about statistics, how to put together a double-blind study and the importance of scientific, high-

quality data in driving public policy,” she said. “He was unyielding in his commitment to excellence—which, of course, later affected everything at the Trusts.”

During Dr. Langfitt’s presidency, the Trusts articulated four operating principles that continue to guide the organization: service, institutional accountability, open communication and interdisciplinary programming. And the Trusts further refined the planning process for its initiatives with a commitment to measurable results, evaluation and programmatic accountability, an approach that became the model for all of its work.

One of the first efforts undertaken in this manner, the Pew Scholars Program in the Biomedical Sciences, celebrates its 20th anniversary this year. It has made significant contributions to the finest medical research, and, for their work, its 400 participants have won broad recognition, including a Nobel Prize in chemistry.

Dr. Langfitt was also instrumental in uniting the Trusts with the McDonnell Foundation to establish research centers and training grants in cognitive neuroscience, an innovative collaboration of neuroscience, cognitive psychology and computational modeling. This program helped give legitimacy and identity to a new interdisciplinary area that now has departmental status and degree programs in many universities.

“In hindsight,” Ms. Rimel commented, “programs like these are obvious winners, but when we launched them, no one could be sure—except perhaps Tom. With the Biomedical Scholars, he firmly believed that emerging scientists should be supported at a critical time in their career. And with cognitive neuroscience, his foresight led us into that program and, it’s safe to say, started a whole new discipline in science.”

His interests extended far beyond science, and he brought a deep passion to all of them. “Tom’s insatiable curiosity covered an enormous range of topics, and he combined this with an insistence on fact-based data as the bedrock of any work, whether science, policy or information initiatives that benefit society. We will miss his tireless leadership and his ability to clearly articulate the most complex issues,” said J. Howard Pew II, board chairman.

As a board member after his presidency, Dr. Langfitt continued to devote his energy to the evolution of the Trusts, including the institution’s transformation into a public charity in 2004. His own work focused on the plight of the disadvantaged, especially children. “In the last decade of his life, he worked very hard on many programs,” said Ms. Rimel. “At the Trusts, he was very supportive of our work in prekindergarten education and, as always, in the Pew Fund for Health and Human Services in Philadelphia. He was frustrated with how systems don’t always work in the best interest of children, and he talked to people locally and around the nation about how to make services more efficient and responsive to the needs of the most vulnerable.”

One of his last projects was the Web site www.phillyhealthinfo.org at the College of Physicians of Philadelphia. “It’s for everyone,” said Ms. Rimel, “but particularly for disadvantaged people, who can access health information they might not otherwise have.”

She added: “His contributions were seminal to the institution. Our job now is to make sure that we take this great gift from the Pew family and this legacy of leadership from Tom Langfitt and ensure that we wisely steward the Trusts as it strives to serve the public interest.”

Stingray Chic

By Joshua S. Reichert

This work by the director of the Trusts’ Environment program originally appeared in edited form in the International Herald Tribune in November.

If you happen to be shopping for a watch, a jewelry pouch or a new pair of shoes this holiday season, some high-end manufacturers have something new for you—stingray leather. An increasing number of accessories, from wallets to fancy pens, are being made with the skin of stingrays, also known as shagreen.

Manufacturers of these items often claim that the exploitation of stingrays for their skin is not having a detrimental impact on the populations of these animals. All available evidence suggests otherwise.

Closely related to sharks, stingrays have existed for over 150 million years in the world’s oceans. When observed in the water, they are remarkably graceful animals. Gliding along the bottom like big, slow-moving flying carpets, they are considered to be among the most beautiful of sea creatures.

Most stingrays grow slowly, mature late and give birth to very few young—which make them very susceptible to overfishing. The cowtail stingray, found in the waters of Indonesia and other parts of Southeast Asia, is one of the most commonly sought species in the burgeoning international trade in stingray leather. For decades, these rays have been caught and killed incidentally in shrimp and fish trawls.

Now, however, fishermen are directly targeting and killing them in huge numbers to satisfy the growing demand for their skin as a new luxury and fashion item in the world’s wealthy

Andy Murch



countries. Numerous marine scientists believe that this recent trend is contributing to their rapid decline and, if left unchecked, may ultimately lead to the complete collapse of their populations.

There are currently more than 500 Internet retailers of stingray leather, and the number is increasing each year. In the United States, the importation of stingray leather goods doubled in the late 1990s, and in Indonesia one retailer recently estimated that two million rays are landed each year in that country alone, with some boats catching up to 30 metric tons of stingrays per trip.

None of the Southeast Asian countries in which the cowtail ray is being

caught have systems in place to regulate the catch of these animals, much less insure their continued abundance. Indeed, no reliable assessments have been done regarding the health of these ray populations, and no records are kept regarding how many are landed each year.

However, scientists who are familiar with the problems affecting cowtail rays, and other species of stingrays worldwide, believe that the numbers currently being caught are simply unsustainable. They argue that, unless steps are taken by individual countries or internationally to significantly reduce the catch of the stingrays, these animals are at grave risk of disappearing.

On land, the commercial exploitation of wild animals for the international market is a highly detrimental activity. Experience has clearly demonstrated that, sooner rather than later, the animals in question suffer rapid declines, with some species like the Siberian tiger and the mountain gorilla being driven to the point of near extinction in the wild. Creatures of the sea are no exception.

Killing stingrays in large numbers is not sustainable, and it is disingenuous for any manufacturer to claim that it is. While science can help us to better understand what is happening to these flying denizens of the sea, governments can and should place restrictions on the catch of these animals, responsible businesses should stop selling fancy shoes and accessories made with stingray leather, and consumers should stop buying them.

January 17, 2006, marks the 300th birthday of the United States' eldest founding father, but the celebration will go on all year. The centerpiece of events is the exhibition Benjamin Franklin: In Search of a Better World, which debuted at the National Constitution Center, on Philadelphia's Independence Mall, and will be traveling internationally (see right).

The exhibition is a project of the Benjamin Franklin Tercentenary, which has formed the official national celebration "to educate the public about Franklin's enduring legacy and to inspire renewed appreciation in the 21st century of the civic values he embodied." The Tercentenary, funded by a lead Trusts grant of \$4 million, was founded by a consortium of five Philadelphia cultural institutions: the American Philosophical Society, the Franklin Institute, the Library Company of Philadelphia, the Philadelphia Museum of Art and the University of Pennsylvania. It is also supported by the Commonwealth of Pennsylvania.

For more, go to www.gophila.com/ben and www.benfranklin300.com. ■

LETTERS

Big good wolf

How could I obtain two more copies of your *Trust* magazine (Vol. 8, Issue #1/Summer 2005)?

We very much enjoyed the article on "Where the Wolf Stood" and would like to




pass the magazine along to two of our trustees. We are happy to purchase two copies; could you let me know how to do that?

Many thanks for your help!

ANDILLON HACKNEY
Advancement Researcher
The Natural History Museum of Los Angeles County

Editors Note: We dispatched the copies requested—at no charge, which is our policy. Readers are welcome to receive back issues, and to comment on stories. Simply contact the editor at 2005 Market Street, Suite 1700, Philadelphia PA 19103; or transmit your message by fax to him at 215.575.4890; or through e-mail to mledger@pewtrusts.com. The text of Trust is always available at www.pewtrusts.org.



Philly's got
Benergy![™]

300TH BIRTHDAY CELEBRATION

Benjamin Franklin

IN SEARCH OF A BETTER WORLD
DEC. 15, 2005 - APR. 30, 2006

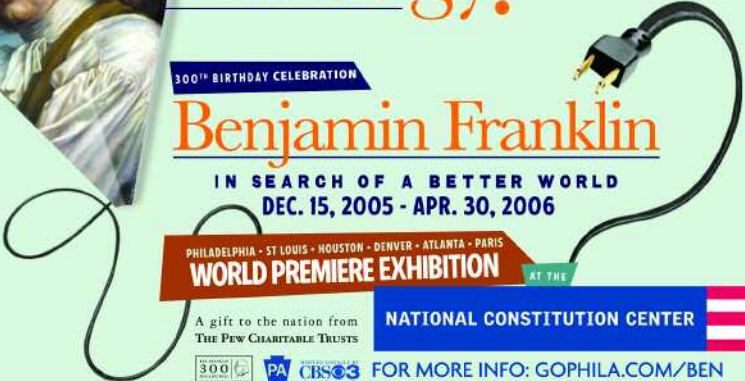
PHILADELPHIA • ST. LOUIS • HOUSTON • DENVER • ATLANTA • PARIS
WORLD PREMIERE EXHIBITION AT THE

A gift to the nation from
THE PEW CHARITABLE TRUSTS

NATIONAL CONSTITUTION CENTER

300TH BIRTHDAY CELEBRATION PA CBS 3

FOR MORE INFO: GOPHILA.COM/BEN





Jon Krause

New ideas are afoot to help workers increase their retirement savings.

The Pew Charitable Trusts
One Commerce Square
2005 Market Street, Suite 1700
Philadelphia, PA 19103-7077

NONPROFIT ORG
US POSTAGE PAID
PHILADELPHIA PA
PERMIT NO. 6455

