

**A MESSAGE FROM THE
BOARD CHAIR**

One of the defining features of the One Percent Club is its ability to exist on a very small budget. Our members do not want to fund an organization with unreasonable overhead. While we have kept costs to a minimum, nonetheless, there are expenses.

I am asking you to make a gift to the One Percent Club to help fund our operations. We need money for: mailings, clerical compensation, web support, special events, recruitment, and printing and postage. In the past, we have operated largely through the generosity of a small group of supporters. We now need to broaden the base of our support. I am asking for your help.

Our organization has a great impact on our community. In the anonymous survey we conducted, our members said that over the last 6 years they gave an **extra \$68 million to the community.**

Please take a moment to complete and return the adjacent form and help support the One Percent Club.

Thank you,



Robert K. McCrea
2005 Board Chair

**I want to support the
One Percent Club!**

Please make your check payable to the One Percent Club and mail to:

One Percent Club
1035 East Franklin Avenue
Minneapolis, MN 55404

All gifts are tax-deductible to the extent provided by law.

CONTRIBUTION LEVELS:

Please check one:

- Benefactor (\$5,000 and above)
- Sustainer (\$1,000 - \$4,999)
- Patron (\$500 - \$999)
- Friend (\$200 - \$499)
- Supporter (\$100 - \$199)
- Donor (\$5 - \$99)

NAME: (Please list your name as you would like it to appear in the acknowledgements):

check here if you wish to remain anonymous.

Mailing Address: _____

Amount of Gift:\$ _____

THANK YOU!

The One Percent Club
1035 E. Franklin Avenue
Minneapolis, MN 55404
Tel. (612) 455-5198
Fax (612) 455-5101
www.theonepercentclub.org

Giving

of Net Worth
Back to the Community

**The One Percent Club News
Edition #69 May 2005**



The mission of the One Percent Club is to increase charitable contributions in our community by engaging people to commit to a minimum standard of giving: the greater of 1% of net worth or 5% of income annually.

SAVE THE DATE!!!!



Richard McFarland, former President and CEO of Dain Rauscher (1982 to 1990), Chair of the Minneapolis United Way Campaign (1984), Bush Foundation Trustee (1989-1999), Minneapolis Foundation Trustee (1998-2006) and Chair (2004-2005), will be the keynote speaker at the 5th year's Annual Dinner of the One Percent Club. McFarland's presentation is entitled: ***"Will We Pass the Torch or Drop the Torch?"***

Date and time: September 28th, 5:30pm to 8:30 pm.
Place: The Minneapolis Club, 2nd Ave So., and S. 8th St.

Please plan to bring a potential member.

Make strategic investments in people

A rich man died and awaited judgment. St. Peter asked, "What good did you do to warrant your entry?"

"Well, about five years ago I gave \$5 to the Salvation Army."

"What else did you do?" continued St. Peter.

"About 10 years ago I gave another \$5 to the Red Cross."

St. Peter replied, "Just a minute, I need to go talk this over with God."

"God, this man wants to get in and he gave \$5 to the Salvation Army and another \$5 to the Red Cross. What should we do?"

God thought for a moment and said, "Tell ya what. Let's give him his \$10 back and tell him to go to hell."

The story always gets a laugh, but the rich man should have told what he invested in, not what he gave to.

When you think about it, charitable giving is really a form of investing. Along with one's for-profit portfolio, one can have a portfolio of charitable organizations that can offer families, communities and taxpayers very high returns on their investment (ROI).

Recently I witnessed this in a squatter's settlement called Villa El Salvador on the outskirts of Lima, Peru. It's home to 350,000 poor people — about the population of Minneapolis. The government of Peru and some churches, wealthy individuals and non-governmental organizations are all investing in the settlers. A \$50 investment allowed an



Guest Opinion

Joe Selvaggio

enterprising young man to rent an ice cream cart.

A \$500 investment enabled a young family to raise guinea pigs (a delicacy there). A \$5,000 investment was used to train and set up an entrepreneur to sell cell phones.

Each investment brought a family a livelihood, a hope for financial independence, a way out of poverty.

Is it really any different from what is needed right here at home? It's a no-brainer, yet we see the job-training funds in Minneapolis cut significantly over the past year. Gov. Pawlenty's budget reduces the investment in job training in both '05 and '06. President Bush's budget to be sent to Congress also has fewer dollars in it for job training and/or aids to small businesses than the previous budget.

One thing Republicans and Democrats agree on is that putting people to work creates wealth. But when it comes to making the investment, it's very hard for them to turn their beliefs into action.

We have plenty of local programs that do an excellent job of turning unemployed or underemployed people into career-oriented wealth-producers. Look at Twin Cities Rise!, Summit Academy OIC, PPL

Industries, Train to Work on the Abbott Northwestern Hospital campus, or the state of Minnesota's own work-force centers. Yet all are underfunded.

An influx of capital would make money for all of us.

Peter Heegaard, a former investor in for-profit corporations with a bank, measures the ROI for the community from these non-profits. Heegaard estimates the ROI from these nonprofits would be between 100 percent and 500 percent.

The math works like this: Divide (a.) the total cost of training and placing an individual in a job into (b.) the benefits and savings resulting from employment. The savings come from the elimination of welfare and other social-service costs plus the new state revenue from taxes being paid by a new member of Minnesota's work force. For details of the math go to www.urbanadventuretwincities.org and click on "investment Letter for Minnesota Philanthropists."

If you believe in a judgment day, it may help if you start strategically investing in people today. And if you are not a believer, invest anyway — in friends, relatives and strangers. Do it not to "get your reward in heaven" but to give us all a reward that keeps on earning right here on earth. Sounds like a great ROI to me.

Joe Selvaggio is the executive director of the 1% Club. He can be reached at (612) 823-2077 or joeshmo@qwest.net.

The 50% Club

What is it?

An informal group of donors who have given (or intend to give) 50% or more of their net worth (or of net income over several years), with a cumulative total of at least \$500,000, and who would like to encourage others towards greater giving. This is an informal network with no membership dues or participation requirements of any kind. Started in January 2005, there are now (as of March 25, 2005) 43 members. This group was inspired by the good work of the 1% Club of Minnesota.

What we need: To people willing to lend their name or at least an anonymous 1-paragraph profile that can be used to inspire others who are interested in giving more.

Purpose

- To connect donors who are giving at greater levels, for mutual support and encouragement;
- To provide inspiration to other donors who might be interested in doing the same;
- To offer donors a variety of role models for thinking freshly about what is prudent and possible to give.

Examples of additional member activities (all optional)

- Sharing your experiences (e.g., talking to media, being on a conference panel, submitting a piece for an alumnae journal).
- Mentoring other donors who wish to explore their giving potential.
- Attending gatherings for 50% Club members to meet each other and explore collaboration.
- Being interviewed for inclusion in a revised edition of the award-winning book, We Gave Away A Fortune (by Christopher and Anne Ellinger, first published in 1992, based on interviews with 40 people).

Initiators

Anne and Christopher Ellinger are 50% Club members and co-founders of More Than Money (www.MoreThanMoney.org). They are writers, workshop leaders, and organizers on the issues of wealth and philanthropy. You can read more about them and their work at www.DonorLeaders.org, or contact them directly at the Zing! Foundation, 781.646.1705, info@zings.org, www.donorleaders.org



Anne and Christopher Ellinger