
HIGH-IMPACT Giving Opportunities



**PHILANTHROPY
THAT MAKES
A DIFFERENCE**

2008 INAUGURAL EDITION

Arabella
PHILANTHROPIC INVESTMENT ADVISORS

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ABOUT THE 2008 INAUGURAL LIST

Arabella Philanthropic Investment Advisors (Arabella Advisors) is proud to present its inaugural list of High-Impact Giving Opportunities. This list provides an exclusive perspective on strategic giving for donors, whether they are able to give \$100, \$100,000 or \$1 million.

High-Impact Giving Opportunities identifies often unrecognized but high-impact philanthropic issues to guide individuals in making end-of-year contributions and thinking strategically about philanthropy in 2008 and beyond.

Arabella Advisors recruited a distinguished group of independent advisors, including opinion leaders, foundation and association executives, and business leaders to provide ideas and feedback on issues needing the attention of donors.

Selection criteria required that the issues:

- Address urgent needs;
- Lack the attention they deserve within communities of donors, among policy makers, and in the general public; and
- Provide donors with opportunities to have a significant impact.

The advisory group considered: What issues are timely but overlooked? What challenges lie on the horizon that might be mitigated with proactive support? Where can one's contribution go the furthest in saving lives, educating children, preserving the environment, alleviating poverty, or addressing another urgent need? Where can donors see measurable return on investments?

For donors taking a more strategic approach to philanthropy, the answers to these questions are central to effective giving and to solving the most critical social problems facing our world.

ABOUT ARABELLA ADVISORS

Arabella Philanthropic Investment Advisors, a philanthropic consulting firm, works with donors who care deeply about the causes they support and want their contributions to make a measurable difference. Arabella Advisors' provides strategic guidance designed individually for each client's needs, believing that philanthropic investments deserve the same level of planning, analysis and oversight as financial investments. The firm is committed to unbiased analysis that helps donors support critical issues and effective nonprofits with confidence. Arabella Advisors' expertise and insights transform philanthropic goals into results.

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The Issues

These often unrecognized but high-impact issues offer new perspectives on philanthropy for donors, whether they give \$100, \$100,000 or \$1 million.

EDUCATION: Teaching Financial Literacy to America's Youth

Youth debt has risen 55 percent in the ten years preceding 2006 — with the average college student carrying \$2,300 in credit-card debt and 60 percent of pre-teens not knowing the differences among cash, checks and credit cards. These statistics point to a lack of financial-literacy education for youth and the potential for a continuing decline in the country's personal savings rate. Programs targeted at youth encourage smart individual financial decisions, critical to a stronger national economy.

HEALTH: Improving Access to Dental Care for Low-Income Children

American children from low-income and minority families are twice as likely to suffer from tooth decay as their more affluent peers. Lack of access to dental care can impair children's ability to eat, learn, smile, sleep and play. Donors can help raise awareness of this issue and sponsor quality and alternative dental-health services for children suffering from lack of care.

GLOBAL DEVELOPMENT: Combating Poverty by Closing the Microcredit Gap

Around the world, microcredit loans are expanding access to a better life in the world's poor and developing countries. Donors can reinforce these gains by filling the gap between small micro-credit loans and larger commercial financing that allows entrepreneurs to grow their businesses into more profitable enterprises.

EDUCATION: Supporting First-Generation College Attendees

College graduates are three times less likely to live in poverty than people who complete only high school; they make \$800,000 more during their working lives. Increasing first-generation college-graduation rates is a critical element to improving the financial health of American families. Donors can support programs that prepare first-generation high school students for college, provide financial assistance, and provide tools to help students succeed in college, making an obvious difference for a new generation.

ARTS & CULTURE: Promoting Renewal in New Orleans

The musicians of New Orleans continue to struggle as their city slowly rebuilds after the levee break in 2005—only one-third have returned and secured stable housing. Investing in the city's once-thriving arts community not only preserves one of the nation's most treasured cultural communities but also provides valuable economic returns to the city's tourist and arts-based economy.

ENVIRONMENT: Improving Energy Efficiency in Low-Income Homes

Residential energy use accounts for more than 20 percent of total U.S. consumption, and low-income households spend an average of 17 percent of their income on energy. Investments in energy efficiency and weatherization programs can reduce heating bills by 31 percent for the average low-income home, helping reduce poverty and emissions that contribute to climate change.

GLOBAL HEALTH: Providing Safe Water and Sanitation to Save Children's Lives

More than 15 percent of the world's population lacks access to clean water and nearly 40 percent lacks access to basic sanitation — conditions that lead to widespread water-related illnesses and deaths that disproportionately affect children in developing countries. Supporting efforts to improve these basic services reduce childhood mortality, promote adult health, and help alleviate global poverty.

POVERTY REDUCTION: Increasing Access to Financial Services for the "Unbanked"

More than 22 million households in the United States do not have access to traditional financial services or the increased financial stability that banking provides. Supporting community-based organizations that educate the unbanked and funding innovative practices that promote savings and provide fair credit will positively affect the financial future of many Americans.

SUSTAINABILITY: Developing Local Food Systems to Save Energy, Promote Health, Create Jobs

About 80 percent of energy used in food production goes to processing, packaging, transporting, storing, and preparing food for sale. Supporting local food systems reduces pollution, creates jobs, and promotes healthy eating in an increasingly unhealthy society.

CONFLICT RESOLUTION: Facilitating Trust-Building to Prevent Violent Conflicts

A larger percentage of the world's countries are involved in armed conflict today than at any other time since World War II. Investments in international conflict-prevention programs can help address root causes of conflict before they escalate to full-scale violence.

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Education: Financial Literacy for America's Youth

FACT: *Sixty percent of pre-teens can't explain the differences among cash, checks and credit cards.*¹

THE PROBLEM

Americans' financial problems are escalating as they accumulate debt, defer retirement planning, and file for bankruptcy. Contributing to the acceleration is a new generation that lacks understanding of basic financial concepts like money management and financial planning.

Disposable income for American youth is at a record high, while debt has risen by 55 percent over the 10-year period ending in 2006. The average college student has more than \$20,000 in student loans and \$2,300 in credit card debt.²

Though we widely assume children learn financial concepts and skills from parents or teachers, evidence shows that most American adults do not have strong knowledge themselves, and financial literacy is absent in most school curricula. Introducing formal financial-management lessons at a young age can help halt the debt trend, improve adult knowledge and develop the population's financial decision-making.

THE URGENCY

Federal Reserve Chairman Ben Bernanke insisted during Senate testimony in 2006 that improving financial education is "vital to the future of our economy." The recent sub-prime mortgage crisis illustrates Bernanke's point. The main problems are:

Americans have fewer savings. The United States has the smallest personal savings rate of any developed country, a rate that was actually negative in 2005 for the first time since the Great Depression.³ Americans now spend more than they earn, leaving them and the economy financially vulnerable.

Personal debt continues to grow. The average household in 2006 had approximately \$7,200 in revolving debt, predominantly on credit cards, and \$21,000 in total debt.⁴ A surge in bankruptcy filings from the decade beginning in the mid-90s, combined with the current mortgage-foreclosure crisis, exacerbate Americans' financial insecurity. With youth acquiring credit cards at an early age, concern about this problem worsening is understandable.

Financial-literacy education has been reduced. As Americans became increasingly focused on buying rather than saving, school lessons in financial literacy have disappeared from classrooms. As a result, financial education has largely fallen to independent organizations.

THE OPPORTUNITY

Donors who want to improve future economic stability can:

- **Subsidize youth training in underserved areas.** Low-income families often cannot afford special enrichment programs, and youth programs that include financial-literacy education have a hard time involving them without private contributions.
- **Support national curriculum development.** Donors can help support efforts to develop in-depth, interactive financial-literacy curricula for classrooms and youth organizations.
- **Ramp up local programs.** Donors can provide funds to support and expand proven programs at the local level.

Donors can turn to the following resources for more information:

- The **Jump\$tart Coalition for Personal Financial Literacy** has more than 170 national partners and local coalitions in 46 states and focuses on curriculum enrichment (<http://www.jumpstart.org/states.cfm>).
- The **National Endowment for Financial Education** provides content for organizations looking to provide financial education to their members or constituents, and houses a robust research webpage (<http://www.nefe.org/ResearchandStrategy/tabid/85/Default.aspx>).

1. Kuehn, Don, "Teaching Kids About Money," American Federation of Teachers Publications & Reports, December 2002-January 2003, Your Money section, http://www.aft.org/pubs-reports/your_money/2002/1202.htm.

2. Voice of America, "Rising Debt Plagues Young Americans," VOAnews.com, Sept. 22, 2006, <http://www.voanews.com/english/archive/2006-09/2006-09-21-voa32.cfm>.

3. Associated Press on MSNBC, "U.S. Savings Rate Hits Lowest Level Since 1933," Jan. 30, 2006, Stocks and Economy Section, <http://www.msnbc.msn.com/id/11098797>.

4. Leland, John, "Debtors Search for Discipline via Blogs," New York Times, Feb. 18, 2007, National section, http://www.nytimes.com/2007/02/18/us/18debt.html?_r=1&oref=slogin.

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Health: Improving Access to Dental Care for Low-Income Children

FACT: *Preventable tooth decay remains the most common chronic disease of American children aged 5 to 17 – and is five times more common than asthma.¹*

THE PROBLEM

Children from low-income and minority families face barriers to dental care that make them twice as likely as their more affluent peers to suffer from tooth decay. In fact, two-thirds of children with Medicaid coverage do not receive dental care.² Most dentists do not accept patients who are on Medicaid, and those who do have extensive waiting lists. Dentists cite low reimbursement rates, bureaucratic hurdles, and the frustrations of working with indigent families as reasons for low participation.³ Among low-income parents, lack of transportation, inflexible job schedules, and lack of knowledge of the importance of oral health care also contribute to children not receiving adequate dental care.

THE URGENCY

In 2000, the U.S. Surgeon General referred to the disparities in dental health as a “silent epidemic” afflicting our country’s most vulnerable populations. Children with dental problems have an overall diminished quality of life. They experience trouble eating, sleeping, playing, and learning – American children, for example, miss more than 50 million school hours each year due to dental-related illness.⁴ Missed school days and poor concentration in class lead to decreased academic performance.

Untreated cavities have serious implications in addition to pain and financial costs. Without treatment, cavities only grow larger and more expensive to repair. Lack of treatment can have even more severe implications; in some cases, it has deadly results. In February 2007, a 12-year old Maryland boy died as a result of complications from a tooth infection that spread to his brain.

THE OPPORTUNITY

Investing to prevent tooth decay helps save private and public dollars, and improves dental-care access for low-income children. Donors can:

- **Expand initiatives that educate the public on this issue.** Aggressively promoting oral health for children is key to ending the silence around this epidemic. Research has revealed that culturally-appropriate educational interventions during pregnancy and early childhood significantly benefit children’s health over time.

- **Support school-based sealant programs.** Children treated with dental sealants are less likely to experience tooth decay. Delivering dental sealants through public school systems reaches children from low-income households who otherwise would not be treated.
- **Support innovative models for care.** Many communities have taken it upon themselves to identify and implement new models for improving access to dental care, including new settings for care; alternative providers like hygienists, pediatricians, and school nurses; and different financing strategies.
- **Improve the system.** Supporting efforts that make it easier for dentists to serve the Medicaid population, through awareness-raising and training for providers and families, can decrease disparities in care. Grants that supplement or bypass Medicaid are also viable options.

Sources for further information:

- **Oral Health America** works to improve oral health for all Americans through public education and awareness-raising (<http://www.oralhealthamerica.org/programs.html>).
- **Healthy Smiles, Healthy Children** is a program of the American Academy of Pediatric Dentistry. It supports and promotes education, research, service, and policy development that advance the oral health of youth through adolescence (<http://www.aapd.org/foundation/about.asp>).

1. U.S. Department of Health and Human Services, Center for Disease Control and Prevention. “Preventing Chronic Diseases: Investing Wisely in Health,” http://www.cdc.gov/OralHealth/pdfs/dental_caries.pdf.

2. Otto, Mary, “Dental Reform Movement Pushes On.” The Washington Post, September 10, 2007. B01.

3. Otto, Mary, “Boy’s Death Fuels Drive to Fund Dental Aid to Poor.” The Washington Post, March 3, 2007. B01.

4. National Children’s Oral Health Foundation, The Challenge, <http://www.tncdf.org/thechallenge.php>.

HIGH-IMPACT Giving Opportunities

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Global Development: Combating Poverty by Closing the Microcredit Gap

FACT: *In Bangladesh, 48 percent of the poorest households with access to microcredit loans escaped poverty.¹*

THE PROBLEM

Expanding access to credit is widely recognized as an important tool for improving lives in the world's poorest countries, as illustrated by the award of the 2006 Nobel Peace Prize to Bangladeshi microcredit pioneer Muhammad Yunus. Thousands of microfinance institutions (MFIs) provide loans, insurance, savings, and related services to help people – especially women – overcome lack of access to commercial banks. Microcredit programs already provide working capital to millions of entrepreneurs through small loans, but they do not provide larger loans for entrepreneurs who want to grow businesses beyond the micro level.

Commercial banks are starting to see the potential to profitably fill this gap. The major challenge for microcredit supporters is to continue the trend toward commercializing the sector while filling the gap in the short-term between traditional microcredit loans of \$50 to \$200 and commercial loans that typically start in the tens of thousands of dollars. Strategic giving can help bridge this divide, which otherwise means the loss of potential to produce real economic growth and alleviate poverty.

THE URGENCY

Unless small businesses have the resources to grow, opportunities to create jobs will be lost in the places that need them the most. When entrepreneurs expand their businesses, they employ new people, leading to more stable communities and healthier families.

The global capital market is largely closed to millions of people experiencing poverty. By encouraging commercial lenders to make smaller loans, we can exponentially increase the amount of capital working to produce growth and reduce poverty in developing countries.

THE OPPORTUNITY

Donors have a role to play in both temporarily filling the divide between small microcredit loans and commercial finance and in eliminating the gap altogether in the long term.

- **Support programs that attract commercial lenders to the microfinance sector.** Donors can help reduce the gap between MFIs and commercial lenders by supporting ratings agencies that promote professionalism among microcredit providers and reduce the uncertainty facing commercial banks in an unfamiliar market. Helping banks assess MFIs makes it easier for them to invest in microcredit.
- **Invest in guarantee funds to reduce lenders' risk.** Programs backed by foundations, international charities, and official aid agencies provide partial collateral for commercial loans – thereby reducing risk to the lending institution.
- **Support collaborations between MFIs and commercial banks seeking to enter the field.** When private banks invest in microcredit, they often partner with non-profit MFIs. Supporting initiatives that bring them together can help bridge the gap.

Many great sources of information have appeared in recent years. Two of the best are:

- The **Microfinance Gateway** is a comprehensive resource on all aspects of microcredit and related topics (www.microfinancegateway.com/section/faq).
- The **SEEP Network** is an international network of 67 non-profit organizations with microcredit programs around the world (www.seepnetwork.org).

1. United Nations, "Microfinance and the Millennium Development Goals," Fact sheet published for International Year of Microcredit, 2005, http://www.yearofmicrocredit.org/docs/MF_MDGs.pdf.

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Education: Supporting First-Generation College Attendees

FACT: *College graduates are three times less likely to live in poverty than people who complete only high school.¹*

THE PROBLEM

Students whose parents never went to college face numerous and unique challenges to enrolling, but those who make it have the opportunity to realize their potential. Just ask first-generation college graduates Oprah Winfrey and U.S. Senator Ken Salazar (D-CO). With high costs and the challenge for non-college educated parents of setting aside funds, paying for college is the first hurdle. Problems such as unfamiliarity with the application process, insufficient academic preparation, and inadequate support services make it even harder for first-generation students.

Exacerbating these challenges, student-loan programs are being reduced, and high-school guidance programs have been significantly cut or eliminated. First-generation students at four-year colleges are twice as likely as other students to leave school after the first year.² Active support can help struggling first-generation students make it through.

THE URGENCY

In a knowledge economy, education really does pay. In the course of their working lives, college graduates make \$800,000 more than high school graduates, and this difference is increasing.³ Statistics show college graduates also live healthier lives and are more active in civic and community organizations.

As American society diversifies, some minorities lag behind. By their late 20s, more than one-third of white Americans have at least a bachelor's degree, but only 18 percent of African-Americans and 10 percent of Hispanics have earned degrees.⁴ This gap is growing and needs urgent attention.

THE OPPORTUNITY

Donors can target a number of specific needs known to increase enrollment and graduation rates:

- **Support the parents of first-generation students.** Immigrants often lack information and knowledge about how to prepare their children for college. Donors can help by supporting pre-college programs that engage parents, reducing barriers that keep parents from being involved in their children's secondary education and college planning.

- **Build bridges between high schools and colleges.** Funders can help first-generation students make the transition to college by facilitating partnerships with high schools with large potential first-generation populations. Such partnerships can entail training teachers, hiring college guidance counselors, and/or providing tutors.
- **Provide scholarships.** Earmarking funds for first-generation students at a donor's alma mater, a local community college, or other institution of higher learning has direct and immediate impact.
- **Mentor and support first-generation students.** By funding services that give these students tools to succeed early in their college careers, donors can contribute to a significant reduction in drop-out rates.

Excellent sources of further information include the following:

- The **Pathways to College Network** provides an extensive set of resources on the full spectrum of issues facing first-generation college students (<http://www.pathwaystocollege.net/collegereadiness/toolbox/index.asp>).
- The **Council for Opportunity in Education** seeks to expand access to higher education in collaboration with universities nationwide (http://www.coenet.us/ecm/AM/Template.cfm?Section=What_is_TRIO&Template=/CM/HTMLDisplay.cfm&ContentID=2862).

1. Baum, S., and Ma, J., "Education Pays: The Benefits of Higher Education for Individuals and Society." The College Board, 2007, http://www.collegeboard.com/prod_downloads/about/news_info/cbsenior/yr2007/ed-pays-2007.pdf, 19.

2. Choy, Susan P., "Students Whose Parents Did Not Go To College: Postsecondary Access, Persistence, and Attainment." U.S. Department of Education, National Center for Education Statistics, 2001.

3. Baum and Ma, 10.

4. Pathways to College Network, A Shared Agenda: A Leadership Challenge to Improve College Access and Success, 2004, http://www.pathwaystocollege.net/pdf/sharedagenda_FullReport.pdf, 8.

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Arts & Culture: Promoting Renewal in New Orleans

FACT: *Advocates calculate that only 1,500 of New Orleans' estimated 4,500 musicians have returned and secured stable housing since 2005.*

THE PROBLEM

It's been more than two years since New Orleans' levees broke in the wake of Hurricane Katrina, and the city still faces significant rebuilding challenges. While the population has climbed to two-thirds of its pre-Katrina level, entire neighborhoods remain empty. A recent special edition of *Time* emphasized that the city's demographics have shifted fundamentally with more new, younger, and white residents returning and many long-time black residents still displaced. Only 83 of the city's 128 public schools are open, and five of the area's 16 acute-care hospitals remain closed.¹ Crime also plagues the city. Of 161 killings in 2006 (15 times the murder rate of New York City), there was only one conviction.²

The artists' community was particularly hard hit. Many artists lived in the Lower Ninth Ward and other lowland areas that were badly damaged and have been slowest to rebuild. And many artists lost precious, one-of-a-kind art – recordings, sheet music, canvases – as they fled the city.

THE URGENCY

Arts and culture are the foundation of New Orleans' economy. In 2002, arts contributed almost \$1 billion³ to the state's economy, according to the Louisiana Division of the Arts. For a state and a city that rely heavily on tourism, rebuilding the artistic infrastructure is crucial to redevelopment.

The community fabric of New Orleans is exceptionally social and key to the city's heart. The networks and relationships upon which Mardi Gras and Jazz & Heritage Festival traditions are built are fundamentally threatened by the displacement of so many of their members. The longer leaders remain outside of the city, the harder it will be to repair this important fabric.

THE OPPORTUNITY

To support this community, donors can employ a variety of strategies:

- **Support organizations serving New Orleans artists.** Since the levees broke, several organizations have emerged that specifically focus on bringing artists back to the city and supporting them as they secure housing and continue producing art.
- **Encourage existing national arts organizations to start or to continue supporting New Orleans.** As interest in New Orleans wanes, donors can push large, arts-focused organizations to use national networks and resources to support the city and its artists.
- **Fund local cultural institutions.** Elements of the city's artistic infrastructure remain intact. Cultural venues and artistic associations still have some presence. Contributions to these entities will help ensure they can support returning artists.

Sources of further information include:

- The **Louisiana Division of the Arts** provides grants that support organizations working to bring artists back to the city (www.crt.state.la.us/arts/Grants/08GrantRecipients.pdf).
- The **World Cultural Economic Forum** is a central resource for state cultural organizations. It lists upcoming events (www.wcefculture.com/events.php) and links to other organizations (www.wcefculture.com/links.php).
- The **Cultural Economy Initiative's** report about the economic significance of arts and culture can be downloaded (<http://www.crt.state.la.us/culturaleconomy/mtauburn/culturaleconomyreportcompact2.pdf>).

1. Jervis, Rick, "66% Are Back in New Orleans, but Basic Services Still Lag." USA Today, August 12, 2007, National News section, www.usatoday.com/news/nation/2007-08-12-neworleans_N.htm.

2. World News with Charles Gibson, "Two Years Later, New Orleans Inches Back," ABC News, August 26, 2007, <http://abcnews.go.com/WN/Katrina/story?id=3525928&page=1>.

3. Louisiana Division of the Arts, "Fast Facts," Office of Cultural Development, Department of Culture, Recreation and Tourism, 2002, www.crt.state.la.us/arts/ArtBuilt/fastfacts.html.

HIGH-IMPACT Giving Opportunities

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Environment: Improving Energy Efficiency in Low-Income Homes

FACT: Residential energy use accounted for more than 21 percent of U.S. energy consumption in 2006.¹

THE PROBLEM

According to the World Bank, “cutting energy waste is the cheapest, easiest, fastest way to solve many energy problems, improve the environment and enhance both energy security and economic development.” With residential energy use accounting for a significant portion of total consumption, simple improvements – such as switching to fluorescent light bulbs – are among the most effective. Low-income families tend to live in older, poorly-insulated houses, meaning greater environmental impact can be achieved by improving the energy efficiency of these homes.

Promoting energy efficiency in low-income households attacks two problems at once – climate change and poverty. The average U.S. household spends 7 percent of its income on energy bills, but low-income households spend an average of 17 percent.² Studies show that home weatherization through easy measures like improved insulation reduces heating bills by an average 31 percent for low-income families.³ More efficient energy use frees money for essentials like medicine or school supplies, easing poverty’s burden and avoiding heat-or-eat dilemmas.

THE URGENCY

Emissions are causing our climate to change, producing rising sea levels that threaten coastal communities. Cutting energy use will reduce harmful fossil fuel-induced carbon dioxide emissions. The Intergovernmental Panel on Climate Change (IPCC) confirms that home energy use contributes significantly to greenhouse gas emissions and climate change and that steps need to be taken now to mitigate these emissions and their harmful effects.⁴

Energy prices are rising, and low-income families are suffering. Household spending on heating oil is estimated to be 47 percent higher this winter than last year.⁵ Meanwhile, the Bush administration proposed a \$1.38 billion (44 percent) cut in funding for the Low Income Home Energy Assistance Program in its budget for fiscal year 2008.⁶ With rising prices and shrinking support systems, low-income families need other ways to make ends meet; reducing their energy demand is a practical solution.

THE OPPORTUNITY

Donors seeking to help low-income families can:

- **Provide grants to finance energy audits and subsequent weatherization.** Local partnerships with nonprofits

and/or utility companies give donors a focused impact in their communities.

- **Support energy-efficient building techniques in housing-construction projects for low-income communities.** Many non-profit organizations construct or repair existing homes for low-income families. Donor support for green technology is especially important, because such technology can increase up-front costs before long-term cost savings begin.
- **Help existing weatherization-assistance programs scale up.** By one estimate, existing programs reach only a fraction – 16 percent – of potential beneficiaries of weatherization.⁷ Support that allows organizations to build their capacity and expand programs can multiply the number of homes serviced.

More information is available from:

- The **American Council for an Energy-Efficient Economy** offers a variety of useful resources on energy efficiency and residential buildings (www.aceee.org/buildings/residential.htm).
- **Flex Your Power**, California’s energy efficiency campaign, has gathered extensive resources, including information on programs for low-income households (www.fypower.org/feature/lowincome/).

1. DOE’s Energy Information Administration:
<http://www.eia.doe.gov/emeu/aer/txt/ptb0201a.html>.

2. “Low-income Energy Efficiency Programs” (2007). San Francisco: Flex Your Power, <http://www.fypower.org/feature/lowincome/>.

3. “Reducing the Energy Burden on Needy Families” (2007). Washington, DC: U.S. Department Of Energy, Energy Efficiency and Renewable Energy – Weatherization Assistance Program website, <http://www.eere.energy.gov/weatherization/reducing.html>.

4. “IPCC Report Confirms Urgency of Climate Change” (2007). Washington, DC: The Nature Conservancy, <http://www.nature.org/initiatives/climatechange/features/art20047.html>.

5. “Record Heating Oil Prices Projected State Low Income Energy Officials Call for Increased Energy Assistance (11/5/07)” (2007). Washington, DC: National Energy Assistance Directors’ Association, <http://www.neada.org/comm/press/pr2007-11-05.pdf>.

6. “President’s Budget Calls for 44 Percent Cut in Energy Assistance to the Poor! More than One Million Households Face Elimination of Benefits” (2007). Washington, DC: National Energy Assistance Directors’ Association, <http://www.neada.org/comm/press/pr2007-02-07.pdf>.

7. “Reducing the Energy Burden on Needy Families” (2007). Washington, DC: U.S. Department Of Energy, Energy Efficiency and Renewable Energy – Weatherization Assistance Program website, <http://www.eere.energy.gov/weatherization/reducing.html>.

HIGH-IMPACT

Giving Opportunities

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Global Health: Providing Safe Water and Sanitation to Save Children's Lives

FACT: *Unsafe water and lack of basic sanitation lead to the yearly deaths of about 1.6 million children under the age of five worldwide.¹*

THE PROBLEM

Globally, 1.1 billion people, or approximately 17 percent of the population, lack safe water; and 2.6 billion people, nearly 40 percent, lack basic sanitation.² Most live in impoverished rural areas, predominantly in developing nations in sub-Saharan Africa and South Asia. The consequences are dire. Without access to safe water or basic sanitation, infectious diseases spread quickly. Specifically, widespread diarrheal disease causes nearly 5,000 child deaths each day.³ Persistent illness caused by unsafe water and poor sanitation leads to the loss of educational and economic opportunities and eventually to adult poverty and weak national economies.

THE URGENCY

Improved water quality and basic sanitation reduce child mortality. Water-related illnesses affect children disproportionately. According to the World Health Organization (WHO), children under five account for 90 percent of the deaths associated with unsafe water and sanitation.⁴ Four times as many children die from diarrheal diseases than from HIV/AIDS,⁵ although pediatric HIV/AIDS receives greater attention.

Access to safe water and basic sanitation alleviates global poverty. Access to both improves health status, reduces health care costs, and increases available time for education and work. According to a report from WHO and the Stockholm International Water Institute, such improvements contribute to an average 3.7 percent annual per capita GDP growth, while countries without access to these basic services show 0.1 percent growth.⁶

The United Nations General Assembly in 2005 announced the International Decade for Action with a "Water for Life" campaign to reduce by half the proportion of people without access to safe drinking water and improved sanitation by 2015.

THE OPPORTUNITY

Donors should keep in mind these guidelines when evaluating funding opportunities:

- **Look for organizations that work to improve water and sanitation simultaneously.** Poor sanitary conditions pose a serious threat to the cleanliness and safety of local water resources. A representative from the United Nations

Children's Fund (UNICEF) states that efforts to improve access to water cannot succeed without also making efforts to improve sanitation.

- **Seek opportunities to fund small-scale, community-based projects.** Recent funding trends indicate that the majority of aid goes to large-scale infrastructure projects that don't necessarily benefit the rural communities most affected by water and sanitation problems. Fund projects that offer more direct results.
- **Provide support for improving water-storage technology to further opportunities for women.** Women and young girls are often responsible for seeking and gathering water and must spend many hours and travel long distances to do it. Improved technology for gathering and storing water will help provide women and girls more time for education and work opportunities.

For additional information, consult:

- The **WHO Water, Sanitation, and Health website** is an informative site that frames the water and sanitation crisis in the context of overall global health and development (http://www.who.int/water_sanitation_health/en/).
- The **Global Water Challenge**, a coalition of business, government, non-profit organizations, and private funders, provides a resources section on the topics of potable water and sanitation (<http://www.globalwaterchallenge.org/resources/resources.php>).

1. World Health Organization and United Nations Children's Fund, eds., Meeting the MDG Drinking Water and Sanitation Target: The Rural and Urban Challenge of the Decade. (Geneva: WHO Press, 2006), http://www.wssinfo.org/pdf/JMP_06.pdf.

2. Watkins, Kevin, Summary: Human Development Report 2006. Beyond Scarcity: Power, Poverty and the Global Water Crisis. (New York: Palgrave MacMillan, 2006), http://hdr.undp.org/en/media/hdr2006_english_summary.pdf.

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HIGH-IMPACT Giving Opportunities

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Poverty Reduction: Increasing Access to Financial Services for the 'Unbanked'

FACT: More than 22 million U.S. households do not have access to traditional financial services.¹

THE PROBLEM

Financial services mean different things to different people in the United States. In middle- and upper-class communities, such services include free checking, investment advice, and an ATM on every corner. In low-income communities, the benefits of banking often are not understood – creating a disconnect between the services people need and what banks usually offer. Alternatives like pawnshops and liquor stores and others that offer payday lending and cash advances fill the gap. Many of these providers engage in predatory lending with loans with unreasonably high fees and/or penalties. Short-term, these banking alternatives reduce the already-limited spending and saving power of the unbanked; long-term, their use can result in debilitating debt.

According to the Federal Deposit Insurance Corp. (FDIC), the terms unbanked and underbanked refer to households without accounts at banks or other mainstream financial institutions. The unbanked tend to be elderly, low-income, minority, immigrant, or young. Almost 25 percent of families earning less than \$25,000 a year are unbanked,² and as a result, have greater difficulty generating a secure base of assets and a credit history to help lift them out of poverty.

THE URGENCY

Wealth in the United States is becoming increasingly polarized. In the past five years, the number of millionaires in the United States has increased by 62 percent while median household income has stagnated.³ The wealthiest 20 percent in the United States earn 50 percent of the country's total income; the poorest 20 percent make less than 4.

The recent crash of the sub-prime mortgage market puts vulnerable families at greater risk. As the number of foreclosures in the United States skyrockets, some of America's most vulnerable families are losing what little equity they had, making them more likely to turn to more expensive alternatives. These foreclosures make potential customers more risky for traditional investment firms.

THE OPPORTUNITY

Donors can help make financial services more widely available:

- **Support organizations offering financial services to the poor.** Many organizations help the unbanked grow their assets, and they often partner with banks that need guidance on working effectively with the unbanked. Whether providing classes on how to access and use traditional financial services, providing such services directly, or assisting those in crisis climb out of credit traps, these organizations help people help themselves.
- **Help organizations fight predatory lending.** Interested donors can fund organizations that work to fight or regulate the businesses that take advantage of the unbanked. Across the country, local and statewide campaigns that seek to regulate predatory practices like payday lending need support.
- **Consider putting your own assets at a credit union.** Credit unions work to keep assets invested in the local community, and thus offer a wider range of tailored services to unbanked potential clients.

Excellent sources of further information include:

- The **Center for Financial Services Innovation** works with the financial-services industry to address issues the underbanked face (<http://www.cfsinnovation.com/research-strategy.php>).
- The **Community Giving Resource**, a project of the Neighborhood Funders Group and the Aspen Institute, works to increase family stability by helping the unbanked (http://www.communitygivingresource.org/families/families_list.htm?cat_id=1050).

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Sustainability: Developing Local Food Systems to Save Energy, Promote Health, Create Jobs

FACT: *Shifting 20 percent of Detroit's food spending to local food would increase the city's annual economic output by nearly half a billion dollars, create more than 4,700 jobs, and lead to a nearly \$20 million gain in business taxes.¹*

THE PROBLEM

Building local food systems that link farmers and consumers creates jobs, reduces the environmental impact of long-distance food transport, contributes to healthier lives, and puts fresher food on the table. Family farmers directly linked to a local market are more likely to survive in today's competitive global agriculture market. At least 19,000 American farmers already sell their produce only at farmers' markets,² but many more farmers could benefit from participating in these local markets.

THE URGENCY

Local food addresses a pressing environmental issue. Today, most fruit and vegetables consumed in the United States are grown in just three states – California, Florida, and Washington.³ About 80 percent of energy used in food production is spent on processing, packaging, transporting, storing, and preparing food for sale.⁴ U.S. produce travels an average of 1,300 to 2,000 miles from the farm to the consumer,⁵ at considerable environmental cost.

Promoting local food can support efforts to encourage healthier eating habits and support obesity-reduction efforts. In 2006, only four states reported obesity prevalence below 20 percent of the population.⁶ Making fresh, healthy, and tasty locally-grown fruits and vegetables more readily available as part of anti-obesity educational programs can foster habits of eating food that contributes to healthier lives.

THE OPPORTUNITY

Grant making that supports local food systems can be tied into donor programs on health and nutrition, urban renewal, economic development, the environment, and/or agriculture, dependent on a funder's particular interests. Options include:

- **Sponsor urban farmers' markets in underserved areas.** Although the number of farmers' markets in the United States grew from 1,755 in 1994 to 4,385 in 2006, relatively few are in low-income neighborhoods.⁷

- **Support farm-to-cafeteria programs that create links between growers and schools, bringing fresh produce to school dining halls and educating young consumers.** Teaching kids to eat right and reduce their carbon footprints prepares them for a lifetime of healthy choices.
- **Help local farmers establish links to consumers through Community-Supported Agriculture programs (CSAs).** CSA subscribers get a weekly box full of seasonal produce, and farmers receive a consistent stream of income. Educating farmers on how to run CSAs and consumers on the benefits CSAs provide can help create new links between local producers and potential customers.

Helpful sources of further information include the following:

- The **National Sustainable Agriculture Information Service** is a gateway to information on local foods, farmers' markets, and sustainable agriculture (http://attra.ncat.org/farm_energy/food_miles.html).
- The **FoodRoutes Network** provides a wealth of information on local food systems on its website (www.foodroutes.org/hottopic.jsp?id=1).
- The **Farmers Market Consortium**, a public/private group led by the Department of Agriculture, has a detailed resource guide about programs to establish local markets across the country (<http://www.ams.usda.gov/farmersmarkets/Consortium/ResourceGuide.htm>).

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HIGH-IMPACT Giving Opportunities

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Conflict Resolution: Facilitating Trust-Building to Prevent Violent Conflicts

FACT: *Violent conflict costs the African continent an estimated \$18 billion a year.*¹

THE PROBLEM

The number of ongoing armed conflicts worldwide increased from 19 in 2004 to 25 in 2005, a rare conflict spike with drastic consequences for people in or near conflict zones worldwide.² Of course, conflicts do not begin with violence; violence begins when other means of resolving disputes fail. Once violence breaks out, it is much more difficult to resolve conflict, as political leaders demonize their foes, become entrenched in their positions, and generally destroy any semblance of trust – a crucial ingredient in peacefully settling disputes. Bringing peace to a war-torn region is many times more difficult than taking preventive action to resolve conflict peacefully before violence begins, yet major new violent conflicts break out on a regular basis. The tools of conflict prevention need to be refined and strengthened.

Non-governmental organizations (NGOs) play an important role in conflict prevention worldwide. Unlike governments, NGOs are free to act unofficially and with great flexibility to build trust with all parties; historically they have helped resolve countless crises. The Catholic lay community of Sant'Egidio, for example, played a key role in mediating a resolution to Mozambique's long civil war in the early 1990s.³

THE URGENCY

Poor attempts at negotiation mean opportunities to make peace are lost every day, and more people die. The negotiation and compromise needed to prevent violent conflict requires skillful communication, careful trust-building, and creative thinking about how to construct win-win solutions to conflict. Investments in the basic tools of negotiation can save lives in the future.

Mediators do not have the resources to intervene quickly in new crises. Many NGOs that promote peace are forced to limit their geographical scope or activities due to resource constraints, and they often lack the means to engage parties of a spiraling conflict before it is too late.

THE OPPORTUNITY

Efforts to prevent conflict can target underlying issues or seek to address the immediate triggers of violence, including mistrust between key leaders. Donors can help in both approaches:

- **Train disputing parties in the negotiation skills that will help make them effective at resolving disputes.** Seminars that teach negotiation can bring rivals together before issues fester and also give them the tools to find a peaceful way out of conflict.
- **Support think tanks and other organizations that engage actively with political leaders from all sides of a conflict.** Numerous secular and religious organizations devoted to conflict prevention and resolution worldwide have access to key decision makers, and make contributions to peace as mediators despite resource constraints.
- **Support the development of media that promote peaceful rather than divisive politics.** Innovative programs can reach broad audiences and contribute to climates of peaceful coexistence and dialogue by teaching journalists to avoid hate speech and present all aspects of a dispute.

Good sources of further information about conflict prevention and resolution include the following:

- The **U.S. Institute of Peace** is a congressionally-funded organization that complements its active peace-building programs with significant research (<http://www.usip.org/programs/index.html>).
- The **Alliance for Peacebuilding** is a coalition of organizations dedicated to applied conflict prevention and resolution (www.allianceforpeacebuilding.org/ourwork.htm).

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