

TABLE OF EXPERTS

PHILANTHROPY SPOTLIGHT



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TABLE OF EXPERTS



KATHY OSBORN

As executive director of the Regional Business Council, Kathy Osborn embodies the RBC's mission to unite and engage members to act on high-impact business, civic and philanthropic affairs for the betterment of the St. Louis region. The RBC plays a vital role in the region and is focused on issues around education reform, talent development, public policy, quality of life, and diversity and inclusion. Osborn is active in many diverse organizations. She has been awarded *St. Louis Business Journal's* Most Influential Business Women designation, the Jennings School District's Outstanding Business Partner Award, the Hispanic Chamber of Commerce's Person of the Year Award, the Urban League's Chairman's Award and many others. Osborn received both of her degrees from the University of Missouri-St. Louis and a postgraduate certificate from the Institute for Education Management at Harvard University.



GARY KROSCH

Gary Krosch is a senior vice president and private client advisor for U.S. Trust – Bank of America Private Wealth Management where he leads a team providing advice and services to private business owners, senior executives and select philanthropic institutions. In 2014, Krosch launched the St. Louis Gift Pledge initiative, which encourages people to make an impactful gift or pledge of \$1 million or more to a St. Louis area charitable organization of their choice, as an expression of their appreciation of the St. Louis community and the opportunities it has provided. With the assistance and support of the St. Louis Community Foundation, there has been a recent launch of the St. Louis Gift Pledge website. The list of pledgers is steadily growing. Krosch is a founding board member and past chairman of Forest Park Forever, the immediate past chairman for the board of trustees at Fontbonne University and current board member for the St. Louis Community Foundation and the Clayton Century Foundation.



MICHAEL STAENBERG

Michael Staenberg is recognized for his success in business and his generous philanthropy. For nearly 40 years, he has developed over 200 shopping centers comprising more than 35 million square feet of quality retail space nationwide. In 2012, he founded The Staenberg Group, headquartered in St. Louis, which is dedicated to building premier retail shopping centers. Previously, Staenberg co-founded THF Realty which grew to become the third largest commercial real estate firm in the United States. In 2005, Staenberg and his wife Carol established the Staenberg Family Foundation, a supporting foundation of the Jewish Federation of St. Louis. To date, Staenberg and the foundation have contributed over \$80 million benefiting the arts, children, education, medical research and social services. Staenberg also offers his professional expertise and coordinates pro bono services to help organizations meet their strategic goals. In-kind contributions and cost-saving measures through this effort are valued at \$25 million.

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PHILANTHROPY: ITS ROLE, IMPACT AND OPPORTUNITY IN ST. LOUIS

Describe the philanthropy landscape here.

Kathy Osborn: We have excellent leadership in the philanthropy space. Individuals like Michael and Gary and so many others are taking a direct interest in their gifts. They are looking at where they give, does it solve a real societal problem and are there measurable outcomes. Philanthropists are talking more to each other about giving and organizations like the Community Foundation, the Jewish Federation, the Gateway Center for Giving and the United Way are facilitating that discussion.

Michael Staenberg: You know, as we talk about giving in St. Louis, I think it has turned into a bigger process that started with Warren Buffet and Bill Gates. They have really moved the needle on their pledges and showed people that billionaires can give their money away and make a difference. And, I think this filters down to the local communities. It has helped influence a lot of people and what they think they can do in St. Louis.

Gary Krosch: What I would add is that St. Louis has a rich history of having a lot of very generous people. There have been big initiatives over the years where these people have come together to accomplish great things. We would point to the restoration of Forest Park, the CityArchRiver project and the many things that have

been built at Washington University as three prime examples of this activity.

Kathy Osborn: It is easy to forget, when we talk about corporate philanthropy, that at the beginning there was a person or family who created that wealth. Typically, that's where the funds were initially generated to build corporate foundations. What I see in people like Gary and Michael is this willingness to work together with other likeminded people to increase good outcomes. They take a personal interest in a select number of nonprofits as they want to have a greater impact. Forest Park Forever is an excellent example of leadership that started in the private sector, and ultimately, was a partnership with the public sector. But at the end of the day, it was really private individuals and corporations that provided the drive to produce a new future for the park.

Michael Staenberg: I think St. Louis has evolved. When I moved here in '83-'84, St. Louis had a lot more top corporations here. And, now we have a lot of smaller private companies. I think that the private companies have continued the legacy that Gary mentioned about giving. But it's the individuals who are making the difference, and business leaders are also encouraging their employees to make a difference. St. Louis is not the fifth largest city in America, but I believe we have the fifth largest

United Way in the United States, and that shows that there are a lot of proud individuals who are willing to contribute to the city and the entire metropolitan area of St. Louis to make a difference.

Kathy, many of RBC's member companies are privately held or family-owned. Do you see patterns as to how they like to give or what the funding typically goes to?

Kathy Osborn: What I find fascinating about family-owned and privately held companies, is the giving often is very private. And when they become part of RBC, they see the broader issues and how together we can make a more sizable difference. Since it is their own money, there's more follow-through to make sure things get done. I think that the privately held and the family businesses are the foundation of giving here. I feel a special responsibility to be a good steward of their funds. I'm finding that many companies now are looking to their employees, and asking what are they interested in? What do they think is important for your company to be involved in? This presents a real opportunity for nonprofits to bring in new board members. I think for nonprofits who are out there asking how to reach people, often they just haven't looked broadly enough.

Gary Krosch: There is a misconception out there about where most donations come from. I was involved at the early stages of Forest Park Forever. Our board figured, well, we'll find some big corporations to come along and solve all these problems for us. In fact, about 85 percent of all charitable contributions come from people. Nonprofits need to make emotional connections with their potential donors. Until you start targeting that way and leveraging relationships, it doesn't happen. Because corporations can't save everything.

Kathy Osborn: Right. The other irony of this is, we sometimes think, "Well, if

we just put so-and-so on our board we could get the funds that are needed." But not all organizations can reach the chief executive to serve on their board. So, it is important for nonprofits to think more broadly about recruiting new and younger donors. Often these are individuals who have more time and a fresh perspective.

What are your thoughts on donors providing grants for projects or programs versus making the larger, more-strategic investments to support organizations as a whole?

Michael Staenberg: I think you're seeing a lot more targeted giving today. At the Regional Business Council, we have the It's our Region fund, and we target small nonprofits. People can see the return. When I say return, I mean how has it made an impact? How many people did it touch? It's not about making money, but it is about impacting people and their lives. For example, a shelter in North St. Louis needs a refrigerator. And, by having that refrigerator, you're going to impact another 2,000 people who would be able to go there for some type of meal. So it's not just about the million-dollar gifts anymore. It's also about smaller gifts that make an impact. And people want to target those gifts.

Kathy Osborn: You need people who can make the smaller gifts as those funds support the basic operations of so many organizations. Let's remember how important these dollars are. But you also need people who are able to make transformational gifts to make a more sustainable difference. A good example is the recent gift of \$60 million by Enterprise Holdings to food pantries across the country. If you combine that with Globalhack's recent hack-a-thon to find new ways to help the homeless you have two different but sizable investments that have the potential to make real and lasting change. The significance of the Regional Business Council is that we make collective gifts and by coming together we can have greater impact. Our vision with the Small Change Big Impact Grants was to help nonprofits serving the neediest in our community by giving them grants of \$2,500-\$10,000 to take care of some of their unmet capital needs. We give them funds to fix the roof, add outside lights, provide the bedding, buy the new cribs. The letters we receive, the gratitude we receive, far outweighs anything else we've done.

Michael Staenberg: So, this year, we gave away \$120,000. We touched over 50,000 people. For \$120,000, that's a



People say to me, "Why do you give this money?" Because it makes me feel good. There's no higher call than to give. I've been lucky.

MICHAEL STAENBERG,
The Staenberg Group

Our vision with the Small Change Big Impact Grants was to help nonprofits serving the neediest in our community by giving them grants of \$2,500-\$10,000 to take care of some of their unmet capital needs. We give them funds to fix the roof, add outside lights, provide the bedding, buy the new cribs. The letters we receive, the gratitude we receive, far outweighs anything else we've done.

KATHY OSBORN,
Regional Business Council



lot of people. I think you do need the big gifts, as Kathy said. However, those big gifts are also to inspire everybody else to come along and do their part. The mistake I've made in the past is thinking, I'll just write the check. Now I'll sit back and say, "Well, I'm not going to be the only one writing the check." It's important to have buy-in by others too so they also have ownership for helping to make things happen. You can't just be the one person to give or wait for the Taylor family to take care of things. They have been so generous but we need other people stepping up. And I know they're feeling that way, too, because I've talked to them about this. You know, my family and I have been involved with COCA for many years. The Taylors could have written the whole check for COCA, but now instead of asking just one person to do it, we're going to other people. They will probably get 10 or 12 people to give million-dollar gifts. And it makes a difference when you have 10 or 12 people writing the checks. You get the buy-in. I don't care if it's a million dollars or a thousand dollars, you've got to get buy-in from everybody.

Gary Krosch: Organizations need both restricted and unrestricted gifts. We had an instructive experience speaking to one of the major donors in our community. His family has given away hundreds of millions of dollars to St. Louis area causes over recent decades. His comment to me about philanthropy was that he's been pleased to give away all his family's money, but he has a frustration about how some of it was spent.

Kathy Osborn: I think there's no doubt that whether you're talking about corporate or individual donors, people are watching how their charitable dollars are making a difference. When that check is written, they want to see that there are tangible outcomes. Some want to build a long-term relationship while others want to solve a short-term, immediate problem. We need both, and that is why the United Way becomes so important. For the most part, they help to cover basic operations and those are the hardest dollars to find. I think for most of us who give to United Way, that's what we like about it. We know

it's the undergirding for a variety of nonprofits. The worst thing a nonprofit can do, though, is follow the money. In other words, a funder says "I'm interested in this," so they develop a program around that. Often nonprofits can get themselves into trouble by losing focus.

What makes a funding request successful? Do you have to have a CEO behind it to make it successful?

Michael Staenberg: I look at the nonprofits a little differently. I agree with Kathy on the need to help with operations, but there are other ways to help. I bring value by building buildings. For nonprofits, I can see things that they may not be aware of when it comes to their facilities. There are nuances and efficiencies to consider. I always say, you have to have great buildings, great programs, great leadership and professional links. If you don't have those four things, your nonprofit is never going to be successful. But one of the things that I've been able to do, since I'm a developer, is to explain things to people about their buildings – finding ways of making them energy efficient, making them relevant. People want to go into nice buildings, not adequate buildings. And they don't want subpar. For example, if you're a nonprofit and you're running a camp, you can't have a rustic camp anymore because the parents and the grandparents pay attention to what those camps look like. You have to keep up. A lot of nonprofits don't realize this and don't put money back in their facilities, so it's hard for them to attract members that will continue to support the operations, as Kathy said. If you have a food pantry, you don't want to go in there and see the roof leaking. You also have to make places safe. You have to have security. So there are a lot of different things you have to think about when you get involved in these projects. I've been good at trying to help organizations that have buildings, or that need a phone system, a roof or something like that. Once I get involved, we show them how they can save money. Nonprofits don't always know how to buy HVAC systems or where to go for a phone system so those are areas where we can help. When Camp Wyman came to us

and said that they needed a new PA system for \$38,000, I called a friend of mine that had a used one. We spent \$1,800 and they got a great PA system. You don't always need something brand new, but many times nonprofits just don't know what resources are out there. So, there are a lot of ways, other than just giving money, to help these organizations out. I'm proud that we can write the check, but we also like to ask ourselves, "how we can help save them money and really be efficient in what they're doing?"

Kathy Osborn: Certainly, if the CEO of the company takes an interest in something, that can be a plus. It doesn't necessarily always mean money will follow, because most companies have guidelines for their funding priorities. I think for us, what makes a good request is when it fits within our stated interest areas. If we're not doing it, it doesn't mean it's not important, but we have limited time, money and energy, and so we've got to focus ourselves. So often I've talked with people, and I've politely said, "This doesn't fit within our guidelines." But they may be very aggressive in their approach. On the other hand, some people have come to me with something we're not particularly interested in at the moment, but I've found a way and thought, you know, I really like what they're doing. If I can figure out a way to help them down the road, I will.

Gary Krosch: People want to be passionate about the projects and institutions to which they make donations. It's critical that the nonprofit organizations figure out a way to make those connections. Putting them together can be a very powerful thing.

Kathy Osborn: It can. Look at George Paz of Express Scripts. George and his wife have been very generous to many entities, but just about everybody knows

Logos School has been an organization that is important to him. And he's really put the time and his energy into helping the school. So, I would suspect for Logos having someone of George's stature to help bring in others is terribly important. Another good example is CityArchRiver. In my opinion, if it wasn't for Andy Taylor and the Taylor family combined with Walter Metcalf's tenacity, it wouldn't have happened. But they saw something that others didn't necessarily see. And I still contend that, until all the renovation is done and it really happens, most St. Louisans won't understand how transformational the project will be. It's going to change everything downtown. But it took a person who then reached into their connections like their colleagues on Civic Progress and said "Let's get this done."

Kathy, last year RBC invested more than \$13 million with the United Way of Greater St. Louis. Why does RBC continue to invest so heavily with United Way?

Kathy Osborn: I think for most of our members, it's this idea that the money goes directly to agencies and that the administrative cost has been low. For most of the companies I represent, maybe they give to one or maybe they give to 25 organizations, but they're not going to be able to give to 170. So they feel that by making that investment in the United Way, then they're really making an investment in those 170 charities. And often it is the agencies that serve the neediest that don't get the recognition, so they need this core support. We certainly want the art museum to be renovated and CityArchRiver needs to happen, but we also need to make sure that the underserved are getting food and the elderly are getting critical program-

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ming. I think those organizations sometimes don't get the kind of attention they need. So for us, we feel like we're serving that greater community when we are investing in the United Way.

Gary, explain the St. Louis Gift Pledge.

Gary Krosch: We have brought together a group of exceptional people who appreciate the impact that living in St. Louis has had on their lives and understand the importance of giving back to

this community. The St. Louis Gift Pledge is a commitment to make a gift or pledge, during lifetime or in their estate, of \$1 million to a single nonprofit in the St. Louis area. It's about impact. Most big things that get accomplished by nonprofits happen because of major gifts. Broad-based support is important, but the huge percentage of funds raised for larger projects comes from a relatively modest number of donors. We want to recognize those who have already made this great commitment and initiate discussions with others who have the resources to consider it. Who has signed up so far? We have

16 people on our website right now and have ongoing conversations with others. The donors on our website have already contributed several hundred million dollars to St. Louis area nonprofits, having an extraordinary influence on our community. The Gift Pledge idea came to us after we updated our own estate plan a few years ago and was probably inspired by the Bill Gates/Warren Buffett theme that Michael referred to earlier. In fact, Michael was one of the first people we spoke to when we started and it's mushroomed from there.

And there's a relationship with St. Louis Community Foundation?

Gary Krosch: Yes, there is. The Community Foundation has been referred to as the heart of philanthropy in St. Louis, and we agree with that expression. This was a natural fit. They've been extraordinarily generous in providing us with support for administration and connections.



About 85 percent of all charitable contributions come from people. Until you start targeting that way and leveraging relationships, it doesn't happen. Because the corporations can't save everything.

GARY KROSCH,
U.S. Trust – Bank of America Private
Wealth Management

Do some donors want to be anonymous?

Gary Krosch: Several St. Louis Gift Pledge donors have asked to remain anonymous. In general, our participants are looking to draw attention to the importance of philanthropy directed toward causes in St. Louis, not to draw attention to themselves. The Gift

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Pledge website includes donor's photos and their statement about giving. Its purpose is to recognize the extraordinary commitments they've made to our community and hopefully inspire others to commit for that same distinction. The St. Louis Gift Pledge does not accept donations, nor does it encourage donations to any particular nonprofit organization. The mission of this initiative is to promote high impact philanthropy in St. Louis. We have a list on the website of the organizations who have already received million-dollar gifts or pledges, and I believe there's about 17 of them so far, which is quite remarkable.

Michael Staenberg: You've got to get people not only to write the check, but to be invested in it. Jazz at the Bistro came to me and said they were going to buy this building. And I looked at them, and I said, "Well, you'll never get it done on your own." And sure enough, Dave Steward and everybody stepped up, and it is a jewel in St. Louis, along with Grand Center and The Sheldon. That was the first board I got on and it's been a great board. And, you know, when the Ferrings call about their support of a project, I know it's going to be successful. And I think when you hear other people say they're going to do something, whoever it is, you know they're not going to put their money in unless it's going to be successful; Ken Kranzberg or Dave Steward, John Ferring, the Taylors or others. There are lots of people. You know that they're going to vet it out and make sure it's a solid plan, because they run a good business. You have to respect it if someone is willing to make the investment.

Nonprofits often need professional guidance. How can businesses and professionals in the community help in those areas?

Michael Staenberg: That's why the It's Our Region Fund is so important. We probably get 300 to 400 applications. We can't fund them all so we look at them and say, we're not going to fund you, but we might know somebody who will. Or we know someone who needs some accounting and we can find a CFO who can maybe spend a couple hours helping. It's not always about money. It's about identifying the need and connecting them to other resources.

Kathy Osborn: One of the things we've had a keen interest in for about 10 years is this idea of bringing young, diverse talent to the table. Typically, we find that nonprofits go after the same 10 people for funding and board members. We have something called "Social Venture Partners." Beyond the dollars we invest, we help in capacity-building. Our SVP partners are up-and-coming leaders who commit their time and knowledge to strengthen nonprofits. True, most people under 40 aren't going to have sizable dollars to give you, but they are able to make some gift and they can donate their time, which is powerful. Often, I think nonprofits aren't look-

ing at this younger, emerging sector. In addition, most of these folks are working with or working in an organization of some kind where they might interest their company in giving. Often, companies learn about nonprofits through their own employees. And I think for nonprofits, this perspective is really expanding their perspective on the kind of board member they need and want.

Michael Staenberg: And they want to do something. That's the nice thing. I tell them: Pick one thing. Don't pick 10 things. Just pick one thing. And you don't

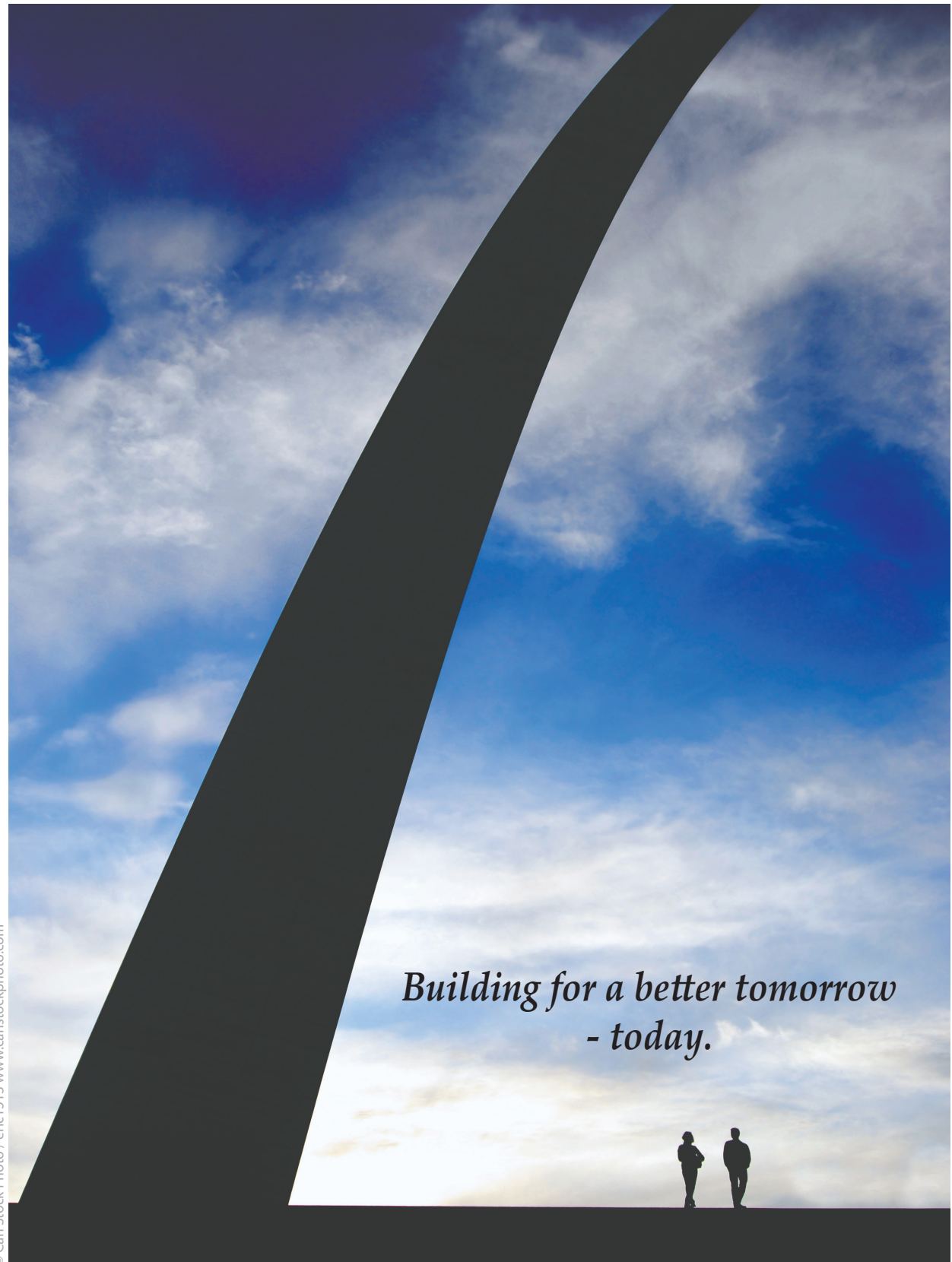
have to give a lot of money. Get involved, and you might learn something.

Kathy Osborn: A lot of companies are giving their employees paid time off to either volunteer with a charity that the employee thinks is important or that the company is committed to. That's where it all changes. When people see the need, then their mindset changes. It's better to do one board and do it well than to do many.

Gary Krosch: Organizations cannot succeed without a good board. Board

members must be committed to the needs, mission and vision of the organization. It's their responsibility to see the organization doesn't run off course, which sometimes happens. And they have to maintain their commitment for an extended period of time. We've seen a number of instances where board members have faded away when they realize how much work needs to be done. Helping a nonprofit organization succeed is a satisfying experience.

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What do we as a community need to do now to start developing the next generation of philanthropists in St. Louis and even, the world?

Michael Staenberg: I have three daughters. I spend a lot of time with these kids, telling them, "You're the luckiest kids in America, so you need to do something. You need to take either some time or some money to do something." And I think, as I watched the generation before me – the wealthy – they didn't do a good job. They didn't inspire

their kids. They watched their parents. They inherited this money. And the people 60, 70 years old said, "Well, my parents gave me money." So my kids are going to inherit some money, but I want them to understand that there is more to it. They sit on our foundation board to learn. I say to them every year, "You need to go out and be involved in a project. And if you're not, your dad's not going to be happy and your mom's not going to be happy, so you need to do this." And if you don't start when they're 20 and 30 years old, it's like what happens if you don't teach your kid how to read by the third grade, they're not going to read. I

don't care how much money you throw at it. So you have to instill this after they get out of college in their 20s and 30s. And that's one of the things that I spend money on with different organizations, is to bring in the next generation to do this. Because if we don't do this, we're not going to have the type of nonprofits we see today. As I look around at a lot of these organizations, the people who are giving are dying. They're 70, 80 and 90 years old. And these organizations aren't going to be around. And, it doesn't matter what organization it is, you have to bring the new leaders in. And, again, it's not about money. It's about having a pas-

sion for it and trying to instill in them that giving is good. Giving their time is another aspect that you need to do too.

Kathy Osborn: I had the opportunity many years ago to sit down on several occasions with I.E. Millstone, who was a fabulous philanthropist. He also set up a foundation. And one of the things he said to me is, "I'm putting this money here, because I want future generations in my family to understand this is an important thing to do." Today, Bob Millstone, who has been a long-time member of RBC, and his wife Colleen, are carrying on that spirit of generosity. I am convinced that Bob wouldn't be the person he is today had his grandfather not said, "I want to teach you how to do this." And I see so many families in St. Louis very deliberately work with their children to carry on the tradition of giving. John and Mary Kay Fort are a great example. They think very carefully about how their children think about giving and the community. Often, families set up foundations as they want to make sure that their children and future generations understand why it's important to give. And who defines philanthropy? Philanthropy should be whatever level you can give. Sometimes people give a significant gift, but they don't see themselves as a philanthropist. We want more people to see that, and then help their family to understand that the community is better off. Giving is so intrinsically rewarding. Most donors feel that they have gotten more from their gifts than they have given.

Gary Krosch: We sincerely appreciate the opportunities we've had, and the success we've enjoyed living in St. Louis. We don't have children, but we do have nieces and nephews whose lives we could unnecessarily complicate by leaving them too much money. For us, it feels most appropriate to donate nearly all of our wealth to causes dearest to us in the St. Louis area. We are privileged to have that opportunity. It's important that the rich tradition of philanthropy by St. Louisans be sustained forever. We believe each generation has a responsibility to pass this message along to the next.

Michael Staenberg: One of my greatest legacies is going to be if my kids and my grandkids maintain the same level of commitment. I want them to be good corporate citizens. It's easy to take; hard to give. I always tell them, you don't give to get; you give to give. That's really what I'm trying to inspire. People say to me, "Why do you give this money?" Because it makes me feel good. There's no higher calling than to give. I've been lucky. As Gary said, I like St. Louis. I could live anywhere but I like living right here in St. Louis. I'm not moving. And I want to make sure this place thrives. We've got a great community. It's a very charitable community. As I said, United Way is the fifth-largest United Way. It's unbelievable. And there's a lot of good that can come from that. And if we're all pushing together in this philanthropy, or whatever it is, we will be a better community.

Giving is an investment that always appreciates.

The Regional Business Council is proud to announce the 2016 It's Our Region Fund grant recipients:

100 Black Men of Metro St. Louis
Almost Home
Asthma & Allergy Foundation of America, St. Louis Chapter
Boys & Girls Club of Greater St. Louis
Boys Hope Girls Hope of St. Louis
Calhoun County Council for Senior Citizens
Christian Activity Center
Delta Economic Development Corporation
DeSales Community Housing Corporation
English Tutoring Project
HomeFirst STL
Kids in the Middle
Lafayette Industries

North Campus Partnership
North Side Community School
Oasis Women's Center
Radio Arts Foundation
Ritenour Co-Care, Inc.
Sherwood Forest
St. Louis Artworks
St. Louis Crisis Nursery
St. Louis Fire Department
Lifesaving Foundation
St. Louis Internship Program
THE COMMUNITY
The Family Treehouse (TWIGS)
The Haven of Grace
The Village
Warren County Council Against Domestic Violence
We Stories
Wings of Hope



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