

Trust Talks Episode #5: Making Philanthropy Your Own

Kristen Carlson Vogen: Hi, I am Kristen Carlson Vogan, senior director of philanthropic services at The Chicago Community Trust. The Trust is a platform for change that connects philanthropy to impact for a stronger, more prosperous Chicago region. For over 100 years, the Trust has united generous donors, committed nonprofits, and caring residents to affect lasting change that moves our entire region forward. Today, we have the opportunity to speak with three of those generous donors about how the Trust helps them connect their philanthropy to impact.

Before we get into the interviews, I want to provide a little background on the Trust's wealth gap strategy. Historically, the Trust has focused its discretionary dollars on where the need was the greatest. So, shortly after we were formed in 1915, the focus was the aftermath of the world war. Forward to 2008, with the Great Recession. We founded the Unity Fund, enabling people from all walks of life to help those in greatest need. Two years ago, we concluded a strategic analysis of what is core to holding our region back. We landed on the racial and ethnic wealth gap. By closing that gap through individual, neighborhood, and community-driven investments, we believe we will achieve our vision of a thriving, equitable, and connected Chicago region where people of all races, places, and identities have the opportunity to reach their potential.

While we have always been a partner for donors who wanted to leave a legacy for our region through their estate over the years, we have evolved to make sure that we can advise and help donors while they are alive and what it is that they want to do to give back. And so, with great pleasure, I have with me today Lucy Baird, Brian Barnes, and Sequane Lawrence. I would like each of you to introduce yourselves, share a bit of your background, and how it is that you are connected to the Trust.

Brian Barnes: I grew up in Naperville, Illinois. My connection with the Trust started with my mom. She, unfortunately, passed away in 2017. As part of her estate, she had set up a gift trust for myself, my brother, and my sister. So, there's money to be given out of there. I'm an entrepreneur and started a company called M1 finance. It is an online personal finance platform that combines banking and brokerage into an application and has rated some wealth through that mechanism. So, it started with my mom's introduction, and since then, I have formed a relationship with the Trust over the past four or five years. Now it is a combination of investing the assets for philanthropic investments, as well as distributing assets, primarily to Chicago philanthropic endeavors.

Sequane Lawrence: I was born and raised in Chicago; born in North Lawndale and then moved into the Robert Taylor Homes, the projects, in the early '60s. I went to college on the East Coast and have been

married 42 years to my wife, who also has been involved with the Trust for some time now. I have had a formal relationship with The Chicago Community Trust for 15 years now. I was the fortunate recipient of a fellowship, which allowed me to study something dear to my heart. Also, the Trust was critical in catalyzing an organization that I am still a part of, Fathers, Families, and Healthy Communities, 10 years ago. My father's family helped the community along with the money that the Trust provided funds of the Trust provided along with open society foundation has done good, great work supporting noncustodial fathers in the city of Chicago. I am also on the African American Legacy fund board, so there are lots of relationships and lots of ties here.

Lucy Baird: My connection to the Trust comes from both my family and our family business, Baird and Warner. We have had a relationship with the Trust since the '60s or '70s. We are not sure when it originally started with a family fund. But I think our robust relationship with the Trust started in 2002 when we worked with the Trust to start our charitable arm called Goodwill Works, which is a part of our company.

KCV: Thank you so much. I think everybody who gets to listen to this podcast will be impressed with each of you for what you're doing. So, thank you ahead of time. Brian let's start with you. I know that you're busy with your company. You have already mentioned M1 Finance and what it is that you're doing there, but you still want to make a difference in the region. I know that from conversations that we've had in the past. How does the Trust, through your philanthropic advisor, help you advance your philanthropic values?

BB: There are two components. At 31 years old, I know that philanthropy is going to be needed now, five years from now, 10 years from now, 50 years from now; there is a perpetual aspect to the need for philanthropic gifts moving forward. There is a pool of capital in the gift trust, and we want to see that appreciated so you can give more in the future. But then, it is also being able to invest in things that can be delivering value currently. A lot of the investment decisions that are for a return are things that also align with the philanthropic goals of the Trust. For example, putting money into fixed-income funds that are providing subsidized loans for people that need it. There is an expectation of return, but in the interim, it can still help people and families and small businesses that need it—the same thing with green investments and the like. There is an investment mandate that has both investing in things that are objectives that I would like to further. I do try to give out 1 percent of the Trust assets a quarter.

I am busy with the company that I run. The Trust has been fantastic in finding charitable organizations that match the causes I care about and am passionate about. I ascribe more to if you are going to teach a person to fish or give them a fish teach them to fish type thing. So, I really focus on early childhood education. My firm is a technology firm, so I am a big proponent of technology, with the ability to do more with less, and it is a finance firm using finance to deliver quality. The organization that I have been most aligned with is Junior Achievement of Chicago. I have given considerably both time and resources to them

to further their goals that are focused on those three things: childhood education, work readiness, and financial education.

KCV: You've described working with early childhood education and thinking about tech and all of that. Are there other priorities that you have, or how else do you think about your giving?

BB: A lot of the funds from the Trust came from my mom. She was one of seven sisters, grew up in a household where they all shared one room, and where they had pretty humble upbringings. And she was able to be quite successful in America and do quite well raised to become CEO of Sarah first Pepsi and then Sarah Lee. She ascended from humble beginnings to esteemed in the corporate world. I think she realized that she was the benefactor of opportunities and successes and realized that not everyone is born on the same starting point. I think anything that can be done to help those that are disadvantaged to have the same economic opportunities as everyone. I was fortunate to be born on third base, so I think my giving is dedicated to giving the same opportunities that exist to me and my peers, too, to everyone who might be a little bit more disadvantaged.

KCV: Sequane, you mentioned being a Trust fellow, and I know that that's important to you. You mentioned that you've joined the board of African American Legacy fund. Why did you do all of that, and how has that interaction influenced your philanthropy?

SL: The fellowship, as I was alluding to earlier, allowed me to travel and study in ways that most people in our nonprofit sector and particularly in workforce development and economic development, we're not allowed to. We don't have the resources to, so that was a big deal. It allowed me to take a delegation of other philanthropic leaders and practitioners. – I took my college professor on that trip – it was a really big deal. We were able to study and learn about how you create democratic economies and how you create cooperatives. Which in areas we studied were, I mean, they turned around the Spanish the bass region and was able to look at what is happening in Cleveland, and the evergreen, the found the worker on the co-ops really catalyze by the Cleveland Foundation in Cleveland. And so again, taking folks and creating a kind of community knowledge around worker cooperatives was important.

I was asked to join the African American Legacy fund board a couple of years ago, and I accepted. The reason I accepted is that I'm interested in this idea of giving to groups that are kind of startups that may be social entrepreneurs. They don't have a lot of money, but they have great ideas. For me, this was a way to catalyze some of these groups and provide some seed funding that allows them to leverage that funding and get more funding. This year, I went on over six site visits as our board looked at our portfolio and whom we were going to grant to. I got a chance to learn firsthand what some of these groups are doing. Some of these organizations in the African American community that don't have a lot of money are doing incredible work. Now what I'm asking us to do is to raise a lot more money to figure out a way to

leverage what we already give, which is approximately 200 and something, to see if we can quadruple that and lean in to support these groups that are doing incredible work.

KCV: I haven't heard that goal yet, so that's great to hear that you're pushing that forward. I know that you recently opened a Donor Advised Fund with us, and I've heard that you are challenging some friends. I heard there's a challenge of 10 out there that you want to have to open your bio sounds before the end of the year.

SL: On November 17th, Helene [Gayle, Trust President and CEO] and I are going to be talking to a whole bunch of folks. The response has been rather good, but I'm committed to getting more folks, particularly folks in the African American community, to open Donor Advised Funds. One of the things that I want everybody to understand, if they don't, is that it's an incredible tax shelter. I mean, it's a very, very smart thing to do, period. I'm also encouraging people to put that money on the street. Not to just stack the money and keep it there into perpetuity and get the tax benefit, but to use it to do good. I'm challenging folks to do two things. One is to get them to think seriously about opening a Donor Advised Fund specifically with the Trust, but then to think about how we might be able to create a community of donors with some shared interest and use our giving.

KCV: That's great to think about how that can be done together. Thank you for that. Lucy, I want to turn to you. You mentioned the company, Baird and Warner, and your involvement with that. Recognizing Baird Warner has been around in Chicago since 1855, that's a long history. I discovered that some of the only surviving artifacts from the Great Chicago Fire were in the vault of the Baird Warner office. That's phenomenal. You mentioned the history with the Trust in particular since the 1960s or '70s. Tell us more about that connection that Baird Warner has had with the Trust.

LB: As you mentioned, we've been a part of Chicago since the 1850s. Being a corporate citizen has always been how we've run our business, in a less formal way early on. Our relationship with the Trust started in 2002, when we wanted to formalize how we were giving away money. It was a response from our people wanting to give back after 9/11. That's really what spurred us to start this fund. We wanted to get money out quickly. The Trust was integral to that because we were one of the early Donor Advised Funds at the Trust. If I'm understanding correctly, I wasn't around then, but that's what I've been told. It allowed us to focus on giving the money away. And the Trust was an advisor for us and did all the back end of running the fund, which was helpful for us to get it rolling quickly. Since then, we've had a relationship with the Trust. Our charitable arm just continues to expand.

KCV: When you say the charitable arm continues to expand, share a little bit more about that.

LB: Our charitable arm has been around since 2002, as I mentioned, but in the last couple of years, we rebooted it. The interesting thing about it is how the money is raised. It comes from everyone in our

company. We are a company that works in real estate. We are a residential sales business, a mortgage company, and a title company. That means that a lot of the people in our company are independent contractors, which is a different status than employees. But each segment of people in our company gives back. Our employees donate to Goodwill Works from their paychecks, our independent contractors give a small percentage on each transaction, and then we match that. Then, the family also gives every year to Goodwill Works. Then, that money is given out in the community in the spirit of empowering homeownership. That's really what we are focused on, and we have a few different ways that it's given out. We have a matching program for both our employees and our independent contractors, which I found out is quite unusual, particularly to match independent contractors. We match both monetary donations and volunteer hours. We also give all our offices, which are all over Chicagoland, grants to give out in their community. Then on the corporate level, we give large grants out that are focused on empowering homeowners to strengthen communities with focus areas in financial empowerment, racial equity, and fair housing.

KCV: All three of you are representative of so much of what can happen within our Chicago region for philanthropy. There are a lot of options out there to support philanthropy, whether it's through the Trust or other ways you have been involved in philanthropic efforts. Why did you choose to work with the Trust?

SL: I think it's one of the more incredible philanthropic institutions in the world. I've thought that for a very long time. I'm interested particularly now, given that the Trust has a north star in closing the wealth gap. For me, I'm interested in what we might be able to do to support social entrepreneurs, and I think this is taking a page out of Brian's book of social enterprise; how do we use markets? How do we create an opportunity where the return on investment does not just share profit, but it's also social. I just think that all you all are doing now it's just seminal. And I think it has the potential to do something heroic at a time when I think that's what is required.

BB: I work with the Trust for a handful of reasons. One is the perpetual nature of things. A one-time gift could have gone directly to the various organizations that the money funds. But the intent and want is to have the money last over incredibly extended periods, given over to different causes over prolonged periods, and having the Trust as the conduit for that gives it the perpetual nature. I very much view the Trust as a portal into every philanthropic cause that my siblings want to support. We as individuals don't have the resources to do the due diligence, find all the different causes the rate one against the other have the calls. Having the Trust stand in as experts within that is incredibly helpful to able to say, 'Hey, here's an area that I'm passionate about, and here are the things that I want to fund and support, or get involved with.' Then having a curated list supplied and the introductions made is incredibly helpful. So, there's a sort of relationship aspect and knowledge aspect that's incredibly helpful. Then, the final thing is it's in my family's backyard of Chicago. This is where I grew up, was raised, I currently live, and where 300 of my employees are. Giving back to the local area to make the city better for all people is something that I'm quite passionate about.

LB: I think we share a lot of the same reasons that have already been mentioned. But for us, I think local was a big part of it. We're a Chicagoland company, we're passionate about Chicagoland, and that's where the bulk of our giving is. The ability that the Trust has in recommending to us and working with us to understand where the best places are to give in Chicago that couldn't come from anywhere else.

KCV: I want to thank you for spending the time, for all the generous philanthropic efforts you do inside and outside of partnering with the Trust, and for what you do. I also want to acknowledge all the donors that we have. You are standing for all the people we work with, and we want to recognize and appreciate all of them. The Trust does a lot of different things. You all have described very well. We do have several affinity funds, including the African American Legacy fund that Sequane mentioned. We have ways that we work with corporations. We have many ways that we're working with individuals. There are also ways that people can give support to what it is that the Trust is doing. As we talk about reducing the racial and ethnic wealth gap, there are ways that individuals, private foundations, and other types of giving entities can give to align their giving with what we are doing. I do invite everybody to visit cct.org/donors, to learn how they can engage with the Trust and how it is that we can all be thinking about how we can grow our region, as Lucy said, the whole Chicago region, how we can make that even better than what it already is. Thank you so much for being with us today, and have a great rest of your day.