

Madison Gives

Fall 2021

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Mission

The mission of Madison Community Foundation is to enhance the common good through philanthropy. **Join us.**



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SUPPORTING OUR COMMUNITY, TOGETHER

This is quite a time we're in as we enter a new season. COVID-19 cases, after taking such an encouraging dip this summer, sadly, are increasing.

Fortunately, Dane County has one of the state's highest vaccination rates. Let us hope that in the days ahead, with great care by all, we will see progress as we all strive to have our children, families, schools, businesses and economy thrive.

Everyone on your Madison Community Foundation (MCF) Board of Governors is so thankful for all our generous donors and so proud of our outstanding staff who, working with amazing community partners, have helped our community, particularly the most vulnerable, recover from the impact of the pandemic and unrest to get back on track for success for all.



Despite the challenging year and a half we've been through, we have so many "good news nuggets" to celebrate: from supporting food pantry shelter needs to helping provide parents support to navigate remote learning technology with their children. We helped more than 170 area nonprofits successfully apply for forgivable federal loans, already bringing in more than \$27 million to our community, and provided technical assistance and financial support to multiple capital campaigns to strengthen libraries, food pantry gardens, the arts and more.

We can all be proud to be a part of one of the top performing community foundations in the country, where we carefully steward and invest our resources, enabling us to enhance our common good and build an equitable community for all. Together with our fundholders, over the last year MCF distributed \$29 million, making more than 2,000 community-changing grants. We welcomed 43 new funds, adding to the 1,200 already held, and many new Legacy Society members.

In the coming weeks, we will launch our annual appeal. Gifts to MCF through this appeal will help us do much, especially as the community works to recover from the pandemic. We thank you for joining us.

Onward and here's to you and our continuing good work ahead!

Roberta Gassman
Chair, Madison Community Foundation Board of Governors

Roberta has served in leadership roles in all levels of government including federal, state, city and county. Most recently, she served as the Deputy Assistant Secretary for Employment & Training in the administration of President Barack Obama at the U.S. Department of Labor in Washington D.C., and as the Secretary of the Wisconsin Department of Workforce Development in the Cabinet of Governor Jim Doyle. As an Honorary Fellow at the University of Wisconsin-Madison School of Social Work, she has also taught macro and policy practice to advanced graduate students from multiple departments.

MAXIMIZING LONG-TERM SUPPORT WITH ASSET ALLOCATION

The asset allocation strategies MCF uses to invest our portfolio have a direct impact on the level of support we — and our fundholders — are able to provide to the community. As an endowment investing for perpetuity, MCF has an investment time horizon that allows us to incorporate investments beyond traditional (liquid) stocks and bonds. One of these strategies is our allocation to private investments. Specifically, MCF targets a 25% allocation to various private investment strategies.

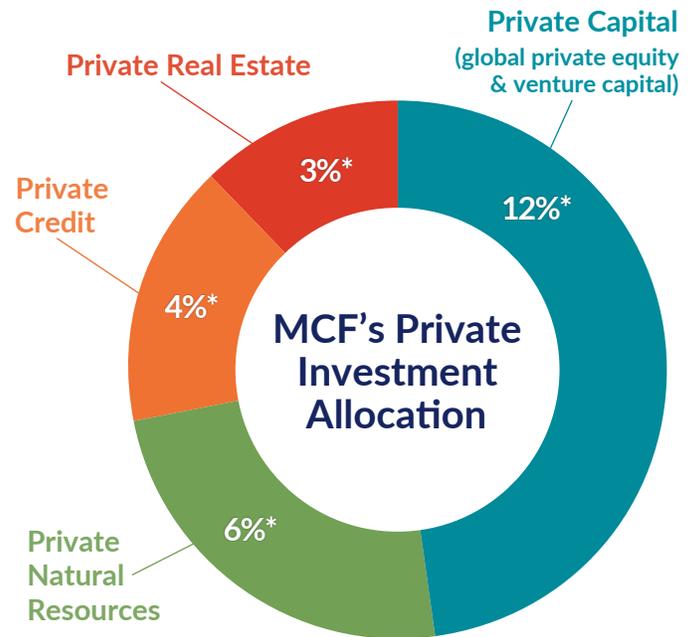
What Are Private Investments?

Private investments are not traded on a public exchange, and include private equity, venture capital, private credit, private natural resources/sustainability and private real estate (see graph). These investments are illiquid and typically held in a private fund that has a life of anywhere from seven to 15 years. During this time, the private fund manager “calls” capital from its investors, places that capital into private businesses or other assets, and then “harvests” or “exits” the investments, seeking to return capital and any associated returns to investors.

Private market fund managers often are engaged in the management of the companies or assets in which they invest, helping companies with operating efficiency, product positioning, business strategy or leadership development. This engagement is seen as a key driver of a private manager’s ability to create value and generate returns to investors.

Why Allocate to Private Investments?

MCF’s allocation to private investments provides us the potential for higher returns and diversification benefits. In exchange for locking up capital in these illiquid investments, private market investors may benefit from a “liquidity premium,” or a return in excess of what they could achieve in public markets. The extent to which a portfolio actually captures the liquidity premium depends in large part on portfolio construction and manager selection.



**Percent of total asset allocation in MCF's investment portfolio. MCF targets a 25% allocation to private investment strategies.*

The private investments in MCF’s portfolio are diversified by asset class, strategy, sector, investment manager, geography and vintage year. Because of the long-term nature of private capital investments, MCF has made commitments to private funds over several years, building to its target allocation over time. This spreads the portfolio’s exposure across multiple cycles and tempers the risks of market timing.

MCF has invested in private markets for 15 years. During that time, the private market allocation has generated excess returns relative to the public market equivalents and has served to increase the endowment’s total return. Since 2006 (through March 31, 2021), MCF’s investments in private equity, venture capital and private natural resources have generated a net return that is 5.0% higher than their public market equivalent indices.

WHO OVERSEES MCF’S INVESTMENTS IN PRIVATE MARKETS?

MCF’s Investment Committee, in partnership with Commonfund, our outsourced chief investment officer, has done extensive analysis of MCF’s ability and willingness to allocate to private investments. The committee reviews this allocation periodically to affirm its appropriateness for the portfolio.

Commonfund has been investing in private funds for more than 30 years. As a result, it has been able to provide MCF access to many private investment strategies, some of which have been “closed” to new investors.

THE PLAYING FIELD

One Innovative Nonprofit,
Two Early Education Centers,
and a National Model



‘Jasmine’ (not her real name) had been expelled from every preschool program she’d attended before she came to The Playing Field. When her family drove by the schools she’d attended, Jasmine would say, “Those people hate me.” She was a living example of a tragic statistic: the rates for preschool expulsion are four times higher than K-12.

Abbi Kruse knew the problems facing families of children like Jasmine. And she had a vision to address them: an early care and education model designed to break down barriers faced by low-income families in accessing high-quality early care and education.

Right Time, Right Place

In 2014, Kruse had accepted a position at the UW-Madison Preschool Lab as director. Shortly afterward, Early Head Start approached the Preschool Lab to partner in serving children experiencing homelessness — just as the School of Human Ecology was deciding to close its Preschool Lab. The Head Start offer made it possible for Kruse to act on her vision. The result? The Playing Field.

The Playing Field began operations on Madison’s near west side in 2015. “Abbi had a dream to bring top-quality early education to all kids, regardless of race, economic status, homelessness. She went way out on a limb to make it happen,” observed Playing Field board president Tom Popp. The Playing Field’s approach is research-based, hands-on and innovative in its methodology.

A second location on Madison’s east side was in the planning stages when the coronavirus pandemic hit. Despite fears about the timing, Kruse is glad they persevered, helped in part by a field of interest grant from MCF.

“What kept me going was that I just kept hearing about the need” for childcare, Kruse said. “We found out that there were over 60 families sheltered during the pandemic in a hotel right behind the location we’d identified. Opening our second preschool when we did allowed families to go back to work and get back on their feet.”

Meeting Children and Families with Conscious Discipline

At the core of The Playing Field’s methodology is Conscious Discipline[®], an evidence-based, trauma-informed approach practiced with children and their families. The Conscious Discipline method rejects judgments about “good” or “bad” behavior. At the Playing Field, the focus is on getting each child to experience success.

“It flips that judgment completely upside down. All behavior is communication,” Kruse observed. Misbehavior means “a child is either missing a skill or asking for help.”

To support Jasmine, Kruse looked for ways for her to experience success. “I noticed that every time she was around a baby, she would light up with joy.” Kruse arranged for Jasmine to help with Baby Doll Circle Time.® “She went from a little girl who frequently said, ‘people hate me’ to literally swaggering down the hall saying ‘babies love me,’” Kruse said.

Providing Stable Relationships

Consistent relationships also are crucial, especially for children like Jasmine. “Our model is built on the understanding that emotional attachment is the best buffer against adverse childhood experiences,” said Kruse.

Nothing prepares teachers for how heart-wrenching it can be working with kids who have been affected by trauma. The Playing Field works to help teachers manage that stress with intensive staff training and mentoring by other teachers. This has helped reduce turnover, which is crucial to maintaining a stable relationship for the kids.

“For some kids, this is THE place where they have a bonded connection with a caring adult,” Popp explains. “We want to keep kids with the same staff member for as long as possible.”

The teachers at The Playing Field really do care about the kids. “The teachers worked so hard during the pandemic, despite their personal fear and fear for their families,” Kruse explained.

“We were able to meet the needs of the children by staying in the moment,” Kruse continued. “But the adults definitely felt the stress because we weren’t able to keep up some of those family connections that are so important.”

What’s Good for One Is Good for All

The Playing Field’s most recent innovation, a sensory playground funded with help from the Attic Angel Association, opened in July 2021. “We’re extremely grateful to be able to provide those experiences to all children, but especially those that have any kind of sensory needs”, Kruse said. “Core to our mission is combining kids impacted by trauma alongside children from the community. The playground provides another opportunity for them to interact. Both groups of children learn from each other.”

Popp added, “It’s a magical mix that feels important, given that Dane County is one of the worst places in the country for outcomes for people of color.”



What’s Next?

Today, the Playing Field’s board is focusing on diversifying its revenue streams. The group recently established an endowment with MCF to provide long-term support for the work that they are doing. “Some people want to give for a specific immediate need that excites them. Others want to make a gift that will support the organization in perpetuity,” Popp said. “Both are important for the long-term stability of any nonprofit.”

Meanwhile, Kruse and her leadership team are working to raise money for a permanent new home for the East Side location that will include classrooms and observation areas in addition to its child care spaces. “With this facility, we can expand our ability to train other educators on Conscious Discipline and our trauma-informed practices,” said Kruse, who is nationally sought after as a speaker and trainer.

“This is not just another place where you can stick your kids while you go to work. It’s a national model for how to do early childhood care and education right,” said Popp.

To see updates on The Playing Field’s new facility and learn more about the work it’s doing, visit <https://playingfieldmadison.org>

DIMENSION IN SOUND AND THE STUDIO ORCHESTRA

Bringing Big Sounds to Seniors

For 45 years, Dimensions in Sound has played its big-band repertoire for the greater Madison community. Its sister group the Studio Orchestra has performed light classical numbers for 43 years. The two performing groups make up the Madison-area nonprofit named DISSO for their combined initials.

A Bicentennial Project That Took on a Life of its Own

In Madison's Hill Farms neighborhood, the U.S. 1976 Bicentennial sparked Van Hise Middle School (now Hamilton) music teacher Lonnie Nofzinger to organize a marching band for the neighborhood's annual 4th of July parade. The group, many of them parents of Nofzinger's students, enjoyed the experience so much, they agreed to continue. Soon Nofzinger and his musicians wanted to do more than just play together. They wanted to perform.

After providing music for several teachers' events at the middle school, the group expanded its reach. Nofzinger reached out to local senior centers and nursing homes, and before long the group was sharing music with those who otherwise couldn't get out to musical events.

The Satisfaction of Swinging for Seniors

While the groups today perform at a range of events and facilities, the Dimensions in Sound members take particular pleasure in performing at senior living facilities. "It didn't take long for us to see how much they loved it," said Ann Weber, tenor sax, the sole remaining original member still playing in Dimensions in Sound. "After we played, they would share their stories about what a particular tune meant to them."



Band members have seen listless residents come to life when the music reaches them, reinforcing the impact music can have on mood and overall health for older people.

Bringing the Music Back

Then came COVID-19. When performing in residential facilities became impossible due to pandemic restrictions, DISSO got creative. The organization put together recordings of past performances, with some conversational interludes resembling the in-person discussions, and distributed them on flash drives to places where they would ordinarily perform. The content could be used for small socially distanced gatherings or one-on-one with residents. "We got a nice response to that," Weber said.

DISSO continues to adjust to a changing world. They are considering adding some smaller performance groups (since some facilities can't accommodate the 17-member orchestra and 35-member band) and offering more midday, midweek concerts. And, because "the times they are a-changin'" even in senior housing, Dimensions in Sound has added some '60s rock to their repertoire. "But we'll always play the Beer Barrel Polka," Weber concluded.

You can learn more about DISSO and where they are playing, when the pandemic allows, at <http://disso.org>.

A GIFT TO KEEP THE MUSIC PLAYING

While the musicians in both Dimensions in Sound and The Studio Orchestra are volunteers, DISSO isn't free to operate. Even at the start, the groups faced expenses, including music and arrangements for the pieces they performed. In the early years, Nofzinger, who passed away in 2005, shouldered most of DISSO's expenses himself. Today, donations and grants — including one from MCF — help meet expenses.

DISSO also is supported by an endowment fund held at MCF. A generous donor recently established the fund using a qualified charitable distribution (QCD) directly from his individual retirement account (IRA).

QCDs allow donors who don't need their IRA distributions to use those funds to support an organization they care about. If you'd like to learn more about how a QCD works, give us a call.

Community Impact Grantmaking at Madison Community Foundation

MCF's Community Impact grants advance initiatives that have a long-term impact on lives and our community. The grant application process begins in August, and grants are awarded at the end of December. The impact lasts much longer.

INQUIRE



01. Submit letter of inquiry

The process begins with nonprofits submitting a letter of inquiry (LOI). MCF staff reviews these to ensure eligibility and fit with MCF's mission and focus areas.

APPLY



02. Receive invitation to apply

Organizations whose LOIs have been approved are invited to submit a grant application summarizing the project, its purpose, proposed outcomes and other sources of funding.

REVIEW



03. Staff reviews

MCF staff consults with applicants and offers evaluation training, then reviews full grant applications and provides recommendations to the Grantmaking Committee.

RECOMMEND



04. Committee chooses

MCF's Grantmaking Committee reviews the grant applications and staff comments and recommends to the Board of Governors which projects to award.

APPROVE



05. Board approves

At its December meeting, the MCF Board of Governors votes on funding the grant recommendations.

AWARD



06. Organizations notified

Staff contact organizations to let them know whether their grant request was approved or not.

IMPLEMENT



07. Programs change lives

Organizations implement their programs, enhancing lives in the community.

REPORT



08. Measurable Outcomes

Organizations use the proposed outcomes and the indicators they identified in the application process to determine their program's effectiveness.



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YEAR-END GIVING DATES TO REMEMBER

December 1

Talk to your broker to initiate a gift of mutual fund shares

December 7

Initiate any stock gifts you have planned

December 15

Last day to submit grant recommendations from your fund

December 31

Donations must be received by MCF or postmarked by today



MCF'S LEGACY SOCIETY: Committing to the Community's Future

Every fall, MCF recognizes the people who have made a commitment to the future of our community with a planned gift from their estate. These generous forward thinkers create a legacy of support for the causes and organizations they value, benefiting our community long into the future.

The Legacy Society is our way of acknowledging that commitment to the future, today.

Our event is filled with heartwarming stories of the impact people are making through their estates. People like Cliff Voegeli, who left a legacy of support for Sharing Active Independent Lives (SAIL), a program run by AgeBetter.

Cliff began volunteering at SAIL in his retirement and became passionate about the organization's mission of helping seniors age in place. In 2014, Cliff approached Ann Albert, who was then the director of SAIL, about leaving a planned gift to benefit the organization. Ann referred Cliff to MCF, and we were able to help him establish a charitable gift annuity naming SAIL as the beneficiary.

Cliff's gift inspired SAIL to establish the SAIL Fund, a permanent endowment to support its mission. When Cliff passed away in 2020, at the age of 92, his thoughtful gift helped grow the SAIL Fund.

His legacy is alive in AgeBetter's efforts to enhance the quality of life for older people in our community. And the organization is stronger today because of his gift and the culture of philanthropy he nurtured.



On September 17, MCF staff helped plant trees at William G. Lunney Lake Farm Park in Madison in honor of our Legacy Society members.