

Association of Trial Lawyers of America: How It Works with Ralph Nader Against Tort Reform

Unholy Marriage Costs Economy \$200 Billion A Year

by Neil Hrab

Summary: The movement for tort reform has been stalled by an unholy alliance of trial lawyers and consumer advocates eager to preserve the power to sue. But few Americans understand the ties linking Ralph Nader-inspired groups to the Association of Trial Lawyers of America.

America's trial lawyers lost Big-Time when the Democrats failed to win control of either house of Congress last November. Trial lawyers as a group tend to support Democrats, and the political action committee of their professional organization, the Association of Trial Lawyers of America (ATLA), is a reliable ally of the party. As the most recent mid-October election finance reports show, ATLA's political action committee contributed \$2,235,753 to congressional candidates in 2002, and 87 percent went to Democrats. In 2000, ATLA donated \$2.6 million to candidates, and 86 percent went to Democrats. (See Box on page 3).

Trial lawyers are the officer corps of our civil justice system. When Americans bring lawsuits against corporations or individuals they believe guilty of wrongful acts causing personal injuries, or "torts," they typically get themselves a trial lawyer. But the civil justice system through which trial lawyers seek legal remedies has become oppressive for accusers and accused alike. It imposes costs of more than \$200 billion per year on the U.S. economy, according to *Forbes* magazine (May 13,



Ralph Nader and the trial lawyers have been close political allies. But Nader's Green Party ambitions threaten to undermine that relationship.

2002). Manufacturers, insurance providers, physicians and service providers face enormous potential liability penalties should they fall afoul of persuasive lawyers and indignant juries. And the costs they incur defending themselves drain away funds that could go to creating new jobs and fuelling research into new products.

The torts system needs to be fixed, but ATLA is one reason why tort reform is stalled. ATLA works against reform in tandem with Democratic Party office-holders and with nonprofit consumer advocacy groups, including many connected

to Ralph Nader, the Green Party's 2000 presidential candidate. Each organization provides manpower and expertise, but

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ATLA provides something more: funding. ATLA's support for Nader-related consumer activist groups and Democratic candidates has created a highly successful political lobby bent on protecting the current tort system.

Yet the prospects for tort reform are improving. The 2002 election gains of pro-tort reform Republicans are certainly important. But perhaps as important is an internal split that has opened up between Nader and the trial lawyers who blame him for Vice President Al Gore's defeat. Nader's strong commitment to the Green Party has undermined his reputation among his lawyer allies, and Nader-backed groups have lost trial lawyer contributions. This, too, could improve the prospects for tort reform.

History

The Association of Trial Lawyers of America traces its history to 1946, when a small group of plaintiffs' lawyers set up a workers' compensation group called the National Association of Claimants' Compensation Attorneys (NACCA). Fewer than 40 lawyers attended NACCA's first annual convention; today, ATLA (re-

named in 1972) boasts a membership of 60,000. Members pay dues from \$25 to \$315, depending on experience and legal specialty. They receive a subscription to a monthly magazine called *Trial* and access to an array of information resources. ATLA headquarters in Washington, D.C. supports a staff of nearly 160.

ATLA didn't begin as a political powerhouse. As late as 1979 its leaders lamented the lack of funds in ATLA's first political action arm, the Attorneys Congressional Campaign Trust (ACCT). To put things in perspective: ACCT gave just \$400,000 of the \$192.8 million that House and Senate candidates received in the 1978 elections. ATLA had to appeal to its members for more ACCT contributions in 1979, noting that "the American Medical Association (AMA) contributed \$1.6 million" to candidates the year before.

ATLA members saw themselves as politically isolated, fighting alone against corporations, insurers and physicians. In 1983, then-ATLA president Richard F. Gerry told his members "We will always be outnumbered. We will always be outspent. We will seldom have allies."

Civil Justice Foundation

How things have changed. In July 2001, former ATLA president Fred Baron gloated that his political action committee "is now the nation's second-largest contributor to candidates for federal office." He savored the impression of many that ATLA was more powerful than either the AFL-CIO or the U.S. Chamber of Commerce.

But besides politics trial lawyer contributions also influence public policy through ATLA's contacts with many ostensibly non-partisan groups affiliated with the "consumer movement." Through a unique 501(c)(3) organization called the Civil Justice Foundation (CJF), ATLA links its professional self-interest to the policy agenda of special interest advocacy groups. The Foundation, which is supported by ATLA member contributions, is in Washington's Georgetown neighborhood and operates out of the same building housing ATLA headquarters.

CJF's stated purpose is to make "grants to progressive grassroots organizations seeking systemic change." An eligible organization must be a 501(c)(3) nonprofit and have an annual operating budget of under \$500,000. In 2001, CJF made small grants totalling over \$95,000 to activist groups that had diverse special interests. However, they share one common interest with ATLA: The activists try to achieve their aims by filing lawsuits.

Grants recipients in 2001 include:

- the **Aviation Consumer Action Action project** (\$15,000), a group founded in 1971 by Ralph Nader to sue and lobby for stricter regulation of the airline industry;
- The **Louisiana Environmental Action Network** (\$10,000) for its Air Toxics Project;
- the Wichita, Kansas-based **Sunflower Community Action** (\$10,000) to support a campaign against "predatory lending."

In 2002, CJF announced four grants totaling \$30,000. They include:

- **Gray Panthers**, a group founded in 1970 to coordinate senior activism. It received \$10,000 for a "Texas Pharmaceutical Reform Program."
- **Florida League of Conservation Voters Education Fund** received \$5,000 to support workshops and meetings for statewide environmental groups.

For the year ending July 31, 2000, CJF's IRS tax form 990 shows modest revenue of about \$260,000 and assets of not quite \$200,000. CJF reports that it employs only one part-time staffer. But this display of humility disguises the extensive support ATLA members provide consumer activists.

CJF's Nader Connection

In the mid-1980s, ATLA began to build closer contacts with consumer activists. The Coalition for Consumer Justice, an umbrella organization started by Joan

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ATLA Donations To Democrats

Trial, ATLA's flagship magazine, profiled the organization's new slate of office holders for 2002-03 in a recent article. Capital Research Center took the names of ATLA's present leadership and ran them through the Center for Responsive Politics' database of donors to political campaigns. Here are some highlights:

Mary E. Alexander **ATLA President**

Barbara Boxer — \$1,000 (2002)
 Max Cleland — \$1,000 (2002)
 Jeanne Shaheen — \$500 (2002)
 Jean Carnahan — \$1,000 (2001)
 Richard Gephardt — \$1,000 (2001)
 Mary Landrieu — \$500 (2001)
 Paul Wellstone — \$250 (2001)
 Dem. Cong. Camp. Cmte. — \$1,000 (2000)
 John Edwards — \$1,000 (2000)
 Dianne Feinstein — \$500 (2000)

David S. Casey, Jr. **ATLA President-Elect**

Democratic Senatorial Campaign Cmte — \$5000 (2002)
 Jean Carnahan — \$2000 (2002)
 John Kerry — \$2000 (2001)
 Tom Harkin — \$2000 (2001)
 Dianne Feinstein — \$1,000 (2000)
 Democratic Congressional Campaign Cmte — \$5000 — (1999)
 Dianne Feinstein — \$1000 (1999)
 Bob Kerry — \$2000 (1999)
 Democratic Senatorial Campaign Committee - \$10,000 (1998)
 Orrin Hatch — \$1,000 (2000)

Todd A. Smith, **Vice President**

Jean Carnahan — \$1000 (2002)
 Tom Harkin — \$1000 (2002)
 Jeanne Shaheen — \$1000 (2002)
 Jean Carnahan — \$1000 (2001)

Max Cleland — \$2000 (2001)
 John D. Rockefeller IV — \$2000 (2001)
 Joe Biden — \$1000 (2000)
 John Edwards — \$1000 (2001)
 Edward Kennedy — \$1500 (1999-2000)
 Dick Durbin — \$2000 (1999)
 Al Gore — \$1000 (1999)

Kenneth M. Suggs **Secretary**

Democratic Senatorial Campaign Cmte — \$1000 (2000)
 Mary Landrieu — \$1000 (2001)
 Joe Biden — \$1000 (2001)
 Tom Harkin — \$1000 (2001)
 Bob Kerrey — \$1,000 (1999)
 Al Gore \$2000 — (1999)
 John Edwards — \$1000 (1998)

Mike Eidson, **Treasurer**

Democratic National Committee — \$10,000 (2000)

Kathleen Flynn Peterson. **Parliamentarian**

Paul Wellstone — \$1000 (2001)
 Jean Carnahan — \$1000 (2002)
 Al Gore — \$1000 (1999)

(SOURCE: Center for Responsive Politics, www.opensecrets.org)

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Claybrook, showed ATLA how to create relationships with its “natural allies,” i.e., special interest activists who are not afraid to sue. Claybrook had worked closely with Ralph Nader since the mid-1960s and was president of Public Citizen, a consumer group founded by Nader in 1971. She describes the Coalition’s objective as lobbying for increased regulation of insurance companies (old foes of ATLA) and resisting insurance company demands for tort reform. Said Claybrook, “The insurance industry’s real goal is to limit our right to hold wrongdoers responsible for the permanent injuries they inflict.”

But when the trial lawyers met the consumer movement they discovered something about their “natural allies.” Roxanne Barton Conlin, an ATLA member who worked on the relationship building effort, expressed it well. “We quickly learned,” she recalled in 1992, “how close to the margin of existence many of these groups were...If these groups were to continue...they needed money.” A grantmaking organization that could provide regular transfusions of funds to ATLA’s new friends was essential. Conlin credits Claybrook for having “helped begin the foundation.” She continues to serve as one of seven consumer activist representatives on CJF’s 26-member board of trustees.

Since its 1986 founding CJF has contributed \$1.3 million to more than 100 consumer advocacy groups. (See Sidebar on page 5.) Grant applications stream to CJF, ensuring that ATLA supports groups that help keep trial lawyers abreast of new developments in “consumer advocacy.”

Public Citizen says it does not accept funding from ATLA. But trial lawyer contributions to Nader-backed groups reinforce the ties between them. In a 1999 interview Claybrook admitted that Public Citizen receives about \$200,000 per year in donations from individual trial lawyers.

Trial Lawyer Groups Oppose Arbitration

In August 2002, the U.S. Chamber of Commerce ran commercials calling for tort reform. To avoid costly court battles the

Chamber specifically endorsed arbitration as a less costly and contentious method to resolve disputes. ATLA and Public Citizen went ballistic. Public Citizen’s Tyler Slocum cast doubt on arbitration’s usefulness; he defended liability lawsuits as a way to force corporations to change their practices in ways “that benefited the consumer.” ATLA president Mary Alexander called the ads a “tragic misuse of our capitalist system.”

Why the heated rhetoric? Perhaps because in 2001 the number of arbitration proceedings—200,000—exceeded the number of public jury trials. Arbitration clauses are increasingly used in many contract settlements, including employment, credit, insurance, and securities agreements. Under an arbitration clause, consumers agree to resolve a contract dispute in arbitration rather than through court litigation. An impartial individual or panel hears the issues and decides how to resolve the dispute. Arbitration is fast and cheap.

Killing arbitration is an ATLA priority. A July 2002 article in *Trial* describes arbitration as “the ultimate tort ‘reform’ tool” because it takes “away a person’s right to trial.”

Last year ATLA was disappointed when the U.S. Supreme Court refused to weaken arbitration, and it began looking for help from Congress. ATLA supported a number of bills that would make arbitration agreements unenforceable, and it found a vocal supporter for its position in Nader’s Public Citizen. In May 2002, Public Citizen published a report attacking the practice of using mandatory arbitration in place of lawsuits. “This growing corporate maneuver is threatening the rule of law,” said Public Citizen’s Claybrook.

The last Congress passed no major legislation on arbitration, although one bill, the Motor Vehicle Franchise Contract Act sponsored by Senator Orrin Hatch (R-UT) and Rep. Mary Bono (R-CA) and signed by President Bush in November, banned arbitration agreements between automobile manufacturers and dealers. But it applies only to new agreements and is

not retroactive to preexisting franchise agreements. The President approved three other bills that seem to modestly expand the use of arbitration.

Arbitration is in the interests of consumers. In a recent Cato Institute study, Samford University law professor Stephen J. Ware argues that consumers benefit when corporations avoid exposure to class action suits and the exorbitant jury awards they encourage as well as to the drawn-out discovery process that occurs before a jury trial. Case Western Reserve law professor Michael Heise notes that the average length of all civil cases that reach a jury trial is just over two and one-half years. And the Committee for Economic Development estimates the discovery process represents 80 percent of the cost of a fully litigated court case. Arbitration’s focus on resolving the dispute avoids much of this cost.

In 2001 ATLA created a **Center for Constitutional Litigation** (CCL) that, according to former ATLA president Fred Baron, is a kind of “ATLA law firm” focused on “the critical work of challenging the constitutionality of tort ‘reform’ laws in the courts.” CCL assists ATLA as well as private clients who need “expert assistance” to challenge tort reform (e.g. caps on damages and federal preemption of state tort law). For instance, this year CCL attorney John Vail helped plaintiffs strike down an arbitration agreement that Duke University reached with a patient in a medical malpractice case. The case had gone to the North Carolina Supreme Court.

Another trial lawyer organization working against tort reform is **Trial Lawyers for Public Justice** (TLPJ). According to its mission statement, TLPJ is a formally independent public interest law firm formed in 1982, “at Ralph Nader’s urging.” But ATLA was well represented at TLPJ’s founding. An article in *Trial* marking the group’s 10th anniversary notes “17 former ATLA presidents” joined with “over 200 of the nation’s other top trial lawyers” to create TLPJ. Joan Claybrook also sits on TLPJ Foundation’s board of directors. TLPJ executive director Arthur Bryant, once the firm’s sole

Selected Civil Justice Foundation Grant Recipients

(selected from CJF's annual 2000-2001 report)

Center for Economic Justice (1998)

Located in Austin, TX, it received CJF funding for “publication of an insurance data handbook for consumer advocates nationwide.” A 1999 study criticized the state tort reform agenda of then-Governor George W. Bush. Thomas Smith, executive director of Public Citizen, is on the Center’s board of directors.

Center for Reliable and Safe Highways (1994, 1997, 1999)

California-based CRASH received several CJF grants, including one to create a resource library on truck safety. CJF board member Joan Claybrook is volunteer chair of CRASH. In 2002, CRASH joined forces with a group called Parents Against Tired Truckers (PATT) to create an alliance called the Truck Safety Coalition. PATT received CJF grants in 1997 and 2000 to require trucking firms to limit driver time on the road.

Center for Public Representation (1991, 1992, 1997)

CJF grants helped projects of this Wisconsin public interest law firm, including a guide for consumers “fighting insurance claim denials for birth defects and injuries.” CPR also distributes a book on how activist lawyers can build “social justice collaboratives.”

Committee for the Silent March (2000)

CSM collects thousands of pairs of shoes and mounts public exhibits: Each pair represents one person killed by gun violence. (Hence the “silent march.”) In May 1998, Brooklyn-based CSM took “a cue from the lawsuits which held tobacco companies liable for the health and other social and medical costs of tobacco use” and called for similar liability for gun manufacturers. A CJF grant to CSM in 2000 helped defray costs of “silent march” displays across the US.

Consumers for Civil Justice (1997)

This coalition of consumer, senior, union and other groups defends New Jersey’s civil justice system. A CJF grant helped the Trenton-based organization start a hotline for consumer complaints. The group’s website says it was formed “in 1993 in response to efforts in the New Jersey legislature to weaken the state’s tort liability laws.”

People’s Medical Society (1999)

America’s “largest medical consumer advocacy organization” acts as an information clearinghouse on medical conditions and offers remedies and advice on how to self-diagnose. A CJF grant pays part of the director’s salary. Charles Inlander, president of the People’s Medical Society, helped found CJF and is a past member of the CJF board of trustees.

Utah Citizens Alliance (1999)

CJF helped this Salt Lake City-based organization run a radio campaign on medical waivers. The Alliance defends the Utah civil justice system, lauding it in 1997 for its “critical role in monitoring the faultiness of the free market.” In 1998, an Alliance spokesperson described a tort reform proposal as an attempt to “subvert our civil justice system, allowing corporations to escape financial responsibility for the harm and damage they cause innocent citizens.”

Violence Policy Center (1991, 1993)

Two CJF grants to this D.C.-based organization defray the expense of studies of firearms policy. VPC believes gun violence represents “a widespread public health problem of which crime is merely the most recognized aspect.” It argues that the “civil justice system is the only mechanism available to regulate the conduct of gun manufacturers.”

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attorney, leads a staff of almost thirty, including eight attorneys and the staff of an affiliated TLPJ Foundation. The Foundation had \$2.3 million in revenue in 2001, including \$880,000 in member dues and assessments and \$802,000 from eight major (unnamed) donors.

In August 2002, TLPJ denounced 130 corporations for including binding arbitration clauses in contracts they give consumers when agreeing to provide goods and services. The group also publishes a manual and CD-Rom on how to fight consumer arbitration agreements.

In his valuable website "Overlawyered.com," tort reform expert Walter Olson notes the curious hypocrisy in lawyers' attacks on arbitration: Many attorneys rely on arbitration clauses to protect themselves from lawsuits brought by angry clients! But don't expect TLPJ to issue scathing statements against this practice anytime soon.

(See www.overlawyered.com/archives/02/may2.html)

No to Caps on Soaring Damage Awards

The **Center for Justice and Democracy** (CJD) is yet another anti-tort reform group linking Ralph Nader's consumer activist network to ATLA. Once known as Citizens for Corporate Accountability and Individual Rights, CJD is led by long-time Nader associate Joanne Doroshow. De-

spite its grand name, CJD has but two goals: It aims to persuade the media and policymakers that insurance industry greed, not the trial bar, is to blame for skyrocketing insurance rates. And it attacks any attempt to put controls on the amount of punitive damages that trial lawyers can demand in court cases.

Last August CJD published a 50-state study claiming that jury verdicts do not influence the insurance rates paid by physicians. "Lawsuits are not what is driving insurance rates," Doroshow told reporters. Earlier, Doroshow denounced President Bush for calling for a nationwide cap of \$250,000 in non-economic damages in medical malpractice suits: "It's really all about money, and that is what is driving him... I think he is completely out of touch with what laws like this do to people."

Doroshow is also co-founder of **Americans for Insurance Reform** (AIR), which claims to represent 100 community groups and 50 million Americans. In October 2002, AIR released a study claiming that the industry's market investments, not huge medical malpractice payouts, are responsible for physician insurance costs, which she claims "have been extremely stable and virtually flat since the mid 1980s." Doroshow used the report to claim that insurance companies have "been lobbying Congress for changes in the law designed to limit a consumer's legal rights by publicly putting out wrong and misleading

information."

But a 2002 study from the U.S. Department of Health and Human Services shows that doctors spent \$6.3 billion for malpractice coverage last year. Many doctors now engage in "defensive medicine," ordering tests and consultations simply to establish a defense against a potential lawsuit. According to HHS, "the direct cost of malpractice coverage and the indirect cost of defensive medicine increases the amount the federal government must pay... by \$28.6-\$47.5 billion per year." Nor does the insurance industry necessarily profit from medical inflation. St. Paul Companies, which covered 25 percent of the malpractice market in 12 states, announced it will no longer offer malpractice insurance after losing \$985 million in 2001. Other insurance companies also are pulling out of the malpractice market, especially in states not interested in tort reform.

The HHS study describes how the consumer pays for malpractice litigation. This year:

- The trauma center at the University of Nevada Medical Center in Las Vegas shut because physicians and surgeons working in the trauma center couldn't afford the malpractice premiums.
- Most cities in Mississippi with a population under 20,000 no longer have doctors to deliver babies

A Tax Conservatives Can Support?

The **Washington Legal Foundation**, a Washington, D.C.-based public interest law firm, has an innovative proposal for dealing with the litigation explosion. WLF suggests that an excise tax be imposed on all litigation that produces more than \$400,000 in attorney fees. "The funds could be used to help improve the administration of justice," says WLF chairman Daniel J. Popeo. An excise tax is also one way to force trial lawyers to give back something to a legal system from which they reap enormous benefits. Glenn Lammi, chief counsel of WLF's legal studies division, says, "We felt we had a good idea four years ago, and the litigation environment has continued to erode since then. Now more than ever, the excise tax idea is relevant - perhaps even more relevant than when we first proposed it."

- More than 40 doctors in Delaware County, Pennsylvania retired or moved out of state because of rising premiums.
- A doctor in a small North Carolina town retired early after his premiums jumped from \$7,500 to \$37,000 per year.

Joanne Doroshow and CJD claim to be pro-consumer. But Mark Alesse of New Yorkers for Civil Justice Reforms wonders why Doroshow's New York City-based groups work so hard to defend a tort system that imposes \$800 more each year in higher taxes, insurance premiums and medical care costs on every New Yorker. Economist Wayne Brough of Citizens for a Sound Economy notes, "Trial lawyers appear more intent on mining the legal system for personal gain rather than compensating the victims of accidents... It is estimated that 57 to 70 percent of claims generate no money for the patient, which suggests an excessive number of lawsuits are being filed."

The IRS Form 990 for the Center for Justice and Democracy shows that the organization subsists on little more than \$200,000 annually. Doroshow's salary is listed as \$70,000. While IRS forms do not provide public donor information, the website of the Stern Family Fund shows that it awarded CJD \$100,000 annually in 1999 and 2000. Longtime Nader associates Alan Morrison, director of the Public Citizen Litigation Group, and Sidney Wolfe, director of Public Citizen Health Research Group are members of the Stern Fund's board of directors.

Backlash: Gore Defeat Costs Naderites Trial Lawyer Funding

ATLA's ties to Naderite consumer activists were strained by Ralph Nader's decision to run for president. Trial lawyers blame Nader for robbing Al Gore of desperately-needed votes in the razor-thin 2000 election. Within a few months of the election, contributions from trial lawyers to Nader groups fell off by \$100,000. While this represents only one percent of Public Citizen's \$12 million annual revenue, it signals the depth of trial lawyer anger at Nader.

For instance, Lee Kreindler, a name partner in the Park Avenue firm Kreindler & Kreindler ("the leading law firm representing plaintiffs from around the United States and the world in aircraft accident cases..."), pledged \$10,000 to Nader's Aviation Consumer Action Project (revenue in 2000: \$98,000). But after the election he wrote the group's executive director Paul Hudson (salary in 2000: \$42,000 plus \$1,623 expense account) to rescind the pledge, "My firm's partnership decided unanimously to not make a contribution this year." Nader says he has personally made up for the project's shortfall.

Former ATLA president Fred Barron has said of Nader: "I think what he did in the political arena will cost us for a decade." Says Atlanta lawyer Ralph Knowles, lead attorney in the breast implant case brought against Dow-Corning: "His was the most arrogant, self-serving action I've ever seen." San Antonio lawyer Pat Maloney (whose website tallies the value of the verdicts and settlements he has won since 1977: \$308 million) calls Nader "obsolete" and "a victim of his own ego." "Ralph was a strong voice because he spoke for so many," said Maloney. "Now, he speaks for a few."

Nader is unapologetic and argues that the Democratic Party hasn't been sufficiently dedicated to the trial lawyer's agenda. He points to 11 tort reform measures that became law under President Bill Clinton. "If the trial lawyers beloved Democrats are what they think they are," says Nader, "they can stop any tort reform bill from going through the Senate."

It is unclear how long the trial lawyers will hold a grudge. Baron says he withheld funding for the Center for Study of Responsive Law where Nader currently works. But he advised ATLA members not to punish Nader's other groups. Many trial lawyers say they will continue to support Public Citizen and other consumer advocacy groups. Says Baron, "Most lawyers are intelligent enough to know these organizations are not dependent on Ralph politically; they advocate in the public interest for issues that the lawyers are interested in." But Baron warns Public Citizen

and other advocacy groups that they had better stay out of Green Party politics.

The trial lawyers' alliance with the consumer activist movement is probably too financially and politically profitable for either group to end it. But if Nader persists in trying to hurt the Democratic Party, then trial lawyer support for his organizations may be cut back. For the sake of tort reform and ending the \$200 billion litigation albatross hanging around the U.S. economy's neck, let's hope so.

Neil Hrab is a free-lance writer. He works for the National Post in Toronto, Canada.

PhilanthropyNotes

Four prominent Massachusetts nonprofits are pledging millions of dollars to help underwrite the 2004 Democratic National Convention in Boston. The **Boston Foundation**, the **Barr Foundation**, **Blue Cross and Blue Shield of Massachusetts**, and a foundation operated by **State Street Corporation** will each contribute \$1 million to fund educational or charitable activities. They must ensure that their donations are used for educational and economic development activities – and not the promotion of the Democratic Party or other political causes. The nonprofits claim their pledges are legal, but admitted they are unprecedented. Says Paul Grogan, president of the Boston Foundation, which typically supports anti-poverty programs, “This was a very unusual request for us to get and an unusual grant for us to make.” To date, Democrats have raised more than \$21 million from corporations, nonprofits, foundations and law firms to promote the convention.

Charity Navigator, a New Jersey-based philanthropy watchdog, estimates charities raise more than half their annual contributions between Thanksgiving and Christmas. It notes that charitable giving has not fallen off over the last two years but expects the struggling economy will make charity fundraising especially aggressive this year. “Giving has rarely fallen dramatically and we don’t anticipate a huge downturn for 2002,” says Kyle Waide, deputy director of Charity Navigator. “It is the most resilient component of our economy.” In 2001, \$212 billion was donated to charity. Individuals gave \$162 billion, foundations \$26 billion, and corporations \$9 billion. The 2001 giving total is an increase of 0.5 percent over the \$211 billion in total giving in 2000. Adjusted for inflation, giving in 2001 is a decrease of 2.3 percent compared to the previous year.

More than 300 anti-poverty volunteers from Yakima Valley in Washington state have filed a lawsuit against the **Northwest Area Foundation** of St. Paul, Minnesota. They contend the foundation is required to give various community groups \$1.25 million previously pledged. Northwest Area is pumping \$150 million to fight poverty over the next decade in communities in South Dakota, Oregon and other places. It emphasizes regional solutions but has ended its relationship with the Yakima activists, saying they were not interested in that approach. Angry residents have filed a suit in Yakima County Superior Court urging that the foundation be required to give a “promised” \$1.25 million grant and pay damages for unfair and deceptive acts under the state Community Protection Act. The foundation says it made no promises and sees no basis for the suit.

Thomas Monaghan, founder of Domino’s Pizza, announced that he will donate \$220 million to build a Catholic university near Naples, Florida. Ave Maria University was to have been built in Ann Arbor, Michigan, Monaghan’s hometown. But after the township rejected a zoning variance, Monaghan decided to build on 5,700 acres of land in south Florida. The school will adhere to Catholic orthodoxy. Some Catholics believe traditional teachings have been ignored at many Catholic colleges. Construction on Ave Maria has begun; a permanent campus opens in 2005 or 2006.

The Fund for American Studies has announced its 2003 Institute on Philanthropy and Voluntary Service, a summer internship program for students interested in volunteerism and the role of philanthropy in U.S. society. During the six-week program, 35 students will take courses on the history and ethics of philanthropy, hold internships with nonprofit organizations, attend presentations by leading experts and participate in a variety of service projects. More than half of the students who apply will receive full or partial scholarships worth up to \$3,500. Applications will be accepted until March 15, 2003. Contact: Shane Goldsmith, director, David R. Jones Center for Leadership in Philanthropy, at sgoldsmith@tfas.org or 800-741-6964.