



# Toward a Virtuous Circle of Community

Since 1937 when J.K. Lilly Sr. and his sons, J.K. Jr. and Eli, founded Lilly Endowment with gifts of stock in Eli Lilly and Co., the Endowment has sought to improve the quality of life for residents of their home state, Indiana, and their hometown, Indianapolis. The founders felt indebted to the people of Indiana who had contributed so much to the prosperity of their pharmaceutical company. They also recognized that it was important to their company's employees to live in a community that had an appealing and supportive quality of life.

**A**lthough much has changed in the last 70 years, the Endowment remains dedicated to the key priorities of its founders. It continues to concentrate its grantmaking in the three main areas of community development, education and religion, focusing a majority of its resources on improving the quality of life in Indiana and, in particular, Indianapolis.

In the intervening decades the Endowment has awarded almost \$7 billion in funds, most of which address the needs of Indiana citizens and communities. The funds have gone to build community foundations in every county in Indiana. They have supported untold numbers of initiatives to bolster the social service sectors of Indianapolis and Indiana, primarily through the efforts of local United Ways. Grants have helped create and improve the infrastructure of a vibrant, 21st century Indianapolis: the City Market, the Artsgarden,

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Indiana State Museum, Eiteljorg Museum of American Indians and Western Art, the new Marion County-Indianapolis Public Library, Indianapolis Zoo, Indianapolis Museum of Art, Children's Museum of Indianapolis, Garfield Park, White River State Park and dozens of other urban parks, and on and on.

Funds have gone to improve the systems and institutions of higher education in Indiana and to encourage the pursuit of excellence and distinction for themselves and the state. The Endowment has supported top-notch research into the life sciences, which is beginning to pay dividends in the private sector and has helped prepare the Hoosier workforce for success in a high-tech global economy. Funds have gone for full-tuition scholarships (2,697 and counting) for outstanding Indiana students to attend any accredited college or university in Indiana. They also have supported a myriad of K-12 education efforts throughout the

state, and they have worked to build the health and vibrancy of congregations and pastoral leadership throughout the state and the country.

## **DEPENDING ON THE SUCCESS OF OTHERS**

But Lilly Endowment does not operate in a vacuum. The Endowment provides the funds, but it is the talent, energy, creativity, perseverance, dedication and vision of the recipients who do the work that make the difference. And they don't operate in a vacuum either. Their success depends on the efforts of even more people, all of whom contribute to a virtuous circle of community development.

The dynamics in the business sector have significant effects on whether the circle of community remains virtuous. A virtuous circle has been defined as "a condition in which a favorable circumstance or result gives rise to another that subsequently supports the first" (*The American Heritage Dictionary of the English Language, Fourth Edition*). Whether through making cars, developing and selling pharmaceuticals, managing a huge chain store or a small boutique, making art, developing new medical devices, or building engines—the success of those in the business sector is absolutely critical for a lively and growing community.

Successful businesses give rise to a healthy nonprofit sector. Caring and concerned citizens are the volunteers and board members of the region's arts and human service organizations, local school corporations and colleges and universities. They are the parishioners of the community's congregations. Their ability to donate funds and share expertise depends on their financial health, which in turn depends on the prosperity of their employers. Without profitable, vibrant businesses, the community's nonprofit sector would be seriously undermined, and a virtuous cycle could turn vicious.

For instance, donors in the Indianapolis metropolitan area gave \$39 million to the United Way of Central Indiana (UWCI) this year, largely through workplace campaigns. One company alone, Eli Lilly and Co., gave more than \$9.1 million to the annual campaign—almost a quarter of the campaign goal of \$39 million. Lilly Endowment

contributed \$3,750,000 to the campaign, plus \$3.6 million for other initiatives. These 2007 grants brought the total Endowment grants to UWCI to more than \$286 million since its first grant of \$10,500 in 1938 to UWCI's forerunner, the Community Chest of Indianapolis.

## **EACH ONE ONLY PART OF THE CIRCLE**

In this annual report are stories about some of the Endowment's recent grants that demonstrate the interrelatedness of all sectors in a community and how dependent one is on another. Indianapolis has been blessed with many philanthropic families and organizations. The Endowment is proud to be part of that tradition. But we all depend on the success of those in other sectors—from business to government and from higher education to the arts and human services. We are each only a part of the circle, but all of us must do our part for the community to prosper.

## **OTHER SIGNIFICANT GRANTMAKING IN 2007**

Other important grantmaking addressed the issues of the veterans of the wars in Iraq and Afghanistan, supported the development of leadership in Christian institutions throughout the country, contributed to reportage about religion in America, bolstered the teaching of K-12 schoolchildren in Indianapolis and the education of future K-12 teachers, and reinforced our continuing emphasis on the importance of excellence in leadership among nonprofit institutions.

### **Helping Veterans and Their Families**

The Endowment recognizes that the ongoing conflicts in Iraq and Afghanistan are having major repercussions on combat veterans and military families in Indiana and throughout the country. Right now, Indiana is experiencing the largest deployment of its National Guard (nearly 4,000 troops) since World War II. Indiana, 15th in the nation in population, has the fourth largest number of National Guard members. With deep appreciation for the sacrifices made by these veterans and their families, the Endowment in 2007 made four grants

to address a range of their needs in Indiana and beyond.

The grants were made to the following organizations:

- » Indiana National Guard (ING) Relief Fund—\$570,000 to augment the Endowment's three previous grants of \$250,000 each. The fund provides grants to ING members and/or their families who suffer significant financial hardship as a result of active duty service.
- » Crane Technology—\$400,000 to support a pilot project called the Crane Learning and Employment Center for Veterans (CLEC), which is the first comprehensive program of its kind in the country. It will help veterans with disabilities enter or reenter the workforce and then gain employment at Naval Support Activity Crane in southwest Indiana.
- » Military Family Research Institute at Purdue University (MFRI)—The institute was established in 2000 with funding from the U.S. Department of Defense to compile and analyze existing research on issues facing military families, their ability to adapt and cope, and the resources available to them. An \$8.9 million grant from the Endowment will support the ongoing research and analysis initiatives of MFRI and its efforts to identify and provide personal assistance for veterans and new resources for family

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support groups already in place in ING.

MFRI is the only such university-based institute in the country.

- » Richard L. Roudebush VA Medical Center—A \$9.9 million grant will support the Indiana Veterans Enhanced Services Initiative, a four-pronged approach that focuses first and primarily on combat veterans from Iraq and Afghanistan and secondly on veterans of former conflicts. Since 2004 the medical center has treated almost 3,000 Iraq and Afghanistan veterans; this patient population has doubled nearly every year. As one of 21 polytrauma network sites in the country, it provides acute medical and rehabilitative care for combat veterans in Indiana, Illinois and Michigan who have suffered multiple injuries including amputations, traumatic brain injuries, and significant mental health problems. The four major activities are:
  - » establishing the Seamless Transition Integrated Care Clinic to provide a broad range of services necessary to help facilitate the healing and reintegration of veterans in a new, 24,000-square-foot addition;
  - » construction of a two-story, 28-suite Comfort Home to house families of injured service members while their loved ones undergo extended periods of medical care and rehabilitation;
  - » retreats for returning combat veterans and their spouses;
  - » rehabilitation events for veterans, including the National Veterans Golden Age Games, which are coming to Indianapolis in the summer of 2008.

### Focus on Teachers

In education, the Endowment made two especially significant grants in 2007—one to transform the education of math and science teachers and one to enhance K-12 education in Indianapolis.

The Woodrow Wilson National Fellowship Foundation selected Indiana as the first pilot site for its new national fellowship program for high school teachers. An Endowment grant of \$10 million will support the program, which will provide each fellow with a \$30,000 stipend to complete a



Maj. Gen. R. Martin Umbarger, adjutant general of Indiana, directs the activities of the Indiana National Guard Relief Fund.

yearlong master's program at one of four Indiana universities: Purdue University, Ball State University, Indiana University Purdue University Indianapolis or the University of Indianapolis.

The fellowship will be open to college seniors and career-changers with outstanding undergraduate records and majors in math or science from around the nation who are willing to teach in Indiana. After they complete their academic work, the fellows will teach for three years in high-need urban or rural Indiana schools. The pilot program will prepare 80 new Indiana math and science teachers each year for two years. The foundation hopes the program eventually can be expanded to provide up to 400 fellowships per year.

A \$2 million grant to the Indianapolis Center for Education Entrepreneurship, known as the Mind Trust, will enable it to bring the highly acclaimed Teach for America (TFA) program to Indianapolis. In its 17-year history, TFA has grown into the nation's largest provider of teachers for low-income communities and has been recognized for building a pipeline of leaders committed to educational excellence. Beginning next fall, 50 teachers will be assigned two-year placements in the Indianapolis Public Schools; 50 more will be assigned in 2009.

### **National Impact in Religion**

In the arena of religion, most of the Endowment's funding is national in scope. Because this year's annual report is focused on the Endowment's grantmaking in Indiana, stories on its religion grantmaking will be presented in other formats. A full listing of all the Endowment's grants, including the religion grants, can be found in the Grant Approvals section of this report or on the Endowment's Web site, [www.lillyendowment.org](http://www.lillyendowment.org).

One especially noteworthy religion grant approved in 2007 is a \$14 million grant to Duke University so its School of Divinity can collaborate with its Fuqua School of Business to establish a center for Christian institutional leadership. The center will work to strengthen the capacities for excellence in leadership and management of the institutions that play pivotal roles in enabling U.S. congregations and pastors to flourish in their ministries.

Another major religion grant is one of \$6.3 million to the Educational Broadcasting Corp. in New York to support the 11th season of WNET's *Religion & Ethics NewsWeekly*. This award-winning PBS series continues to be the only regular program on television devoted to religion and its relationship with the wider world. The half-hour weekly broadcasts cover every faith and denomination, profile people of faith and examine critical moral and ethical questions. The principal supporter of this program, the Endowment has contributed nearly \$73 million to underwrite it since its beginning in 1997.

### **New Partnership**

In keeping with its legacy of supporting efforts to strengthen the charitable sector, the Endowment granted \$6 million at the end of 2007 to the United Way of America to enable it to partner with the Indiana University Center on Philanthropy in conducting research on giving trends relevant to United Ways and in developing and delivering educational courses for fund-raising professionals throughout the United Way system in the United States and around the world.

On a personal note, William M. Goodwin, vice president for community development, retired after 35 years of service. He arrived at the Endowment when our offices were in downtown Indianapolis and our founder, Eli Lilly, was active in our affairs. Bill was a valued colleague, and we miss him. 🙏



Thomas M. Lofton  
Chairman



N. Clay Robbins  
President