



Executive Message

More than 75 years ago, *the late J.K. Lilly Sr. and some of his associates were hiking through the southern Indiana woods when they came to a hilltop clearing—a man-made window in the forest that opened up a spectacular view. “Always cut a place for a lookout,” Mr. Lilly advised the others. “Always have a vista.”*

Mr. Lilly’s advice has remained a steadfast principle at Lilly Endowment. Aided by research, evaluation and opportunities for reflection, the Endowment’s leaders have regularly “cut a place for a lookout” to assess the impact of grant decisions and ensure that funds are allocated in ways that align with the founders’ values and intentions. Throughout the years, the Endowment’s board, officers and staff have maintained a deep commitment to purposeful grantmaking in the areas that J.K. Lilly Sr. and his two sons, Eli and J.K. Jr., prioritized when they established the Endowment in 1937: community development, education and religion.

Similarly, the Endowment has encouraged its grantees to “always have a vista” by helping them engage in purposeful introspection, conduct and analyze research to aid their decision-making, and regularly assess where they have been and where they are as a means to sharpen their visions and plans for future action. We believe that the support provided for these purposes has resulted in much deeper and broader impact.

In education, the Endowment for more than 25 years has funded opportunities for reflection and renewal for Indiana educators through its Teacher Creativity Fellowship Program. Similar programs have been estab-

lished for pastors, human service and youth workers, artists and arts administrators. Together, these programs enable dedicated professionals to take reflective breaks that replenish their physical, emotional, creative and spiritual resources and result in more enthusiastic teaching, more vibrant congregations, more effective social and youth work, and more creative art.

In community development, the Endowment’s GIFT (Giving Indiana Funds for Tomorrow) initiative, created in 1990, has helped establish community foundations that focus on the local priorities and needs of each of Indiana’s 92 counties. Several stages of this initiative have encouraged these foundations to take stock of their strengths and challenges and determine their key needs for future viability and impact. Endowment support also has helped dozens of charitable organizations, ranging from museums and arts institutions to human service agencies and universities, engage in studies to assess the feasibility of capital campaigns and other proposed programs and activities.

In religion, an expansive research agenda, coupled with opportunities to act, has enabled religious institutions to examine their experiences within a wider context. Research studies, such as the National Study of Youth and Religion and follow-up studies on the religious lives of youth and

adults and the Flourishing in Ministry Project, which explores the conditions needed for pastors and their congregations to thrive, identify important emerging trends in American religion. Programs like the Endowment-funded Council of Independent Colleges' Network for Vocation in Undergraduate Education, as well as the Endowment's Early Career Pastoral Leadership Development Initiative, provide support for institutions to draw on these and other research findings to make strategic improvements to their programs and to advance their efforts to deepen and enrich religious life in the United States.

From its beginning, the Endowment also has been interested in how philanthropy can be better understood, encouraged and carried out as well as possible. Much of this interest has been expressed through the Endowment's role in helping found and sustain the Center on Philanthropy at Indiana University. In 2013 the Center was renamed the Indiana University Lilly Family School of Philanthropy when it became the world's first school dedicated to improving philanthropy by increasing awareness and understanding of it through research, education and training.

2013

In 2013 "cutting a place for a lookout" has resulted in a major new strategy to attract intellectual talent and promote economic development in Indiana. An Endowment-funded study conducted for BioCrossroads by the Battelle Technology Partnership Practice examined the research interests and capacities of Indiana's top life sciences companies and research universities. This study revealed many mutual interests and capacities and resulted in the formation of the Indiana Biosciences Research Institute, launched through a public-private partnership led by Indiana Gov. Mike Pence and Eli Lilly and Company Chairman, President and CEO John Lechleiter. The Institute raised \$50 million in 2013 for the first phase of its development, including \$25 million from the state of Indiana, \$10 million from the Endowment and \$15 million from Eli Lilly and Company, Roche Diagnostics, Dow AgroSciences, Indiana University Health and Indiana University.

The stories in this report feature the work of other organizations that also have recently used Endowment funds to "cut a place for a lookout." They are accounts of how Endowment funding has enabled these organizations to take time for reflection, engage in pertinent research and analysis, evaluate their impact, and strategically plan for the future. Following these stories is a list of all the grants the Endowment approved in 2013.

We are deeply grateful for our grantees' tireless efforts to improve the quality of life in our city, state and nation and for their commitment to the purposeful use of the funding the Endowment provides them. We know well that their talent, energy and dedication are essential to the accomplishment of our common aims.

We also continue to be inspired by both the extraordinary generosity of the Endowment's founders and the wisdom with which they approached their philanthropy. Through their thoughtful benevolence, this foundation, which was established during the Great Depression, has disbursed \$8.2 billion in grants since its founding. Our commitment to ensuring that the Endowment's operations and grantmaking remain consistent with their values and vision is resolute.

In closing, we note the retirements of Daniel Riley, the Endowment's longtime director of data systems, and Richard Ristine Jr., program director in community development, who during their tenures made valuable contributions to the Endowment's work.



Thomas M. Lofton, Chairman



N. Clay Robbins, President & Chief Executive Officer