

**J.K. LILLY SR., ENCOURAGED HIS SONS, J.K. Lilly Jr. and Eli Lilly – with whom he founded the Endowment in 1937 – to be conservatively progressive. That philosophy was evident in their establishment and administration of the Endowment. Subsequent Endowment leaders have interpreted “conservatively progressive” to mean that the Endowment should act from two contrasting convictions: that tradition is an important resource and that innovative approaches are often necessary to respond fully to new challenges and circumstances.**

OVER THE YEARS, THESE CONTRASTING CONVICTIONS have framed the Endowment’s grantmaking in the three areas of concern its founders determined it would support: community development, education and religion. From United Way organizations to religious denominations and seminaries and from museums to colleges and universities, the Endowment regularly supports traditional, longstanding charitable organizations. It recognizes the significant impact they have had and continue to have on the quality of life of those they serve. There is much about them that remains valuable. Virtually all of these organizations, however, are operating in quickly changing contexts. At times they face forces and trends that could undermine their impact and relevance and for some possibly even their existence. They need encouragement and funding to develop and execute strategies necessary to be effective in these changing contexts.

The stories in this annual report feature Endowment grants that are helping traditional organizations develop and pursue new ways to increase the scale and improve the quality of their impact. The stories depict how the Endowment seeks to help enhance the effectiveness and expand the reach of the organizations and programs it funds after assessing the lessons

learned from earlier efforts. These lessons typically indicate what should be maintained, where modification and enhancement are recommended, and where whole new strategies are necessary. By adopting this approach to our grantmaking, we believe we are acting in a conservatively progressive manner consistent with that espoused by J.K. Lilly Sr.

**The report’s stories illustrate:**

**How the success of Purdue University’s** Discovery Park, which was launched with a \$25.6 million Endowment grant in 2001 as a new model for interdisciplinary engagement, encouraged the Endowment to approve a \$40 million grant to the Purdue Research Foundation for a major initiative to build the capacity of and encourage collaboration between Purdue’s College of Engineering and its Polytechnic Institute.

**How the Endowment applied lessons learned** from its Initiative to Promote Opportunities Through Educational Collaborations for Indiana’s 39 colleges and universities to a competitive initiative of the United Negro College Fund (UNCF). A \$50 million Endowment grant to UNCF will help historically black and predominately black colleges and universities throughout the country strengthen college-to-career pathways.

**How a 2015 Endowment grant is helping Girls Inc.** of Greater Indianapolis extend a successful outreach model that has enabled it to serve many more girls through Girls Inc. affiliates across Indiana.

**How United Way Worldwide** is using a \$6.6 million Endowment grant to help United Ways across the nation develop and execute strategies that address giving trends it learned about in part from an Endowment-funded research collaboration between United Way Worldwide and the Lilly Family School of Philanthropy at Indiana University.

**How the Endowment's experience** with an initiative it began in 2007 to help clergy in Indiana face and overcome financial challenges that hamper their ability to lead congregations effectively encouraged the Endowment to launch a national effort to help pastors across the country with similar challenges.

**How the success of National Geographic Sacred Journeys,** a groundbreaking exhibition on world religions at The Children's Museum of Indianapolis created in partnership with the National Geographic Society, encouraged the Endowment to approve major grants in 2015 to strengthen for the long term the interpretation of religion in American life at the Smithsonian Institution's National Museum of American History and its National Museum of African American History and Culture.

We are most fortunate to interact with so many grantees that continually seek to improve the quality and expand the impact of their organizations and programs. They inspire us, and we are privileged to be able to support their important work.

In closing, the Endowment is pleased to note the election in November of Jennett M. Hill to its board. The Endowment will benefit greatly from her wisdom, good judgment, relevant legal expertise and commitment to the causes it supports.



N. Clay Robbins  
Chairman, President and Chief Executive Officer

## *Remembrance*

**It is with sadness that the Endowment notes the death of Thomas M. Lofton, the longtime chairman of its board of directors. Mr. Lofton died on June 19 at the age of 86. The impact of his more than 45 years of service to the Endowment is incalculable. A nationally recognized expert on the laws relating to tax-exempt organizations and the epitome of a lawyer's lawyer, he served as the Endowment's chief legal counsel when Eli Lilly was leading the Endowment. After retiring as a senior partner in the law firm of Baker & Daniels in 1991, he was elected vice chairman of the Endowment. In 1993, he was elected chairman, and he served as president from 1993 to 1994. During his 22 years as chairman, the Endowment paid grants totaling more than \$7 billion in support of education, community development and religion.**

**Mr. Lofton's unrivaled intellect, wisdom and profound sense of loyalty to the values of the Endowment's founders at all times were evident in his guidance of the Endowment's affairs. A man of deep Christian faith, it was important to him that each year a significant portion of the Endowment's grants supported people in need, and he personally mentored and helped countless individuals facing challenges in their lives. He is irreplaceable, and we miss him greatly. Because of his devotion to his alma mater, Indiana University, the Endowment was pleased to award a \$1 million grant in his honor and memory to the Indiana University Foundation for the benefit of The Lilly Library.**