



# Lilly Endowment Annual Report 2006

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## About Lilly Endowment

Lilly Endowment Inc. is an Indianapolis-based private philanthropic foundation created in 1937 by three members of the Lilly family—J.K. Lilly Sr. and sons J.K. Jr. and Eli—through gifts of stock in their pharmaceutical business, Eli Lilly and Company.

Gifts of stock in Eli Lilly and Company remain the financial bedrock of the Endowment. We are, however, a separate entity from the company, with a distinct governing board, staff and location.

In keeping with the wishes of the three founders, Lilly Endowment exists to support the causes of religion, education and community development. The Endowment affords special emphasis to projects that benefit young people and promote leadership education and financial self-sufficiency in the nonprofit, charitable sector.

The Lilly family's foremost priority was to help the people of their city and state build a better life. Although the Endowment also supports efforts of national significance and an occasional international project, we remain primarily committed to our hometown, Indianapolis, and home state, Indiana.

Results of renewal programs are seen in more vibrant congregations, more enthusiastic teaching, more effect social and youth work, and more creative art.

# Renewal



2	Executive Message
4	<b>Religion: "O sing to the Lord a new song"</b>
10	<b>Education: Energized teachers energize students</b>
16	<b>Community Development: Time out</b>
24	Finances and Grantmaking: A Narrative
26	Auditor's Report
31	2006 Grant Approvals
32	Community Development Division
35	Education Division and Youth Programming
40	Religion Division and Leadership Education
46	Guidelines & Procedures
48	Acknowledgments

## EXECUTIVE MESSAGE

Throughout history this biblical commandment to rest on the seventh day has enabled and given permission to conscientious, hard-working people to take time periodically to replenish their physical, emotional, creative and spiritual resources.

# “Remember the Sabbath and keep it holy”

— Exodus 20:8

**IT IS THE ROOT OF THE SABBATICAL**, which is most often associated with the academic tradition of allowing a professor to take a year off from regular duties every seven years. It also was a basis for the agricultural practice of letting parcels of land lie fallow every seven years to restore their nutrients for future plantings.

Beginning with its Teacher Creativity Fellowship Program in 1987, Lilly Endowment has funded opportunities for rejuvenation for teachers, pastors, human service and youth workers, arts administrators, and artists. With the fast pace of change and the time pressures of contemporary life, many of these dedicated professionals do not feel they can take time for rest and renewal. Even if they get over the hurdle of admitting that they need some time away, few are compensated at levels that provide the financial wherewithal to do so to any meaningful extent.

To be successful these professionals must have the resources to engage wholeheartedly and passionately in their work. Routine, just going-through-the-motions approaches to teaching, for example, will not adequately inspire or engage students. Optimal learning will not occur. A pastor cannot help a grieving parent come to terms with the loss of a child without expending great emotional and spiritual resources. A human service or youth worker on the front lines of child or spousal abuse cannot help getting involved emotionally if she is doing her job well. And an artist who is burned out will not be able to create a compelling piece of art.

Since initiating the Teacher Creativity Fellowship Program, the Endowment has supported renewal periods for nearly 1,700 Indiana educators, 200 artists and arts administrators and 125 human service workers in central Indiana. The creative renewal program for artists and arts administrators, which is administered through a grant to the Arts Council of Indianapolis, began in 1998, and the human service worker renewal program, administered through a grant to the United Way of Central Indiana, began in 2001. The Journey Fellowship program of

Community Partnerships with Youth has provided 100 Indiana youth service professionals with opportunities for renewal since it began in 2002. More than 1,100 pastors in Indiana and around the country have received support under the Indiana and national clergy renewal programs, which were instituted in 1998 and 1999, respectively. And hundreds of additional pastors have participated in various kinds of renewal experiences under other Endowment religion programs in the past several years. In this report, are stories about what some of these professionals have done during their renewal periods and the impact that these experiences have had on their personal lives and their work.

The support that these professionals have received is modest in relation to many other grants that the Endowment makes. For example, the renewal fellowships for teachers, artists and human service workers are \$8,000; up to \$45,000 is available for pastors and their congregations. We have observed, however, that the return on these grants has been great. In the final analysis, a foundation's success in achieving its grantmaking goals depends on the people who are doing the actual work. Teachers, pastors, artists, human service workers and youth professionals are critical players in education, religion and community development, the key areas of interest our founders articulated when they founded the Endowment 70 years ago. The support we have provided for their renewal and reflection has been leveraged many times over through more enthusiastic teaching, more vibrant congregations, more effective social and youth work and more creative art.

### Major grantmaking highlights

This annual report focuses on the Endowment's renewal programs. We believe it is important, however, to highlight in this executive mes-

(ABOVE) *Diane Arnold takes a reflective break from her duties at Hawthorne Community Center in Indianapolis.*



sage some of the other grants the Endowment approved in 2006. A full grant listing is included in this report and at the Endowment's website, [lillyendowment.org](http://lillyendowment.org).

In community development, we continued our efforts to help build the prosperity and quality of life of residents of Indianapolis and Indiana. Furthering that aim were a \$2.5 million grant to the Capital Improvement Board of Marion County to continue the momentum of the Indianapolis Cultural Development Initiative and a \$20 million grant to the United Way of Central Indiana to assist with the capital needs of human service organizations. That brings to \$100 million the total Endowment investment in the United Way capital fund since it was launched in 2001. A \$4.5 million grant to the Central Indiana Corporate Partnership's foundation supports the educational aspects of this organization's efforts to develop further the life sciences and advanced manufacturing and logistics economic clusters in central Indiana.

In education, we continued to pursue our aims to encourage excellence in Indiana educational institutions. A \$12.5 million grant to Goshen College to establish the Center for Intercultural Teaching and Learning will help the college, the Goshen community and similar communities throughout the country learn how to include new immigrants more effectively into the lives of their institutions and communities. Two \$25 million grants to Purdue University and Butler University will significantly strengthen the institutions' pharmacy education and research programs. In keeping with the Endowment's long-standing interest in helping traditionally underserved populations gain access to higher education across the country, the Endowment approved a \$17.5 million grant to the American Indian College Fund to help each of the 32-member tribal colleges make a strategic advancement toward some objective it has prioritized to build its intellectual capital.

In religion, much of the Endowment's grantmaking centered on helping to sustain the successful programs that the Endowment has encouraged throughout the country to strengthen and support current pastors and encourage, educate and foster a new generation of talented pastors. Nearly \$42 million in sustaining grants were made to 86 different organizations ranging from seminaries for their high school youth theology programs, church-related colleges for their exploration of vocation programs, congregations for their Transition-into-Ministry programs for recent seminary graduates, and a variety of seminaries and denominational organizations for their Sustaining Pastoral Excellence programs.

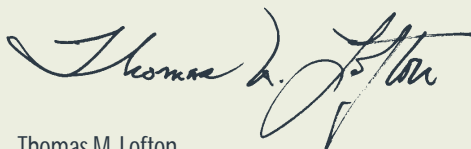
The Endowment has from its beginning been interested in how philanthropy can be encouraged and done as well as possible. This interest was expressed in 1987 when the Endowment's support was instrumental in the founding of the Center on Philanthropy at Indiana University. After 20 years and more than \$40 million in support, the Endowment was pleased in 2006 to be able to approve a \$40 million grant to provide an endowment for the Indianapolis-based center. This grant should help maintain its stature as the preeminent center of its kind in the country and assure its future viability.

### **Change in investment philosophy**

In 2006 the Endowment began implementing a shift in its investment philosophy. From its beginning in 1937, the Endowment has held virtually all its investments in Eli Lilly and Company stock. In July it announced plans for a partial diversification of its Lilly stock holdings and stated that it expects by 2010 to build a more diversified portfolio of about \$2 billion while continuing to hold as its primary investment asset shares of Lilly stock that were donated to it by its founders. The diversified portfolio will be funded from proceeds from its market sales of Lilly stock. By the end of 2006, the Endowment had invested \$100 million in index funds managed by Vanguard. The value of the Endowment's total assets at the end of 2006 was \$7.6 billion.

**Personnel changes** – We had a number of personnel changes in 2006, which we are pleased to note. Diane Stenson now is our treasurer, and E.G. White is our vice president for finance. Clarence Crain has joined the Endowment as a program director in education.

**The Endowment is sobered by the knowledge** that many individuals and families throughout our state and country are suffering as a result of the war in Iraq and Afghanistan. Indiana has had the fifth highest number of National Guard troops serving in these countries of any state in the United States. We are exceedingly grateful to these brave men and women, and our hearts go out to them and their families. We were pleased to make grants of \$250,000 each in 2004 and 2005 to the Indiana National Guard Relief Fund to support the needs of Indiana National Guard members and their families. We approved a grant in the same amount in 2006. The service and sacrifices of our armed forces and their families can never be fully repaid and must never be forgotten. Their renewal and restoration must be a high priority for us all.



Thomas M. Lofton  
Chairman



N. Clay Robbins  
President



# Religion Division

# “O sing to the Lord a new song”

– Psalm 96:1

When the Rev. Elizabeth Macaulay applied for admission to the Women Touched By Grace (WTBG) spiritual renewal program, she was facing daunting changes in her life. Her marriage of 23 years was ending, and she was relocating from Duluth, Minn., to South Minneapolis to lead the historic Richfield United Methodist Church. “I was moving from a city where I was a happy co-pastor and where my family and support system reside,” she recalls. “I was beginning life as a single mom of three grieving teens. I also was taking on another new role, that of senior pastor with a staff of 12. I went from rarely writing bills at home or church to tending the finances in both spheres.” She adds wryly, “May I say I was stressed?”

**The WTBG program offered** Macaulay a time to slow her pace and catch her breath. Administered by Our Lady of Grace Monastery near Indianapolis, it is one of more than 50 Endowment-funded programs designed to reinvigorate pastors so they return from brief sabbaticals refreshed and ready to continue leading vibrant congregations. The mid-career breaks are not conventional vacations but are periods of reflection and exploration aimed at sparking new enthusiasm for ministry.

“I don’t know that I could have stayed on as spiritual leader of a congregation without this program,” says Macaulay, who found herself on a Sunday evening in November 2003 at a sprawling retreat center in the company of 29 female pastors from diverse Protestant denominations. “I was greeted as long-lost kindred and swept into a strange world of quiet prayer and lavish hospitality. I decided early

on that I was there not to tend others – I was worn to nubbins by doing that on so many fronts – but to listen for God in the way I came to know as Benedictine.”

The idea of a Catholic community of nuns hosting a “time out” program for Protestant female pastors struck the nuns as a need that wasn’t being met. Although their church prohibits the ordination of women, the Benedictine sisters of Our Lady of Grace Monastery were sympathetic to the challenges that female clergy encounter. They knew that only 15 percent of mainline Protestant pastors are female and that women in ministry often have difficulty finding colleagues

*(OPPOSITE) Parting gift – Each member of the first class of the Women Touched By Grace program received a bluebird to remind them of their three years together.*



and mentors of their own gender. They also knew that the pressures of parish ministry frequently reduce the amount of time that clergy, male or female, can spend in prayer and reflection.

"It dawned on me that we could do something for these women because we're a women's group and we believe in women," says Sister Mary Luke Jones, project director of WTBG and administrator of the Benedict Inn Retreat and Conference Center on the monastery's campus. "The women of Our Lady of Grace are steeped in monastic prayer and religious disciplines that I believed many clergywomen of other denominations wish to embrace."

### **Striking the right balance**

The initiative that emerged was a blend of prayer, rest, exercise, learning and camaraderie. To be considered for admission to the WTBG program, an applicant had to have served in parish ministry for a minimum of five years and have the blessing of her congregation to travel to the retreat center for two 10-day sessions each year for three years. The culmination of the series was a pilgrimage to Italy in the fall of 2006. There, participants visited sites related to the life and ministry of St. Benedict, the fifth-century monk who founded 12 monasteries near Rome. "It wasn't my goal to turn these Protestant women into

Catholics or Benedictines," assures Sister Mary Luke. "But we realized that we have a wonderful legacy to share. We wanted to offer Benedictine hospitality."

The sisters announced the program through advertisements in a range of Protestant denominational publications. The grant stipulated 30 participants, but the ads generated 150 applications – all of them worthy, according to Sister Mary Luke. Members of an ecumenical selection committee agreed that the chosen pastors should represent a range of ages, faith traditions and geographic locations. They also looked for unusual characteristics. As an example, one successful applicant was based in an isolated area of Alaska and expressed a hunger for professional camaraderie. Another led canoe retreats in Canada. Still another was a gifted musician who used frame drums as part of worship. "We set a high bar," explains Sister Mary Luke, "and 30 of them bubbled up above the bar for one reason or another."

*(ABOVE) Sister Mary Luke Jones, WTBG project director and administrator of the Benedict Inn at Our Lady of Grace Monastery near Indianapolis, believes the Benedictine tradition of hospitality was a "natural" for the program that invited 30 Protestant women ministers for sessions over three years.*

As different as the applicants were, they all cited an interest in bonding with other women, making prayer a priority and enjoying a respite from the day-to-day demands of ministry. "I was interested in every facet of the program," says the Rev. Stacey Simpson Duke, who, with her husband, is co-pastor of First Baptist Church of Ann Arbor in Michigan. "As a university church, we tend toward the cerebral rather than the emotional, the spiritual or the expressive. Our church can be overly rational, which can stand in the way of spiritual vitality." She welcomed the opportunity to delve into "themes of spirituality, community and leadership" and to "live and pray with Benedictine sisters."

### Strength in numbers

As the series of semiannual retreats unfolded, the 30 pastors drew increasingly close. A participant from California so anticipated the sessions that she arranged to have a driver park her car in front of her church on the Sunday mornings that she was to fly to Indianapolis. As soon as she finished leading the worship service, she would jump into the car and dash to the airport. "They often arrived exhausted," says Sister Mary Luke, recalling the third gathering when one participant burst into the room, flattened herself against the wall and announced, "I love this place!"

Although the retreats were carefully planned, the group experienced its share of surprises. As they convened one evening in Rome at the end of the grant period, they tallied all the "significant, life-changing events" that had occurred in their three years together. The count: 28. Many happenings had been difficult — job losses, brushes with cancer, a family death, divorce — but one was especially joyous. Stacey Duke had announced to the group at its first session that she and her husband were expecting a baby. Six months later Duke arrived, eight months pregnant with twin boys and under strict doctor's orders to take it easy. The group hovered over her, relishing their roles as godmothers-in-waiting.

"The most powerful moment came on the last day of that session," recalls Duke. "We gathered in the Benedict Inn chapel, and the women had me sit in the middle of a circle. They laid hands on me and had a prayer. I felt such blessing, power and strength coming into me from that circle of women; it really carried me through the last four weeks of my pregnancy. It was wonderful to make the transition into motherhood while feeling so connected to a sisterhood."

As beneficial as the WTBG program was to the participating pas-

tors, so did it positively affect many of their congregations. Elizabeth Macaulay says, "My church is coming alive" and credits the revival in part to the personal renewal she experienced at the monastery. She cites aspects of the program that were most helpful — "the teaching of skilled theologians, the stunning beauty of two communities of women (the nuns and the pastors), the gift of time . . . and it has to be said, the gift of deep belly laughter."

Although the group has now officially disbanded, its 30 members continue to meet online in chat rooms. An Endowment grant, awarded this year, will support a second WTBG class and will provide for an annual gathering of the alumnae. Sister Mary Luke hopes the concept of ecumenical support for women in ministry will spread and that other faith communities will create similar projects. "Our dream is that this program will go on and on," she says.



**(RIGHT)** *The Rev. Teri Thomas of Northminster Presbyterian Church in Indianapolis participated in the first WTBG program. Wearing Indianapolis Colts-themed vestments she made (and carrying a "Chicago bear") she greeted parishioners and encouraged them to donate to the Souper Bowl of Caring.*

## A break in the action

A Religion Division renewal initiative of a different design has had continuous success since it was piloted in 1998. The Clergy Renewal Program (CRP) began in Indiana and expanded nationwide the following year. Like WTBG, the goal of the Indiana and national versions is to offer ordained clergy an opportunity to step away from daily parish life to rest, reflect or pursue a dream. Unlike WTBG, congregations and pastors participating in the CRP create one-of-a-kind sabbatical plans that are tailored to their specific interests. Grants of up to \$45,000 underwrite each pastor's activities during the sabbatical and cover the congregation's expense of supplying the pulpit in the minister's absence.

"Our church was entering a building phase, and I wanted to remain focused on Christ and the ministry of the church," recalls the Rev. Tom Hux, co-pastor of Our Savior's Lutheran Church in Salem, Ore., who spent part of his CRP sabbatical in South Africa. He feared that he might become so immersed in the practical matters of construction that he would lose touch with his spiritual mission. The opportunity to take a break to rest and reflect before the project's launch was appealing. "The timing seemed perfect to get energized as we entered into a period when it would be easy to get distracted," says Hux.

The highlight of his renewal program was a trip to South Africa where he reestablished a friendship that dated back to his seminary years. The Rev. Tshenuwani Farisani, an internationally known anti-apartheid leader, had been on faculty at Pacific Lutheran Theological

*The Rev. William Buchanan preaches and greets attendees at the 800-member Fifteenth Avenue Baptist Church near downtown Nashville, Tenn. Buchanan oversaw the remodeling of the church and the building of a new sanctuary. He has been pastor at the church since 1994; in 2002 the church was named one of the 300 best Protestant congregations in America.*

Seminary when Hux was a student. Now a key leader in his country's government, Farisani had invited Hux to experience life and ministry in South Africa. The Endowment grant enabled Hux not only to accept the invitation but also to bring with him his wife, Brenda, and their sons, Victor, Thomas and Luke.

"Pastor Farisani said he knew the best and the worst places to stay in South Africa, and he wanted us to experience the whole range," says Hux. "We stayed with families in very poor villages and saw life on their level. We visited prisons and torture centers, along with national parks and archaeological wonders. We met political and civic leaders, pastors, lay leaders and AIDS patients."

The adventure proved life-changing for the family and, in the end, for Hux's church. As part of the Endowment grant, Farisani and his wife traveled to Salem this January to speak at a church-sponsored event open to the community. Their presentation drew a record attendance for a guest speaker and resulted in the largest spontaneous gift ever collected. The funds are earmarked for repairs to the ministry site that Farisani directs in South Africa. But that was only the beginning. "Our congregation has pledged \$11,500 to send 20 of our members next summer to work with Pastor Farisani at the Church Center Beuster," says Hux. "The renewal program has been completed, yet its impact is alive and growing."

## Period of adjustment

Unlike Tom Hux, who scheduled his sabbatical before his church embarked on a building phase, the Rev. William F. Buchanan wanted to "clear my mind and reflect over my ministry" at the end of an exhausting renovation project. Buchanan served as onsite manager for the remodeling of the existing Fifteenth Avenue Baptist Church in Nashville, Tenn., and the addition of a new 1,000-seat sanctuary. "The project dominated my life for 13 months from construction to completion," he says. "It was time for renewal."



His congregation agreed. Several of its 800 members are professional educators who understand the concept of sabbaticals and encouraged him to apply for a CRP grant. Buchanan and the church created a proposal that had three components: travel with his family; a special program at the Harvard Summer Leadership Institute; and uninterrupted quiet time to study, reflect and write.

The “quiet time” proved most challenging to achieve. “We had just finished the building project, and we were still very much on a ‘high,’” he explains. “It probably took me a month or more to truly relax. Had I had more time between all the activity and my departure, I may have felt more emotionally prepared for the transition.”

Part of his preparation involved making sure all aspects of the church’s ministry were covered in his absence. Besides his pulpit duties, Buchanan oversees the church’s urban outreach efforts that include a feeding program for the homeless and a senior citizens group that meets twice weekly. In 1999 the congregation had established the Fifteenth Avenue Baptist Church Community Development Corp., and plans were underway to build an apartment complex and commercial facility.

A sabbatical team divided the various job assignments to ensure an uninterrupted flow in church business. Buchanan made one exception when he turned over his pastoral tasks to the team. Not wanting to disappoint the congregation’s graduating high school seniors, he delivered the traditional “charge” to the new graduates via a telephone hookup from Harvard. He and his family also occasionally worshipped at the home church, sitting in the pews among the members. “People would say, ‘Pastor, why are you here?’” he recalls. “I told them that there was no place that I would rather worship than at Fifteenth Avenue Baptist Church.”

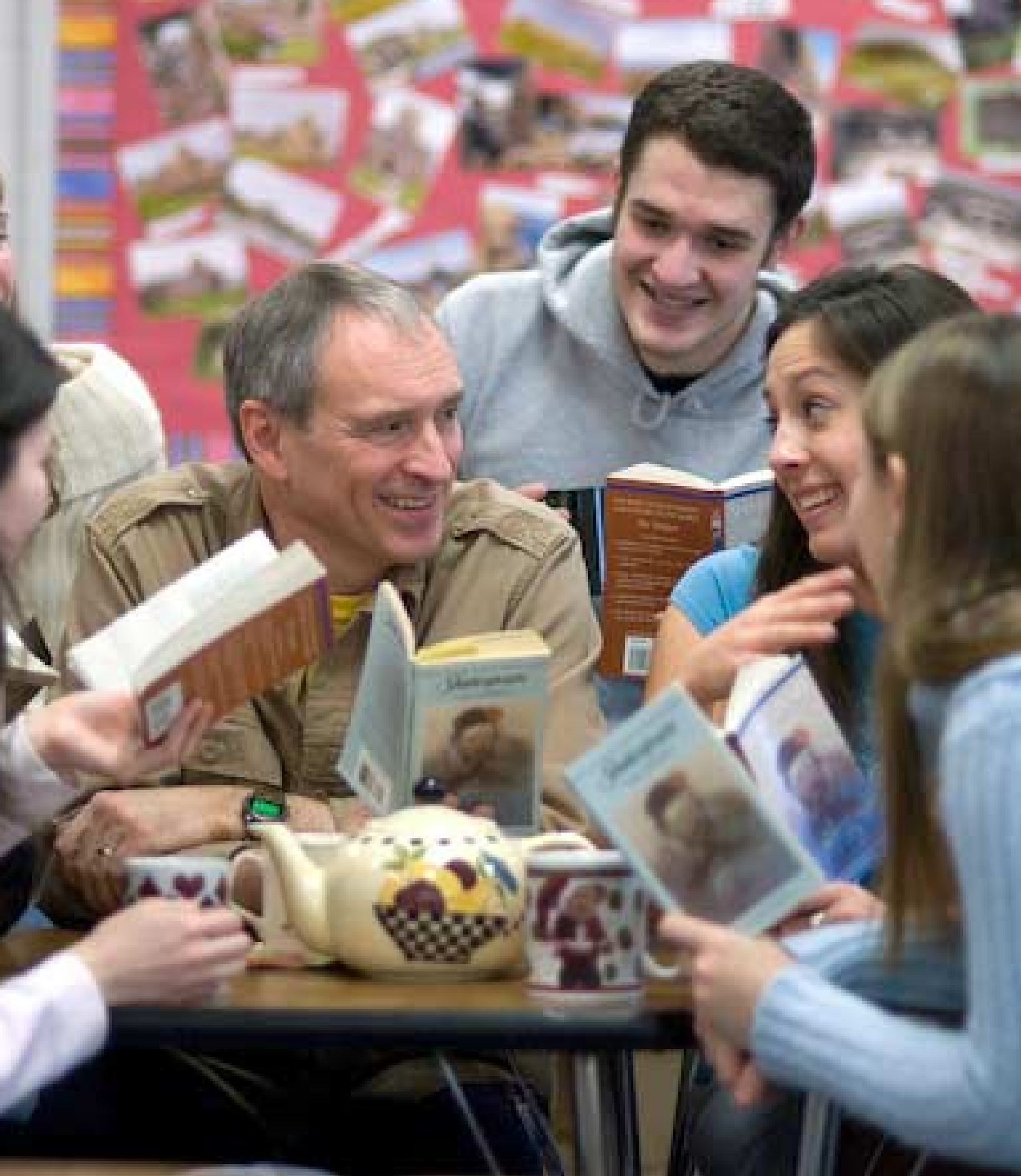
In reflecting on his renewal experience, Buchanan cites a “side blessing” that he had not anticipated. Not only did the congregation support his three-month sabbatical, but it also made sure that the



church continued to advance while he was gone. Members adjusted their vacation schedules so the pews would be filled during worship. New lay leadership emerged, attendance and membership grew, and monetary giving increased.

“The sabbatical was a time that proved how God has blessed us with some very talented people,” concludes Buchanan. “The congregation now knows that even in the absence of the pastor, the church can still prosper, the church can still be vibrant, the church can still move on.”





# Education Division

# Energized teachers energize students

*“After our breakfast of porridge, toast, jam and coffee, and our ride to the south end of the island, we started through the glacial valley of the Daal – a huge valley running east west across the south end of the island. I observed a nest with snipe eggs in the Daal. We arrived at the top of the Sneck, a fault tunnel through the cliff rocks to the cliff bottoms on the west side of the island. Peering down through the tunnel, the descent seemed impossible. We wedged down, one at a time into the entrance. The fault was filled with green moss, ferns, moisture, and an occasional sheep skeleton.*

*“Dr. Furness and Keith (a graduate ornithologist from the north of England) helped us over the amazing rough descents between boulders. At the base, the Sneck opened onto the seabird nesting cliffs of Slyhellicks. On the cliffs, we banded puffins and common guillemot. I recorded as Keith banded puffins. We returned up the Sneck. I was able to make most of the ascent without help.”*

– from the July 1, 1988, journal entry of science teacher Bonnie Fancher on a visit to Foula, North Shetland Islands

**Foula, a tiny, wind-swept speck of an island** in the North Atlantic, is a world away from Switzerland County Junior-Senior High School in southern Indiana. But each spring, when Bonnie Fancher shares her passion for birds and nature with her environmental studies class, the teacher and students are transported.

Before she takes students out into the field to identify birds in their own community along the Ohio River, Fancher often shares her photos from the summer of 1988, when she took part in an Earthwatch Institute expedition to Foula, one of the North Shetland Islands and the most remote of all the inhabited British Isles.

Fancher worked alongside researchers and other expedition members to band the legs of birds, including puffins and Arctic skua, a unique hawk-like gull native to the North Atlantic, to learn more

**(OPPOSITE)** *Stephen Clough, an English teacher at Homestead High School near Fort Wayne, serves up Shakespeare with tea for his senior class. His Teacher Creativity fellowship allowed him to go to England for research and to trace family history.*

about their habits and habitat on the island they share with just 30 or so hardy islanders.

“Just getting out the photo album and looking at the pictures has an effect on students,” Fancher says. “When they see that their teacher has worked in the field and done something unique, students see that teacher differently. The experience helps my students perceive me as a scientist as well as their teacher.”

## Creative renewal

Fancher's trip was made possible by a grant from what was, in 1988, a new initiative of the Lilly Endowment: the Teacher Creativity Fellowship Program.

First funded in 1987, the summer fellowship program continues to help make teaching in Indiana a more rewarding profession by giving seasoned teachers the opportunity to take a creative sabbatical, a time of renewal that allows busy professionals the opportunity to revitalize their own joy in learning.

In its first year, the Endowment awarded 75 grants of \$4,000



(LEFT) Eighteen years ago Bonnie Fancher received a Teacher Creativity fellowship and headed for the Shetland Islands on an Earthwatch expedition where she kept a journal. What she learned there and since has kept her enthusiasm alive for teaching ornithology, water quality and science in Vevay, a southern Indiana town on the Ohio River.

financial support and time away from the classroom or school. In 2006 the Endowment received approximately 900 applications and awarded 120 grants of \$8,000 each and nine grants of \$25,000 each to Indiana educators.

Among the recipients over the years:

- Paul Beckwith, a science teacher at Angola Middle School in northeast Indiana, is the recipient of two fellowships, the first in 1989, when he walked 568 miles along England's coast over two months, studying the geographic features of the seaside and generally feeling like "the last man on earth." He successfully applied for a second grant and in the summer of 2003, Beckwith studied the watermen – more widely known as commercial fishermen – of Chesapeake Bay.
- Celestine Bloomfield, the media specialist at Indian Creek Elementary School in Indianapolis, was one of 50 African-American students to integrate Lew Wallace High School in Gary in 1966. Her Teacher Creativity fellowship project helped her find a voice for her own story and reconnected her with former classmates whose stories have helped her students see real people behind the civil rights movement.
- Stephen Clough, an English teacher at Homestead High School near Fort Wayne, was a veteran teacher of 20 years who never dreamed he would have a chance to travel abroad when he applied for a Teacher Creativity fellowship in 1995. The fellowship sent him to England and allowed him to visit many of the places he'd read and taught about throughout his career. It also allowed him to trace his family history and begin gathering materials for a book about an English ancestor, William Clough, a clockmaker. Clough has made nine return trips to the British Isles, including some with groups of students who follow the route made legendary in Chaucer's *Canterbury Tales*. In 1999 Clough traveled with his wife, Donna, who received her own fellowship grant to study music and her ancestry in Sweden.



each. Twenty years later, nearly 1,700 licensed Indiana teachers and administrators have participated.

As word about the program has spread to public and private schools throughout the state – often through word of mouth, from teacher-to-teacher as colleagues share stories of life-changing experiences – the number of applicants has grown, as have the awards.

In recent years, the award amount has increased to \$8,000 for a summer project, and a limited number of awards for \$25,000 are now offered, too, to support large-scale projects that will require additional

- Patricia Cummings, an art teacher who splits her time between Northview Elementary and Central Elementary schools in Valparaiso, is also the recipient of two fellowship awards. In 1998 she traveled to Jordan, where she shared her students' artwork with Jordanians – including Queen Noor – and worked on her own art. Eight years later, Cummings embarked on trips to Jordan and France, where she studied 5,000-year-old pictographs and petroglyphs on cave walls created by early inhabitants. She created her own paintings and rock carvings for exhibitions and engaged her students in creating a “cave” out of cardboard in her classroom. Cummings is even on tour: She painted her van with some of the cave art, along with her new motto, “Art, the First Language.” It's hard to miss her.

Teacher Creativity Fellowship recipients are required to report back to the Endowment on their experiences, but many also opt for an additional benefit of the program. Alumni are invited to gather each summer at Indiana State University for a three-day workshop that has the flavor of a reunion of fellow travelers, where the teachers share their experiences and collaborate on new projects involving technology, writing, curriculum development and sketching.

Clark Hadley, one of the very first fellowship recipients in 1987, visited the Exploratorium science museum in San Francisco to learn how to incorporate science demonstrations into his classroom. Twenty years later, he still uses what he learned then and returns to the summer workshop at ISU to learn more and to be inspired by other teachers who have sought creative experiences.

“The fellowship was the biggest single boost to my teaching that I've ever had, and its impact continues to this day,” Hadley says. “The Endowment tells you – through the fellowship – that you are doing an important job and gives you the opportunity to be around people who are excited about what they do. That's really something special.”

### Deeper impact

Teachers usually describe their jobs as personally fulfilling, rewarding work, but there's no doubt that it is also sometimes difficult. Moreover, typical pay levels do not allow teachers many extras.

Teaching can also feel restrictive at times. The opportunities to do projects with students outside class or creative projects in class can be limited by money and the demands of meeting testing standards and covering required material.

“That's why renewal is crucial for teachers, who seem rarely to do anything for themselves, work to the point of exhaustion and often don't even take care of themselves physically,” says Beckwith. “It takes



a special energy and spirit for teachers to engage effectively classrooms of young people every day. It can be difficult to get and keep their students' attention. Not everyone can do it.

“The amount of money that Lilly Endowment provides is not huge, but if you hit the lottery for \$8,000, you'd pay some bills, maybe replace the roof. The Endowment knows this, so they don't just give you the money; they acknowledge your creativity and challenge you to do something with it,” adds Beckwith. “When you come back from your fellowship, you are fired up, you are jazzed, and your students know it, and they get fired up, too.”

Although the primary purpose of the Teacher Creativity

*(ABOVE) What next? Youngsters in Patricia Cummings' art class at Northview Elementary School ponder what the cave dwellers would have drawn on the rock walls, an activity they're probably not allowed to do at home in Valparaiso, Ind.*

Fellowship Program is to offer Indiana teachers a no-strings-attached opportunity to recharge their creative and intellectual batteries, it's almost inevitable that teachers bring their experiences into the classroom.

"My classroom is nothing like it was," says Clough, who has taught his students to serve a proper English tea and brings new authority to teaching British literature. "Anyone who walked into my classroom before and after my fellowship would see the difference. It's such a blessing to take what I've learned and pass it on to my students. It's been a delight."

Their experiences end up taking students out of the classroom, too. Richard Phillipy, an English teacher at Lawrence Central High School in Indianapolis, visited Florence, Italy, in 2004 on a three-week sojourn to study the art and architecture, and in 2006 he took 10 of his students back with him to Italy to see some of the same works they'd discussed back home in Indiana.

Many teachers speak of the "chain reaction" the fellowship sets off in their lives. Fancher, who returned from Foula more committed than ever to ornithology, has contributed to the Indiana Department of Natural Resources Indiana Breed Bird Atlas Project. She's become a state and national leader in developing standards for high school environmental standards. Her classes began testing bacteria levels in nearby Indian Creek, and their activism has resulted in state and federal grants to Switzerland County for monitoring water quality.

Fancher and her students participate in a floating classroom on the Ohio River with the Ohio River Water Sanitation Commission. "A lot of things began to open up and the Lilly Endowment fellowship was a primary ingredient," Fancher says. "The opportunities just mushroomed."

Sharing what they've learned often extends to their colleagues, too. Shortly after his first fellowship, Clough invited his fellow Homestead teachers to his classroom to learn more about the Endowment's Teacher Creativity fellowships. He's proud that since 1999, 10 other Homestead High School teachers have followed him as recipients.

The buzz is sometimes palpable. "It energizes the whole school," Clough says. "The Teacher Creativity Fellowship Program is opening up worlds and horizons for so many teachers. They would never have had a chance to do such wonderful things without it."

*Patricia Cummings has stretched plastic into rocklike shapes and taped together refrigerator boxes to simulate a cave to encourage her art students to enter the world of the cave dwellers. Her most recent Teacher Creativity fellowship took her to France where she studied 5,000-year-old pictographs and petroglyphs on cave walls.*





## Inspiring youth workers

Working with youth is an intensely rewarding experience, but it can also leave even the most dedicated professional without much time or energy for anything else.

“Professionals who work with youth are like sponges,” says Janet Wakefield, who directs the Journey Fellowship, a Lilly Endowment-funded program aimed at renewing leaders of Indiana youth organizations. “They are squeezed – by job demands, lack of resources, and the sheer energy it takes to work with youth – and then squeezed some more. Pretty soon, the sponge is dry.”

Filling those squeezed youth workers up with revitalizing energy is the goal of the Journey Fellowship, a program initiated by Indianapolis-based Community Partnerships with Youth and funded with a \$900,000 grant by the Endowment.

Like other renewal programs that the Endowment has funded, the Journey Fellowship seeks to encourage professionals by giving them the gift of time to focus on personal and professional growth. Beginning in 2002 with a three-day workshop for Indiana youth workers, the Journey Fellowship evolved into a yearlong series of four, three-day retreats at Indiana state parks and resorts for a select

25 leaders and executives of youth-serving organizations.

The program also reaches out to prospective youth workers with fellowship opportunities at Indiana State University and Indiana University Bloomington. “Explorers,” as the student participants are called, are given the time, space and resources to think about how they can translate their interest in helping youth into a career.

So far, the Journey Fellowship has given renewal opportunities to 100 “trailblazers” – the name the program bestows on its veteran youth workers – and opened doors for 109 prospective professionals.

“For both groups, the retreats offer a chance to reflect, connect with other fellows and be inspired to help kids in new ways,” says Wakefield, herself a 30-year veteran of youth work. “The Journey Fellowships recognize that youth work of all kinds – from well-established organizations like Girls Inc. and the YMCA, to small, grass-roots groups, to that of youth ministers – is a vital part of the village that is helping to raise young people.

“Too often, the people who do that work are nearly invisible to society. When they begin the Journey Fellowship, many youth workers comment that they feel alone, sometimes ready to leave the field they love,” she explains. “After the fellowship year, most participants say they feel renewed, more connected to their colleagues across the state, and more committed to their profession.”

Good things have unfolded since the Journey Fellowship started bringing Indiana youth workers together. “We are building international youth worker relationships with nations like the United Kingdom and Kenya,” Wakefield says. “We also are collaborating with Indiana colleges and universities to establish youth worker certification and degree programs, as well as supporting fellows in forming a professional youth worker association.

“Across the board among the youth workers burnout is always mentioned, as is the lack of recognition in terms of pay and societal acknowledgment that what they do is important,” she says. “We know that youth workers really make a difference. They are vital to the development of healthy communities in Indiana.”

*Janet Wakefield is enthusiastic about the Journey Fellowship, a program that allows youth workers to get together to replenish their enthusiasm and energy. This program encompasses both people new to the field and veterans of years of youth work. Wakefield is executive director of Community Partnerships with Youth, the recipient of the Endowment funds.*



# Community Development Division

Lilly Endowment's renewal programs also reach out to artists and arts administrators and human service professionals, many of whom operate unnoticed in the public arena. To honor their outstanding work and valuable contributions to the vitality and welfare of the community, the Endowment supports the Creative Renewal Fellowship Program and the Human Service Professional Renewal Program. The first is administered by the Arts Council of Indianapolis, the second by the United Way of Central Indiana.

# Time out

In June 1966 John Sherman, a 2005-2006 Creative Renewal fellowship winner, left his cap and gown from Indiana University on a table after the graduation ceremony in Bloomington. That was on a Monday. By Saturday he was in Atlanta, Ga., undergoing Peace Corps training. A farm boy from rural Marshall County, Ind., Sherman recalls, "My parents always encouraged me to go out and see the world." Good advice.

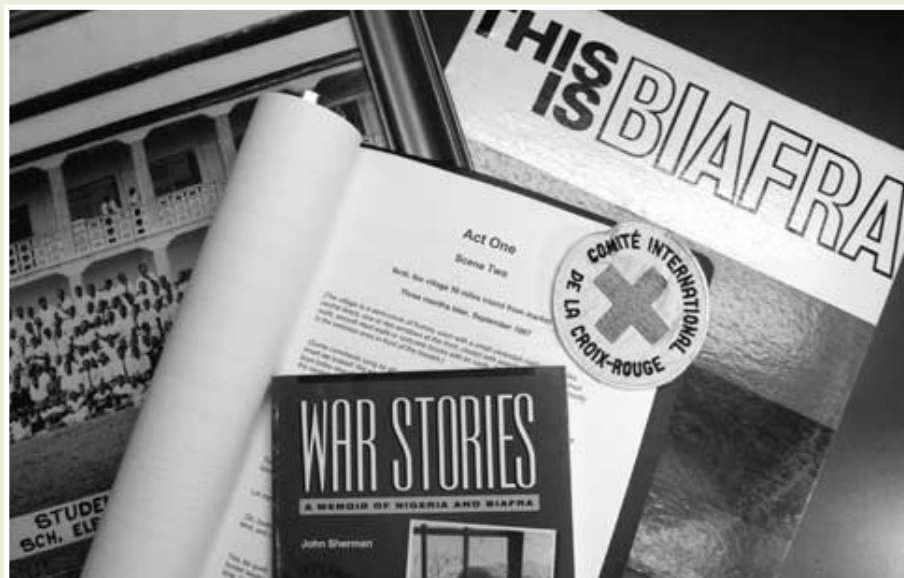
But they probably didn't envision their son ending up in the middle of the Biafran uprising of 1967-1970. He arrived in Africa in May 1967. By the next March, civil tensions were rising, order was breaking down, and the Peace Corps pulled Sherman out in early July. Meanwhile, the world was seeing endless film footage of starving children, murderous rampages, and the gradual disintegration of the uprising. For a while, Sherman was incommunicado. His hometown paper ran a headline: Where in the world is John Sherman?

He was reassigned to Malawi and later returned to Nigeria as part of the International Red Cross relief efforts. Over the next several years he coped with a measles epidemic, ran road blocks, contracted malaria and force-fed medicine to gravely ill children. He served in various capacities in Ghana for the American Field Service in 1971 and the Peace Corps until 1973. After an administrative stint in Washington, D.C., he and his wife, Lois (they met during Peace Corps training), headed first to Santa Fe, N.M., and eventually back to Indiana to launch a public relations business in Indianapolis. Through it all, he was writing — nine books of fiction, personal experiences, history and poetry.

But Biafra was never far from his mind, and in 2002 he finished a book called *War Stories: A Memoir of Nigeria and Biafra*. With the help of a Creative Renewal fellowship in 2005

he planned to promote the book as a college text and return to Nigeria to revisit the sites he had known nearly 40 years earlier. When he

(OPPOSITE) Creative Renewal fellowship recipient John Sherman wraps himself in an Akwete cloth he bought in a village in Biafra, now a state in Nigeria. Sherman wrote a book, *War Stories* (below) and an opera based on his experiences as a Peace Corps and International Red Cross volunteer during the Biafran uprising in the 1960s.





the entire opera continues.  
**Building community**

The Creative Renewal Fellowship Program that helped Sherman transform his Biafran experiences into words and music began in 1998 with a Lilly Endowment grant to the Indianapolis Arts Council. The council continues to administer the program that every other year awards grants to 50 artists and arts administrators from the Indianapolis area. To date, the Endowment has allocated \$2 million to support the program through which 200 artists and arts administrators have received fellowships. In 2006 the Endowment awarded another \$530,000 to continue the initiative.

"These fellowships are an investment in individual artists – writers, painters, dancers, musicians, arts administrators, actors, composers, printmakers, sculptors, photographers, costume designers – that help them rediscover their passion, imagination and creativity," says Greg Charleston, president of the council. "We make a big deal about announcing the recipients at a major event, and this program has contributed to the development of a real artist community here. It has created new synergies and collaborations.

*With her fellowship, lacquer painter Nhat Tran returned to her native Vietnam and then to Japan to refine her techniques. The lacquer comes from Japan and the tedious process involves hours of priming, painting and sanding to produce hundreds of layers for a finished piece of art.*

learned that Nigeria was too dangerous for tourists, he scrambled to come up with a Plan B for his creative renewal project. Time was running out, and it wasn't until he and Lois attended an Indianapolis Opera performance of *Turandot* last May that an idea occurred to him. He suddenly turned to Lois: "I can write an opera!"

Undaunted by the fact he had never even written a play, he packed an anthology of opera libretti, scooped up a handful of classical CDs, and headed for the Mary Anderson Center for the Arts, a friary deep in the southern Indiana woods. Three days later he had produced a libretto of *Biafra*, then set about recruiting Nathaniel Blume at the Butler Chamber Orchestra to write the score. "None of this 'mod' stuff," cautioned Sherman. "I'm a Puccini-Verdi sort of guy." A group of 14 music students and some graduates from Butler lent him their talents, and the Indianapolis Opera added the sets.

They selected a part of the second act to be scored. The result was the presentation of that 20-minute excerpt of *Biafra* at the Artsgarden in downtown Indianapolis. The lead singer wore Sherman's Red Cross patch for old time's sake. The work on finishing



"After their renewal experiences, their 'classes' deepen their experiences by getting together as often as they can. Many feel a sense of identity with their fellow class members. We've even noticed members of different renewal classes getting together.

"By bolstering artists in this way, the council hopes to provide new energy to keep artists living and working here and ultimately enhance the quality of life in central Indiana. We all benefit from that investment," Charleston adds.

### **Following a dream**

Lacquer painter Nhat Tran, among the first class of grant recipients, points to her post-fellowship success as proof that the grants have long-term benefits. "Look at my resume," she exclaims. "Before the grant, nothing. After the grant, bling, bling, bling."

Among the "blings": the Smithsonian American Art Museum noticed her work, and her *Bouquet for You* is now at home there. *Points of Light, Points of Might* – her reaction to the 9-11 tragedy – was selected for an international tour, acquired by the Corcoran Gallery and is now part of the gallery's permanent collection. Her current project is a 29-piece sculpture commissioned for the new Indianapolis International Airport. She anticipates that the work will require 580 layers of lacquer for priming, plus 500 layers more for painting. Then the mural will be cured in a specially constructed heat-and-humidity-controlled room until 2008 to acclimate the piece to the temperature of its final resting place.

Tran's \$7,500 renewal grant allowed her to return to her native Vietnam where she visited her father ("a doctor for the poor people") and traveled around the country. "I learned a good deal about lacquer technique by visiting the artists in Vietnam and especially by conducting my own experiments for three months," she says. The grant deepened her commitment to her art and to "pass it forward." She says that she has a dream "that when I get old, I can save some money, and I would like someday to give back to Vietnam artists."

### **Picture this....**

William A. Rasdell, also a member of the 1999-2000, started out as a photographer. "When I first began, I liked the way I looked with cameras around my neck," he admits. Now he's not sure he even owns a camera, but his photographs are at the core of the art he creates with the help of his computer. Utilizing the huge body of imagery that he has collected over the years, he scans his film, digitizes images, manipulates and Photoshops them to the max. He combines traditional and high-tech processes to produce pigment ink prints on a variety of materials such as aluminum, acrylic and wood veneers.

Rasdell says the creative renewal grant "really made all the difference in the world in my career as an artist. The technology had



*William Rasdell used his love for photographic and computer techniques to take trips to Cuba and the Caribbean to soak in the vibrant culture and bring it back to Indianapolis.*

finally caught up to the visions of things I'd wanted to do for years." His interest in Caribbean art and music came to the fore when the Pan American Games came to Indianapolis in 1987. In 1999-2000 he used fellowship funds to underwrite an eight-week trip to Cuba and Puerto Rico. In Havana he visited a small alley that was adorned with murals and sculptures by a Cuban artist. The alley also was the site of a weekly rumba, packed with musicians, dancers, locals and tourists. The lively mix of people and the arts prompted an idea. He currently is recreating the alley – Callejon de Hamel: African Roots in Cuban Soil – in the Star Studio of the Indianapolis Museum of Art for a February-July 2007 show as part of a larger exhibition celebrating Cuban art.

### **Time out for art**

Two arts administrators, Carol M. White and Stephanie Lewis Robertson, used their creative renewal fellowships to push away from their desks and indulge their passion to "just go and do art," as

Robertson says.

White, manager of studio and community art programs at the Indianapolis Museum of Art, received her fellowship in 2001 and proceeded to create 25 paintings interpreting the work of poet Dr. Henry Sawyerr, who grew up in Nigeria and studied in Poland. The result was an exhibition called "Beyond Borders and Across Oceans: Two Continents." White jokes that people consider her an "oddball" because art is her focus in and out of the office. "They want to know how you can be an artist and [work at the museum] at the same time," she says. Her answer is simple: "It's fun, and I love it."

Robertson, a fiber artist, had been on staff at the Indianapolis Art Center for six years when she received her renewal fellowship in 2001. She toured galleries in Chicago, visited studios in Cincinnati and Charleston and spent time teaching aspiring artists. It was this interaction with working professionals that nudged her toward a major decision. "The grant absolutely changed my life," she claims. "I realized I needed to make art, and I needed to make art for me. I decided to leave the Art Center and pursue art full time. The grant gave me permission to try."

Robertson now works in a large, airy studio in the Stutz building in Indianapolis and is president of the artists association there. Her space is filled with boxes of fabric swatches, four sewing machines and other tools of her craft. She has branched out into doing three-dimensional fabric and paper sculptures and credits much of her creative

zeal to the renewal fellowship. "It's affected how I teach and the kind of art I am producing," she says. "It has been a powerful experience because it just keeps on happening."

## Taking care of caretakers

With mounting documentation about how "time out" can refresh teachers, clergy, artists and arts administrators, the Endowment extended its renewal efforts in 2001 by creating similar opportunities for human service professionals. These are community caretakers and caregivers who work in the countless nonprofit organizations throughout Indianapolis and the surrounding counties. Through 2006 the Endowment has awarded nearly \$1.5 million to the United Way of Central Indiana (UWCI) to administer the renewal program. So far, 125 persons have received these grants, many of whom fit the description of "unsung heroes."

*Carol White, an administrator at the Indianapolis Museum of Art and a painter, collaborated with an African poet to produce a series of 25 paintings for her creative renewal project. She says she often uses universal symbols, such as a house, pyramid or boat, in her painting. No stranger to the benefits of renewal, White also received a Teacher Creativity fellowship in 1995 when she was an art teacher.*



"This is a program with a powerful payback to everyone in its wake," says Ellen K. Annala, UWCI president and CEO. "Right from the beginning, we try to recognize and honor their work by announcing the recipients at a big gathering. It's gratifying to observe many of them 'walking a little taller' after having their life's work acknowledged. Too often their efforts fly under the larger community's radar.

"Our human service professionals are very mission-driven people who live and breathe their work. This program has certainly delivered on its promise to recharge the participants, but in turn their renewal has frequently reenergized their own organizations," Annala adds.

Some recipients have gone on silent retreats, others – like Diane Arnold, executive director of the Hawthorne Community Center – have traveled far beyond their bases of operations to get new perspectives on their work back home.

Arnold has lived in her near westside neighborhood of Indianapolis all her life. Her parents and family still live there, too. Executive director of the Hawthorne Community Center, she has worked there for 38 years. In fact, she followed in the footsteps of her mother who worked there for 25 years, about nine as executive director.

Arnold admits that she was motivated to apply for a grant



*Fiber artist Stephanie Robertson works in a large studio in the 96-year-old Stutz building near downtown Indianapolis, home to more than 60 artists. Robertson, who says the creative renewal fellowship "changed her life," is president of the building association.*

because she needed a change so she could cope with the different circumstances surrounding her. "I went to school here; I went to col-





lege here; I married my high school sweetheart here, and I work here," says Arnold. "If you had told me 10 years ago that 80 percent of our preschool population and 35 percent of the people in my neighborhood would not speak English, I would have thought you were crazy."

To reach out to the Hispanic community that it serves, Hawthorne offers day-care programs, ESL classes, a food pantry, counseling, crisis intervention, holiday assistance, senior services — you name it. Plus, it may be the only com-

munity center in the city that brings in a veterinarian once a week to vaccinate dogs and cats. "I'm a big animal lover," says Arnold.

She passed up the first opportunity to apply for a grant because she was too busy raising funds and serving on neighborhood committees. But when she heard grant recipients talking about rejuvenation

*Diane Arnold, executive director of the Hawthorne Community Center, grew up in the neighborhood and lives only three doors away from the center. For her fellowship she got "pampered" in Cuernavaca, Mexico, and returned for a language immersion project so she could work more effectively with the Hispanic population in her area.*



effects of the fellowship program, she decided to give it a try.

"I wanted to be pampered, just for a week," she recalls. "And I wanted to improve my Spanish." Onto the Internet she went, and there she found a spa about 50 miles south of Mexico City. It sounded perfect, and it was. She came back and searched for an opportunity to help her master Spanish. She found one by joining a group of IUPUI nursing, education and social work students who were bound for a part of Mexico near the spa she had visited earlier. The experience was "phenomenal" and had long-term and unanticipated benefits. "The university wanted the students to continue their work in a community when they returned to Indianapolis," she says. "Ta-dah! — Hawthorne was just the place for them."





### Eyeing the big picture

As president of the Marion County Commission on Youth (McCoy), John Brandon worries about the big picture. McCoy is a youth services intermediary that provides training to youth workers throughout central Indiana and ensures that young people have the support and opportunities they need. A former youth worker with about 30 years in the field, Brandon realized that he needed a pause to refresh. "Many times we in the helping fields don't do a very good job of taking care of ourselves," he says. "One of the great things about the renewal program is figuring out what it is that would benefit you. My thing was to interact with others in a learning environment."

With this in mind, he traveled to Harvard for a week of leadership courses aimed at persons who direct nonprofit organizations. His classmates were from as far away as Kenya and as close as Cincinnati. The coursework was invigorating, as expected, but the perks were a total surprise. "We were treated like royalty," reports Brandon. "They rolled out the red carpet because they wanted us to know that our work is valued and appreciated. It was an intense week, but I had a wonderful time."

### Tending the garden

The grant opportunity earns similar rave reviews from Pamela Altmeyer who, like Brandon, works at an agency that provides support to a large network of social service agencies. Gleaners Food Bank of Indiana is an Indianapolis-based agency that serves more than 400 charities that feed the hungry each week throughout central Indiana. As CEO, Altmeyer describes herself as a "cheerleader" and has the energy to prove it.

But the time came when she knew she needed renewal. She married five years ago and was faced with combining two households,

*John Brandon went to Cambridge, Mass., and attended a Harvard leadership program for nonprofit leaders. He is president of a youth services intermediary organization. Edie Olson, president of the 171-year-old Family Service Association, discovered that she could feel renewed by staying home, working on house projects and spending more time with her children.*

plus a dog and two cats. "Combining their households" meant going through five Pods of "stuff."

Her renewal came in three parts: Getting rid of the stuff was No.1, first in her office. She danced on the desk when she cleared the top. Then it was time for No.2: Clean out the garage. "The analogy I made in the proposal was that I needed to 'weed the garden of my life.' I guess I didn't realize that by not doing it I was delaying grief over the loss of all those people whom I just loved and who had given me things over the years. To think that I would get it done in six weeks was delusional, but we made good progress."

No.3 was: Get out of town. She and a girlfriend headed for Spain and Morocco where they managed to enjoy the local culture "without seeing a single bullfight."

The renewal worked. "I didn't feel like I deserved this opportunity," she reflects. "I have so much, and others have so little. It felt very selfish, but it also was clearly necessary to my mental health." She says she learned that renewal can occur even without the benefit of foreign travel. "I learned that if six weeks won't clear out a life, then maybe you can do it just a little bit at a time. Weeding a garden doesn't mean you never have to weed it again."

Edie Olson, president of the Family Service Association, echoes Altmeyer's conclusion. Olson's eight-week renewal program kept her close to home where she scoured freezers and cabinets, organized family pictures, took long walks, and wrote about the two children she and her husband had recently adopted. "I heard about other grant recipients who went swimming with dolphins and traveled to Tuscany for cooking classes and I thought, 'Oh, my gosh, I just stayed home and cleaned closets.' But it was just what I needed," she says.

Olson has reaped the benefits of renewal and passed them along to her staff. So far, four of her colleagues have had similar wonderful experiences.



## 2006 Finances and Grantmaking

During 2006 Lilly Endowment continued its grant programs that offer opportunities for reflection and renewal to education professionals, clergy members, artists, youth workers and human service professionals. These grant programs provide recipients with the time and resources required to allow them to step back and immerse themselves in activities that they believe will enable them to feel rejuvenated and passionate again about their professions. The Endowment's ability to provide these renewal opportunities would not be possible without the generous gifts from its founders, beginning in 1937, of stock in their company, Eli Lilly and Company.

The focus of Lilly Endowment's grantmaking this year remains in its three major grantmaking areas – community development, education and religion. At the end of 2006, the value of the Endowment's assets totaled \$7.6 billion (see chart 1). In 2006 we approved \$310.1 million in new grants and distributed grant payments of \$346.6 million. In the grants-paid category (see charts 2 and 3), Education Division grants accounted for \$164.4 million or 47 percent of the total; Religion Division grants totaled \$123.7 million or 36 percent; Community Development Division grants added up to \$58.5 million, or 17 percent.

### Grants paid

As in previous years, most of the grants paid went to organizations in Indiana – a total of \$207.6 million or 60 percent (see chart 4). Of the grant payment total of \$346.6 million, \$138.4 million or 40 percent was paid to non-Marion County grantees in Indiana, and \$69.2 million or 20 percent went to Marion County (Indianapolis) grantees. Most of these funds came from grants in the Education and Community Development divisions. Organizations outside Indiana were paid \$139 million or 40 percent, mostly from the Religion Division.

Chart 1  
10-Year History  
Market Value of Assets  
(dollars in billions)

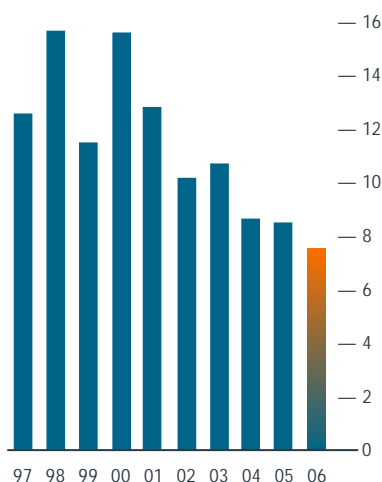


Chart 2  
10-Year History  
Grants Paid  
(dollars in millions)

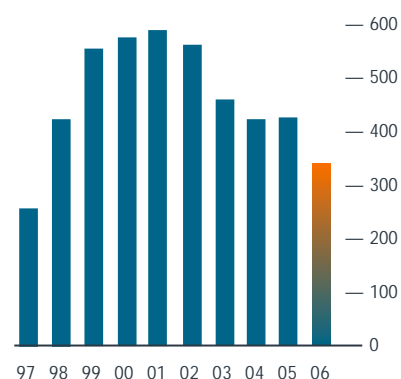


Chart 3  
Grants Paid by Division (2006)

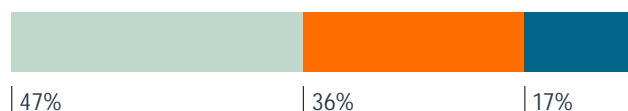
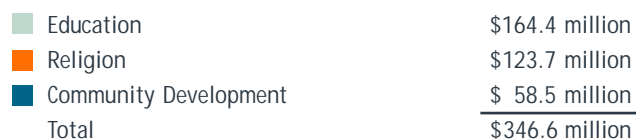
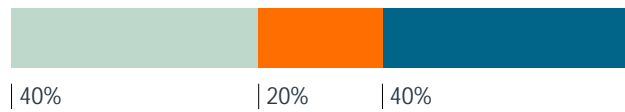


Chart 4

**Grants Paid  
by Geographic Location (2006)**

■ Indiana (non-Marion Co.)	\$138.4 million
■ Marion County (Indianapolis)	\$ 69.2 million
■ Outside Indiana	\$139.0 million
<b>Total</b>	<b>\$346.6 million</b>



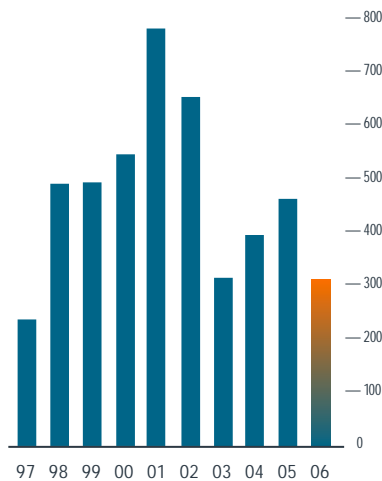
**Grants approved**

During 2006 the Endowment approved \$310.1 million to 657 grantees, 279 of them new to the Endowment (see chart 5).

The Education and Religion divisions accounted for the most dollars approved, \$124.8 million and \$124.6 million, respectively, and represented 80 percent of those grants. Approvals for the Community Development Division totaled \$60.7 million or 20 percent (see chart 6).

Chart 5

**10-Year History  
Grants Approved  
(dollars in millions)**



The geographic pattern for the grants-approved category is much like the grants-paid category: \$100.8 million or 33 percent for Indiana grantees outside Indianapolis; \$69.2 million or 22 percent for Marion County. The total approvals for Indiana grants amounted to \$170 million or 55 percent of the total. The non-Indiana grant approvals totaled \$140.1 million or 45 percent (see chart 7).

**Perspective**

Since 1937 the Endowment has paid \$6.4 billion in grants to 7,135 grantees. Of that \$6.4 billion total paid, Education accounts for \$2.7 billion or 42 percent, Community Development for \$2.1 billion or 33 percent, and Religion for \$1.6 billion or 25 percent.

Chart 6

**Grants Approved by Division (2006)**

■ Education	\$124.8 million
■ Religion	\$124.6 million
■ Community Development	\$ 60.7 million
<b>Total</b>	<b>\$310.1 million</b>

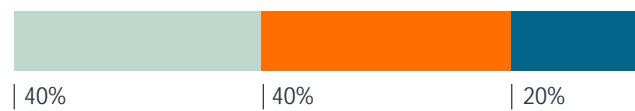
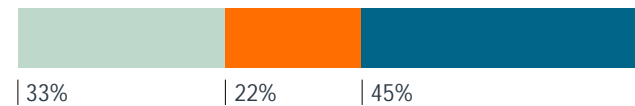


Chart 7

**Grants Approved  
by Geographic Location (2006)**

■ Indiana (non-Marion Co.)	\$100.8 million
■ Marion County (Indianapolis)	\$ 69.2 million
■ Outside Indiana	\$140.1 million
<b>Total</b>	<b>\$310.1 million</b>



Board-approved grants are listed in the back of this report and are divided into the Community Development, Education and Religion divisions. Youth Programming and Leadership Education grants are included with the Education and Religion divisions, respectively. Discretionary grants of up to \$7,500, authorized by the officers, are listed as a single line item for each division.

The Endowment's match for the charitable contributions of staff, retirees and Board members is reported as a single line item before the total of all grants approved. "Guidelines & Procedures" are outlined on pages 46-47.

## Report of Independent Auditors


The Board of Directors  
Lilly Endowment Inc.

We have audited the accompanying statements of financial position of Lilly Endowment Inc. as of December 31, 2006 and 2005, and the related statements of activities and changes in unrestricted net assets and cash flows for the years then ended. These financial statements are the responsibility of Lilly Endowment Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Entity's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lilly Endowment Inc. as of December 31, 2006 and 2005, and the changes in its unrestricted net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

February 26, 2007



## Statements of Financial Position

As of December 31	2006	2005
<b>Assets</b>		
Cash and equivalents . . . . .	\$ 48,322,750	\$ 5,484,536
Investments — at fair value:		
United States government and agency, bank, and corporate interest-bearing obligations . . . . .	137,295,530	—
Eli Lilly and Company common stock (cost — \$85,455,284 at December 31, 2006, and \$86,479,244 at December 31, 2005) . . . . .	7,312,276,888	8,355,276,048
Diversified equity investments . . . . .	103,769,013	—
Other assets . . . . .	133,064	19,224
	<b>\$ 7,601,797,245</b>	<b>\$ 8,360,779,808</b>
<b>Liabilities</b>		
Amounts appropriated for future grants . . . . .	\$ 27,529,307	\$ 64,069,816
Unrestricted net assets . . . . .	7,574,267,938	8,296,709,992
	<b>\$ 7,601,797,245</b>	<b>\$ 8,360,779,808</b>

See accompanying notes.

## Statements of Activities and Changes in Unrestricted Net Assets

Year Ended December 31	2006	2005
<b>Income:</b>		
Dividends . . . . .	\$ 231,823,723	\$ 227,446,422
Interest . . . . .	10,185,522	4,494,398
Other . . . . .	19,165,802	17,327,064
Total income . . . . .	261,175,047	249,267,884
<b>Deductions:</b>		
Grants approved . . . . .	315,186,392	471,884,436
<b>Expenses:</b>		
Program support . . . . .	8,171,171	8,410,131
Operational support . . . . .	5,469,494	5,734,559
Federal excise tax . . . . .	12,273,936	4,160,776
Total grants approved and expenses . . . . .	341,100,993	490,189,902
Gain on sale of Eli Lilly and Company common stock (shares — 7,295,000 in 2006 and 3,535,000 in 2005) . . . . .	394,609,619	195,249,227
Decrease in unrealized appreciation of marketable securities . . . . .	(1,037,125,727)	(223,738,391)
Decrease in unrestricted net assets . . . . .	\$ (722,442,054)	\$ (269,411,182)
<b>Unrestricted net assets:</b>		
Balance at beginning of year . . . . .	8,296,709,992	8,566,121,174
Decrease in unrestricted net assets . . . . .	(722,442,054)	(269,411,182)
Balance at end of year . . . . .	\$ 7,574,267,938	\$ 8,296,709,992

See accompanying notes.

## Statements of Cash Flows

Year Ended December 31	2006	2005
<b>Cash flows used for operating activities:</b>		
Dividends and interest received . . . . .	\$ 242,009,245	\$ 231,940,820
Other income received . . . . .	19,165,802	17,327,064
Grants paid . . . . .	(352,335,165)	(427,465,199)
Grant refunds received . . . . .	608,264	696,332
Program support . . . . .	(8,171,171)	(8,410,131)
Operational support . . . . .	(5,208,133)	(5,645,069)
Federal excise tax . . . . .	(12,387,776)	(4,153,926)
Net cash used for operating activities . . . . .	(116,318,934)	(195,710,109)
<b>Cash flows provided by investing activities:</b>		
Sale of Eli Lilly and Company common stock . . . . .	395,633,579	195,745,416
Purchase of investments . . . . .	(1,122,182,525)	(697,756,223)
Sale or maturity of investments . . . . .	885,852,897	697,756,223
Investment-related expenses . . . . .	(146,803)	(89,490)
Net cash provided by investing activities . . . . .	159,157,148	195,655,926
Net increase (decrease) in cash . . . . .	42,838,214	(54,183)
Cash and equivalents at beginning of year . . . . .	5,484,536	5,538,719
Cash and equivalents at end of year . . . . .	\$ 48,322,750	\$ 5,484,536

See accompanying notes.

## Notes to Financial Statements

December 31, 2006

### 1. Significant Accounting Policies

#### *Description of Organization*

Lilly Endowment Inc. (the Endowment) is an Indianapolis-based, private, philanthropic foundation created by three members of the Lilly family through gifts of stock in their pharmaceutical business, Eli Lilly and Company. The stock of Eli Lilly and Company continues to be the Endowment's most significant asset. The Endowment supports the causes of religion, education, and community development. The Internal Revenue Service has determined that the Endowment is exempt from federal income tax under Section 501(a) of the Internal Revenue Code. It remains a private foundation subject to federal excise tax on net investment income.

#### *Income and Expenses*

Interest and dividend income is recorded as received, and operating expenses are recorded as paid. The currently payable portion of federal excise tax is accrued. Grants are recorded when approved by the Board of Directors.

Realized gains and losses from the sales of Eli Lilly and Company common stock are calculated using the first-in, first-out method of allocating cost.

#### *Cash and Equivalents*

Investments with original maturities of three months or less are considered to be cash equivalents.

#### *Investments*

Investments are stated at fair value.

#### *Facilities and Equipment*

Expenditures for facilities and equipment are expensed as paid.

#### *Use of Estimates*

Preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, expense, and related disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

### 2. Required Distributions

The Internal Revenue Code provides that the Endowment generally must distribute for charitable purposes five percent of the average market value of its assets. The Endowment must make additional qualifying distributions of approximately \$343,000,000, before January 1, 2008, to meet the 2006 minimum distribution requirements.



# 2006 Grant Approvals

## Community Development Division Grants

DOLLAR AMOUNT APPROVED IN 2006

**American Cabaret Theatre**  
*Indianapolis, IN*  
 General operating support 125,000

**American Enterprise Institute for Public Policy Research**  
*Washington, DC*  
 General operating support 100,000

**American Pianists Association**  
*Indianapolis, IN*  
 2006 Indy Jazz Fest 200,000  
 Jazz Piano Fellowship Awards 50,000

**Arts Council of Indianapolis**  
*Indianapolis, IN*  
 "Art and Soul at the Artsgarden" 87,500  
 Audience development project 330,000  
 Creative Renewal Fellowship Program 530,000  
 General operating support 300,000  
 "Public Art" project 100,000

**Atlas Economic Research Foundation**  
*Arlington, VA*  
 General operating support 500,000

**Bosma Industries for the Blind**  
*Indianapolis, IN*  
 Facility improvements 223,650

**Capital Improvement Board**  
*Indianapolis, IN*  
 Cultural development and tourism initiative 2,500,000

**Central Indiana Community Foundation**  
*Indianapolis, IN*  
 Support for the Women's Fund of Central Indiana 2,000,000

*(PREVIOUS PAGE) Diane Arnold takes a "people break" from her administrative duties at the Hawthorne Community Center in Indianapolis.*

**CICP (Central Indiana Corporate Partnership) Foundation**  
*Indianapolis, IN*  
 General operating support 4,500,000

**Coalition for Homeless Intervention and Prevention**  
*Indianapolis, IN*  
 General operating support 260,000

**COLAP (Community Organizations Legal Assistance Project)**  
*Indianapolis, IN*  
 General operating support and abandoned-housing initiative 35,000

**Community Action of Greater Indianapolis**  
*Indianapolis, IN*  
 Elevator installation at 2626 E. 46th St. location 158,700

**Dance Kaleidoscope**  
*Indianapolis, IN*  
 General operating support 100,000

**Domestic Violence Network of Greater Indianapolis**  
*Indianapolis, IN*  
 General operating support 157,000

**Eiteljorg Museum of American Indians and Western Art**  
*Indianapolis, IN*  
 Eiteljorg Fellowship for Native American Fine Art and Traveling Fellowship Plan 470,000  
 General operating support 1,147,500

**Federalist Society for Law and Public Policy Studies**  
*Washington, DC*  
 General operating support 150,000

**Foundation for Research on Economics and the Environment**  
*Bozeman, MT*  
 General operating support 50,000

**Fraser Institute**  
*Vancouver, BC*  
 General operating support 300,000

**Freedom House***Washington, DC*

General operating support 100,000

**George Mason University Foundation***Fairfax, VA*

General operating support 100,000

**Indiana Association for Community Economic Development***Indianapolis, IN*

General operating support 125,000

**Indiana Association of United Ways***Indianapolis, IN*

General operating support 1,112,400

**Indiana Grantmakers Alliance***Indianapolis, IN*

General operating support 262,500

**Indiana Grantmakers Alliance Foundation***Indianapolis, IN*

GIFT technical assistance program for 2007 677,795

**Indiana National Guard Relief Fund***Indianapolis, IN*

Assistance for Indiana and Air National Guard members and their families who suffer hardship due to mobilization of reserves 250,000

**Indiana Opera Society***Indianapolis, IN*

Angela Brown Christmas Special project 50,000

General operating support 123,750

**Indiana Repertory Theatre***Indianapolis, IN*

General operating support 300,000

**Indiana Sports Corp.***Indianapolis, IN*

General operating support 500,000

**Indiana Symphony Society***Indianapolis, IN*

General operating support 1,237,500

**Indiana University Foundation***Bloomington, IN*

Transitional support for Indiana Business Research Center 1,100,000

**Indianapolis Art Center***Indianapolis, IN*

General operating support 200,000

**Indianapolis City Market Corp.***Indianapolis, IN*

Capital campaign 900,000

**Indianapolis Museum of Art***Indianapolis, IN*

General operating support 500,000

**Indianapolis Neighborhood Housing Partnership***Indianapolis, IN*

Support for programs, housing-system infrastructure and administrative costs 5,300,000

**Indianapolis Neighborhood Resource Center***Indianapolis, IN*

Intermediary community-building services 250,000

**Indianapolis Zoological Society***Indianapolis, IN*

General operating support 1,116,720

**Institute for Research on the Economics of Taxation***Washington, DC*

General operating support 85,000

**Intercollegiate Studies Institute***Wilmington, DE*

General operating support 125,000

**International Center of Indianapolis***Indianapolis, IN*

General operating support 300,000

**Keep Indianapolis Beautiful***Indianapolis, IN*

General operating support 325,000

**Local Initiatives Support Corp.***New York, NY*

Great Indy Neighborhoods Initiative	1,000,000
Indianapolis LISC program	500,000
Special projects	350,000

**Lutheran Disability Ministries***Indianapolis, IN*

Support for an organizational readiness audit and service-market study	50,000
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**Madame Walker Urban Life Center***Indianapolis, IN*

General operating support	500,000
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**Manhattan Institute for Policy Research***New York, NY*

General operating support	200,000
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**Martin University***Indianapolis, IN*

Support for lecture series	50,000
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**National Center for Policy Analysis***Dallas, TX*

General operating support	150,000
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**New Harmony Project***Indianapolis, IN*

General operating support	50,000
Support for new administrative director	22,000

**Pacific Research Institute for Public Policy***San Francisco, CA*

General operating support	175,000
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**Political Economy Research Center  
(dba Property and Environment  
Research Center)***Bozeman, MT*

General operating support	50,000
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**Reason Foundation***Los Angeles, CA*

General operating support	225,000
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**Rehab Resource***Indianapolis, IN*

General operating support	50,000
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**Sagamore Institute for Policy Research***Indianapolis, IN*

General operating support	300,000
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**Salvation Army***Indianapolis, IN*

Operation Compassion for Indiana troops in Iraq	25,000
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**Social Philosophy and Policy Foundation***Bowling Green, OH*

General operating support	100,000
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**Stanford University***Stanford, CA*

General operating support for Stanford's Hoover Institution	125,000
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**Tax Foundation***Washington, DC*

General operating support	75,000
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**United Way of Central Indiana***Indianapolis, IN*

Facilities Maintenance Fund	1,400,000
Human Service Professional Renewal Program	524,800
SAVI database management and operation	225,000
Supplemental support for Capital Projects Fund	20,000,000
Targeted Initiatives Fund	550,000
2006 Campaign	3,750,000

**University of Southern Indiana***Evansville, IN*

General operating support for Historic New Harmony programs	125,000
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**Young Audiences of Indiana***Indianapolis, IN*

General operating support	200,000
Partial support for implementation of strategic plan	150,000

**Holiday Assistance Fund**

(17 grants ranging from \$1,850 to \$95,000) 275,000

Catholic Charities Indianapolis  
 Community Action of Greater Indianapolis  
 Flanner House  
 Hall Temple Church of God in Christ  
 Indiana Black Expo  
 Indiana Department of Correction,  
 Indianapolis Juvenile Correctional Facility  
 Indianapolis Jaycee Charities  
 Indianapolis Urban League  
 Kingsley Terrace Church of Christ  
 La Plaza  
 Lutheran Child & Family Services of Indiana  
 New Covenant Church & Ministries  
 Salvation Army  
 Save the Youth Program  
 United Northwest Area  
 United Way of Central Indiana  
 Westminster Neighborhood Ministries

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**Subtotal - Community Development  
 Division Grants** 60,611,815

Community Development Division  
 Discretionary Grants 93,585

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**Total - Community Development  
 Division Grants** 60,705,400

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**Education Division and  
Youth Programming Grants**

DOLLAR AMOUNT APPROVED IN 2006

**American Indian College Fund***Denver, CO*

Woksape Oyate: Wisdom of the  
 People Initiative 17,500,000

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**Asian American Alliance***Carmel, IN*

Chinese visiting-teacher pilot program 50,000

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**Butler University***Indianapolis, IN*

College of Pharmacy and Health Sciences 25,000,000

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**Corporation for Educational Technology***Martinsville, IN*

Support to develop a strategic plan for the  
 use of information technology in  
 K-12 education 225,000

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**Donors Choose***New York, NY*

Start-up and program operating funds for  
 Indiana program 250,000

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**Goshen College***Goshen, IN*

Center for Intercultural Teaching  
 and Learning 12,500,000

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**Independent Colleges of Indiana***Indianapolis, IN*

Administration of Lilly Endowment  
 Community Scholarship Program 1,100,000

Lilly Endowment Community  
 Scholarship Program 18,600,000

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**Indiana State Chamber of Commerce  
Foundation***Indianapolis, IN*

Enhancing workplace literacy in Indiana 1,250,000

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**Indiana State University***Terre Haute, IN*

Extending Teacher Creativity 2007:  
 A Summer Workshop and Academy  
 for Teacher Creativity Fellows 167,811

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**Indiana Student Financial Aid Association***Lafayette, IN*

College Goal Sunday 2007 50,000

**Indianapolis Public Schools***Indianapolis, IN*

Startup funding for Crispus Attucks' Medical Magnet School 750,000

**Indy Reads***Indianapolis, IN*

Transitional funding for adult literacy programs 28,000

**Ivy Tech Foundation***Indianapolis, IN*

Accelerated and targeted remedial education program 1,600,000

**Marian College***Indianapolis, IN*

Life Science Education Center 150,000

**Providence Cristo Rey High School***Indianapolis, IN*

Feasibility study 48,500

**Purdue Research Foundation***West Lafayette, IN*

School of Pharmacy and Pharmaceutical Sciences 25,000,000

**Rose-Hulman Institute of Technology***Terre Haute, IN*

Continuing support for the Homework Hotline 1,800,000

**St. Joseph Institute for the Deaf***Chesterfield, MO*

Program development 500,000

**United Negro College Fund***Fairfax, VA*

Enhanced fund-raising and professional development programs 270,000

2007 Indianapolis television special and fund-raising program 85,000

**United Way of Central Indiana***Indianapolis, IN*

Imagination Library 50,000

**Teacher Creativity Fellowship Program**

Competitive summer program for renewal of Indiana schoolteachers, principals and assistant principals, guidance counselors and library media specialists

(120 grants of \$8,000 each) 960,000

**Teacher Creativity Distinguished Fellows Program**

Competitive summer program for renewal of Indiana schoolteachers, guidance counselors and library media specialists whose renewal programs require additional financial support and time away from the classroom. Each teacher receives up to \$25,000, and a separate grant of up to \$25,000 is available to the teacher's school district to cover the costs of a replacement teacher if necessary.

(6 grants ranging from \$7,195 to \$25,000 for distinguished fellows) 133,957

(6 grants ranging from \$9,153 to \$25,000 for teacher-replacement costs) 108,586

**Youth Programming****At-Your-School (AYS) Child Services***Indianapolis, IN*

Strategic planning and institutional capacity building 50,000

**Big Brothers Big Sisters of Central Indiana***Indianapolis, IN*

Faith-based partnership strategy and a community education and outreach initiative 400,000

**Camp Tecumseh YMCA Outdoor Center***Brookston, IN*

Partial support for all-weather multipurpose activity center 300,000

**Center for Leadership Development***Indianapolis, IN*

General operating support 250,000

**Children's Bureau***Indianapolis, IN*

Strategic planning, technology enhancement and constituency-building project 48,450

**Chrysalis Academy of Life and Learning***Indianapolis, IN*

Purchase of equipment and van and facility improvements 50,000

**Damar Services***Camby, IN*

Support for comprehensive expansion plan 3,250,000

**Fathers and Families Resource/Research Center***Indianapolis, IN*

General operating support 210,000

**Girls Inc.***New York, NY*

Five-year strategic plan development 50,000

**Health and Hospital Corp.***Indianapolis, IN*

Reclaiming the Village: Rites of Passage program 50,000

**IARCCA Institute for Excellence***Indianapolis, IN*

Continuing support for statewide performance outcomes project 649,650

**Indiana Black Expo***Indianapolis, IN*

General operating support and Youth Video Institute equipment 625,000

**Indiana Grantmakers Alliance Foundation***Indianapolis, IN*

Partial support for Youth Philanthropy Initiative of Indiana 380,000

**Indiana Juvenile Justice Task Force***Indianapolis, IN*

Aftercare for Indiana through Mentoring (AIM) transition and technology enhancements 456,125

**Indiana Youth Institute***Indianapolis, IN*

Continuation of the College and Career Counseling Initiative 2,500,000

**Indianapolis Art Center***Indianapolis, IN*

SMART (Supportive Mentoring through ART) program 35,000

**Indianapolis Private Industry Council***Indianapolis, IN*

Continuing support for Youth Employment Services (YES) program 3,750,000

**Marion County Commission on Youth***Indianapolis, IN*

General operating support 190,000

Implementation of child-welfare strategic plan 370,000

**National FFA Foundation***Indianapolis, IN*

FFA National Conference in Indianapolis 400,000

**National Urban Fellows***New York, NY*

Support for fellowships in Indianapolis, recruitment and marketing activities in Indiana and efforts to increase NUF alumni giving 140,000

**100 Black Men of Indianapolis***Indianapolis, IN*

Organizational and development capacity building 225,000

**Peace Learning Center***Indianapolis, IN*

Power of Ones project 595,000

**Prevent Child Abuse, Indiana***Indianapolis, IN*

Strategic alliance study and transition funding 50,000

**Ronald McDonald House***Indianapolis, IN*

Information technology software project 14,424

**Search Institute***Minneapolis, MN*

Support for 2006 Healthy Communities-Healthy Youth conference 50,000

**Summer Youth Program Fund 2006**

Capital project grants for organizations to improve their capacity to conduct summer programs for youth

(18 competitive grants ranging from \$8,420 to \$25,000) 270,845

Antioch Neighborhood Restoration &amp; Outreach Ministry

Area Youth Ministry  
 Boys & Girls Clubs of Indianapolis  
 Catholic Youth Organization  
 Concord Center Association  
 Diabetic Youth Foundation of Indiana  
 East Tenth United Methodist Children and Youth Center  
 First-Meridian Heights Presbyterian Church  
 Girls Inc.  
 Great Commission Church of God  
 Happy Hollow Children's Camp  
 Hawthorne Social Service Association  
 Indiana University Foundation  
 Indianapolis Parks Foundation  
 Jameson Camp  
 Kaleidoscope Church and Community Partnership  
 Little Bethel Missionary Baptist Church  
 Save the Youth Program

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**Summer Youth Program Fund 2006**

Grants for organizations to provide summer activities for youth

(134 competitive grants to support 154 programs ranging from \$1,585 to \$43,500)

1,179,155

Adult & Child Center  
 African Community International  
 Agape Therapeutic Riding Center  
 American Diabetes Association, Indiana Affiliate  
 American Lung Association of Indiana  
 Anglican Church of Resurrection  
 Antioch Neighborhood Restoration & Outreach Ministry  
 Area Youth Ministry  
 Art With a Heart  
 At-Your-School (AYS) Child Services  
 Auntie Mame's Child Development Center  
 Bands of America  
 Bethesda Temple Apostolic Church  
 Beulah Baptist Church  
 Booth Tarkington Civic Theatre  
 Boys & Girls Clubs of Indianapolis (6)  
 Broadway United Methodist Church  
 Brookside Community Youth Program  
 Butler-Tarkington Neighborhood Association  
 Calvary Temple of Indianapolis  
 Camp Fire Boys and Girls  
 Camptown

Catholic Charities Indianapolis (2)  
 Catholic Youth Organization  
 Cherubims  
 Children's Bureau  
 Christamore House  
 Claude McNeal's Musical Theatre Training Program  
 Coburn Place Safehaven II  
 Community Action of Greater Indianapolis  
 Community Alliance of the Far Eastside  
 Concord Center Association  
 Coppin Chapel African Methodist Episcopal Church  
 Cosmo Knights Scholarship Fund  
 Covenant Community Church  
 Crooked Creek Service Center  
 Damar Services  
 Day Nursery Association of Indianapolis  
 Dayspring Center  
 Diabetic Youth Foundation of Indiana  
 Dirty Dozen Hunting and Fishing Club  
 Dyslexia Institute of Indiana  
 East Tenth United Methodist Children and Youth Center  
 Eastern Star Jewel Educational Services  
 Ebenezer Missionary Baptist Church  
 Edna Martin Christian Center  
 First-Meridian Heights Presbyterian Church (2)  
 Forest Manor Multi-Service Center  
 Freetown Village  
 Garden Baptist Church  
 Garden City Christian Church  
 Girls Inc. (2)  
 Great Commission Church of God  
 Happy Hollow Children's Camp  
 Hawthorne Social Service Association  
 Health and Hospital Corporation of Marion County  
 Healthy Opportunities for At-Risk Children  
 Hemophilia of Indiana  
 Hook's Discovery and Learning Center  
 Hoosier Capital Girl Scout Council  
 Indiana Athletic Teen Basketball Association  
 Indiana Deaf Camps Foundation  
 Indiana Golf Foundation

Indiana Minority Health Coalition  
 Indiana School for the Deaf  
 Indiana Sports Corp.  
 Indiana State Museum Foundation  
 Indiana University Foundation  
 Indianapolis Algebra Project  
 Indianapolis Art Center  
 Indianapolis Interfaith Hospitality Network  
 Indianapolis Junior Golf Foundation  
 Indianapolis Parks Foundation (3)  
 Indianapolis Public Housing Agency  
 Indianapolis-Marion County Public Library Foundation  
 Inquisitive Kids  
 Jacer Inn  
 James Whitcomb Riley Memorial Association (dba Riley Children's Foundation)  
 Jameson Camp  
 Jeanie Foundation  
 John H. Boner Community Center  
 Kaleidoscope Church and Community Partnership  
 Keep Indianapolis Beautiful  
 Kindred Spirits, A Gallery for Young People  
 La Plaza  
 Lawrence United Methodist Church  
 Life Line Community Center  
 Little Bethel Missionary Baptist Church  
 Little Red Door Cancer Agency  
 Lutheran Child & Family Services of Indiana  
 Marian College  
 Marion County Commission on Youth  
 Martin Luther King Multi-Service Center  
 Mary Rigg Neighborhood Center  
 Messiah Missionary Baptist Church  
 Metro Ministries (2)  
 Metropolitan School District of Perry Township  
 Metropolitan School District of Washington Township  
 Muscular Dystrophy Association  
 National Junior Tennis League of Indianapolis  
 New Covenant Church & Ministries  
 New Light Christian Church  
 Northside New Era Community Outreach  
 Notre Dame Club of Indianapolis

Oaks Academy  
 Oasis Christian Community Development Corp.  
 100 Black Men of Indianapolis  
 Pathway to the Future Learning Center  
 Peace Learning Center  
 People's Burn Foundation  
 Philharmonic Orchestra of Indianapolis  
 Phillips Temple CME Church  
 Project SEED  
 Purdue University  
 Ruth Lilly Center for Health Education  
 St. Florian Center  
 St. John's Community Care Services  
 St. Richard's School Foundation  
 Salvation Army  
 Save the Youth Program  
 Scott United Methodist Church  
 Senior Connects Corp. (dba Net Literacy Corp.)  
 Shepherd Community  
 Southeast Community Services  
 Speedway Baptist Church  
 Urban Arts Consortium of Indianapolis  
 Very Special Arts of Indiana (2)  
 Visions  
 Visions Ministries  
 Vista Care Hospice Foundation  
 Westminster Neighborhood Ministries  
 YMCA of Indianapolis (9)  
 Young Audiences of Indiana  
 Youth Job Preparedness Program

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**Subtotal** - Education Division Grants 108,176,854

**Subtotal** - Education Youth Programming Grants 16,538,649

Education Division Discretionary Grants 110,400

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**Total** - Education Division and Youth Programming Grants 124,825,903

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## Religion Division and Leadership Education Grants

DOLLAR AMOUNT APPROVED IN 2006

### Catholic Theological Union at Chicago

*Chicago, IL*

Study of efforts to integrate theological knowledge and pastoral experience in theological education 38,035

### Charter Oak Community Church

*Churubusco, IN*

Rebuilding of church destroyed by lightning fire 48,354

### Church Federation of Greater Indianapolis

*Indianapolis, IN*

Benevolence and congregational mentoring programs 110,000

### College of New Jersey Foundation

*Ewing, NJ*

Evaluation of Programs for the Theological Exploration of Vocation Initiative 511,929

### Commission on Accrediting of the Association of Theological Schools

*Pittsburgh, PA*

Database conversion project 797,000

### Educational Broadcasting Corp.

*New York, NY*

Support for 10th season of *Religion & Ethics NewsWeekly* public television program 6,250,000

### Emory University

*Atlanta, GA*

Continuation of project on law, religion and the Reformed tradition 399,958

### Family Promise

*Summit, NJ*

Establishment of 12 new interfaith hospitality networks 300,000

### Fuller Theological Seminary

*Pasadena, CA*

Partial support for College Transition Research project 149,954

### Fund for Theological Education

*Atlanta, GA*

Continuation of vocational exploration project in collaboration with church-related volunteer service organizations 498,877

Continuing coordination of Transition-into-Ministry grants program 1,678,400

Continuing support for FTE programs 6,300,000

### Hartford Seminary

*Hartford, CT*

New methods for studying the theological character of congregations 50,000

### Indiana Network for Higher Education Ministries

*Indianapolis, IN*

Support for Visions for Vocation project 797,000

### Indianapolis Symphonic Choir

*Indianapolis, IN*

Continuation of Sacred Masterworks Series IV project 135,000

Sacred Masterworks Series V 120,000

### Institute of Church Administration and Management

*Atlanta, GA*

Program to nurture the next generation of black pastoral leaders 1,100,000

### Lectionaid

*Boulder, CO*

Festival of Homiletics special event 36,979

### Literary Classics of the United States (Library of America)

*New York, NY*

Supplemental support for publication of American Religious Poems anthology project 25,000

### Louisville Presbyterian Theological Seminary

*Louisville, KY*

Continuing support for Louisville Institute project 4,999,770

### Pennsylvania State University

*University Park, PA*

Continuation of Association of Religion Data Archives project 627,772

**Presbyterian College***Clinton, SC*

Consultation on preparing religious leaders to serve in pluralistic contexts	50,000
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**Religion Newswriters Foundation***Westerville, OH*

Continuation of Lilly Scholarships in Religion for Journalists project	1,165,390
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**Trinity College***Hartford, CT*

Partial support for project on American religious traditions	255,000
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**United Church of Christ***Cleveland, OH*

Partial support for financial transformation and renewal project	50,000
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**United Methodist Church, Indiana Area***Indianapolis, IN*

Indiana United Methodist "Imagine Indiana" annual conference project	45,000
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**University of Arizona***Tucson, AZ*

Dissemination of National Congregations Study II	200,000
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**University of Notre Dame***Notre Dame, IN*

Continuation of National Study of Youth and Religion project	1,096,631
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**University of Virginia***Charlottesville, VA*

Support for Project on Lived Theology program	533,722
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**Valparaiso University***Valparaiso, IN*

Continued support for Lilly Fellows Program in Humanities and the Arts	2,498,936
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Education and Formation of People in Faith project	2,973,281
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**Whidbey Institute***Clinton, WA*

Support for Reclaiming the Wholeness of Life project	220,000
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**Yale University***New Haven, CT*

Learning Ministry project	1,458,013
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**Clergy Renewal Program for Indiana Congregations**

Program to strengthen Indiana congregations by supporting renewal and reflection periods for pastors

(27 grants ranging from \$34,700 to \$45,000)	1,165,402
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Broadway United Methodist Church, Indianapolis

Calvary United Methodist Church, Brownsburg

Cedar Lake Church of the Brethren, Auburn

Central Christian Church (Disciples of Christ), New Albany

Chapel Hill United Methodist Church, Indianapolis

Cicero Seventh-Day Adventist Church

Clay United Methodist Church, South Bend

Eagle Alliance Church (Christian and Missionary Alliance), Whitestown

First Christian Church of Rochester (Disciples of Christ)

First Congregational United Church of Christ, Angola

Fountain of Truth Christian Church (nondenominational), Indianapolis

Grace United Methodist Church, Kokomo

Hanover United Methodist Church

Howard-Miami Mennonite Church, Kokomo

Little Blue River Baptist Church (American Baptist), Shelbyville

Maryland Community Church (nondenominational), Terre Haute

Mount Olive Lutheran Church (Lutheran Church/Missouri Synod), Greenwood

Plymouth Congregational Church (United Church of Christ [UCC]), Fort Wayne

Richmond Church of the Brethren

St. Boniface Roman Catholic Church, Lafayette

St. Mark Evangelical and Reformed Church (UCC), Evansville  
 St. Mary of the Lake Parish (Catholic), Gary  
 Tarrytown Missionary Baptist Church, Gary  
 Trinity Evangelical Free Church, South Bend  
 Walnut Hill Mennonite Church, Goshen  
 Waterford Mennonite Church, Goshen  
 Zion Lippe United Church of Christ, Mount Vernon

**National Clergy Renewal Grants Program**

Program to strengthen congregations by supporting renewal and reflection periods for pastors

(123 grants ranging from \$21,774 to \$45,000) 4,996,721

All Angels Episcopal Church, New York  
 All Saints Episcopal Church, Reisterstown, Md.  
 All Saints Parish (Episcopal), Brookline, Mass.  
 American Lutheran Church (Evangelical Lutheran Church in America [ELCA]), Billings, Mont.  
 Ann Arbor (Mich.) Chinese Christian Church (Southern Baptist Conference [SBC])  
 Assumption of the Blessed Virgin Mary (Catholic), Fairport, N.Y.  
 Baptist Church of the Covenant (Cooperative Baptist Fellowship [CBF]), Birmingham, Ala.  
 Belfast (Maine) United Methodist Church  
 Bellevue United Presbyterian Church (Presbyterian Church USA [PCUSA]), Pittsburgh  
 Berkland Baptist Church (SBC), Cambridge, Mass.  
 Bethlehem Baptist Church (Baptist General Conference [BGC]), Minneapolis  
 Cathedral of St. John the Evangelist (Catholic), Boise, Idaho  
 Central Baptist Church (BGC), Sioux Falls, S.D.  
 Central Lutheran Church (ELCA), Seattle  
 Christ Episcopal Church, Los Altos, Calif.  
 Christ Episcopal Church, Rockville, Md.  
 Church of St. Matthias (Catholic), Somerset, N.J.  
 Church of the Ascension (Episcopal), Seattle  
 Church of the Epiphany (Episcopal), Plymouth, Minn.  
 Church of the Good Shepherd (Episcopal), Towson, Md.  
 Clinton Avenue Presbyterian Church (PCUSA), Newark, N.J.  
 Community Christian Church (Disciples of Christ), Tempe, Ariz.  
 Crossroads Presbyterian Church (PCUSA), Waterford, Conn.  
 Earle Street Baptist Church (SBC), Greenville, S.C.

East Second Street Christian Church (Disciples of Christ), Lexington, Ky.  
 Eastridge Covenant Church (Evangelical Covenant Church [ECC]), Clackamas, Ore.  
 Emanuel Lutheran Church (ELCA), Marion, Ohio  
 Epiphany Lutheran Church (ELCA), Dayton, Ohio  
 Fairview Avenue Brethren in Christ Church, Waynesboro, Pa.  
 First Baptist Church (SBC), Maryville, Ill.  
 First Baptist Church (SBC), Siloam Springs, Ark.  
 First Baptist Church of Christ (CBF), Macon, Ga.  
 First Christian Church (Disciples of Christ), Cedar Falls, Iowa  
 First Christian Church (Disciples of Christ), Jacksonville, Fla.  
 First Christian Church (Disciples of Christ), Lafayette, Calif.  
 First Christian Church (Disciples of Christ), Puyallup, Wash.  
 First Church (United Church of Christ [UCC]), Cambridge, Mass.  
 First Congregational Church (UCC), Berlin Heights, Ohio  
 First Congregational Church (UCC), Manchester, Vt.  
 First Evangelical Lutheran Church (ELCA), Waltham, Mass.  
 First Lutheran Church (ELCA), St. Peter, Minn.  
 First Presbyterian Church (PCUSA), Atlanta, Ga.  
 First Presbyterian Church (PCUSA), Merchantville, N.J.  
 First Presbyterian Church (PCUSA), Port Townsend, Wash.  
 First Presbyterian Church (PCUSA), Tulsa, Okla.  
 First Presbyterian Church (PCUSA), Vero Beach, Fla.  
 First Presbyterian Church (PCUSA), Winchester, Va.  
 First United Methodist Church, Northville, Mich.  
 First United Presbyterian Church (PCUSA), Woodbridge, Va.  
 Fresno (Calif.) University Presbyterian Church (PCUSA)  
 Good Shepherd Lutheran Church (ELCA), Polson, Mont.  
 Grace Episcopal Church, Allentown, Pa.  
 Grace Episcopal Church, Amherst, Mass.  
 Grace Evangelical Lutheran Church (ELCA), Champaign, Ill.  
 Grace Evangelical Lutheran Church (ELCA), Needham, Mass.  
 Grace Fellowship Church (nondenominational), Watervliet, N.Y.  
 Grace Lutheran Church (ELCA), Tampa, Fla.  
 Grace Presbyterian Church (PCUSA), Walnut Creek, Calif.  
 Grace University Lutheran Church (ELCA), Minneapolis  
 Greenfield Presbyterian Church (PCUSA), Berkley, Mich.  
 Hilmar (Calif.) Covenant Church (ECC)  
 Holy Trinity Antiochian Orthodox Christian Church, Santa Fe, N.M.  
 Holy Trinity Lutheran Church (ELCA), Chicago  
 Hope Church (Reformed Church in America [RCA]), Holland, Mich.

Immanuel Presbyterian Church (Evangelical Presbyterian Church), Warrenville, Ill.  
 Knollbrook Covenant Church (ECC), Fargo, N.D.  
 Korean Presbyterian Church of South Bay (PCUSA), Gardena, Calif.  
 Mayflower Congregational Church (UCC), Englewood, Colo.  
 Melwood Church of the Nazarene, Upper Marlboro, Md.  
 Metropolitan Baptist Church (American Baptist Convention [ABC]), Dorchester, Mass.  
 Metropolitan Church of God (Church of God, Anderson), Detroit  
 Mission Baptist Church (CBF), Locust, N.C.  
 Monaghan Presbyterian Church (PCUSA), Dillsburg, Pa.  
 Mount Carmel Baptist Church (ABC), Richmond, Va.  
 Mount Olivet United Church of Christ, North Lima, Ohio  
 New Hope Reformed Church (RCA), Powell, Ohio  
 North Haven (Maine) Baptist Church (ABC)  
 North Shore Chapel (Christian Reformed Church [CRC]), Danvers, Mass.  
 Oaklyn (N.J.) Baptist Church (ABC)  
 Peace Lutheran Church (ELCA), Lake Zurich, Ill.  
 Peace United Church of Christ, Duluth, Minn.  
 Pilgrim United Church of Christ, Brentwood, N.H.  
 Plymouth Congregational Church (UCC), Fort Collins, Colo.  
 Post Falls (Idaho) Community Presbyterian Church (PCUSA)  
 Presbyterian Church of Traverse City, Mich. (PCUSA)  
 Prince of Peace Episcopal Church, Aliquippa, Pa.  
 Redeemer Lutheran Church (ELCA), Park Ridge, Ill.  
 Resurrection Lutheran Church (ELCA), Scottsdale, Ariz.  
 River Rock Church (CRC), Rockford, Mich.  
 Round Rock (Texas) Christian Church (Disciples of Christ)  
 St. Albans Congregational Church (UCC), Jamaica, N.Y.  
 St. Andrew Presbyterian Church (PCUSA), Denton, Texas  
 St. Andrew's Episcopal Church, Greensboro, N.C.  
 St. Anne's Episcopal Church, Reston, Va.  
 St. Athanasius' Episcopal Church, Brunswick, Ga.  
 St. Barnabas Episcopal Church, Portage, Mich.  
 St. Dominic Catholic Church, Columbus, Ohio  
 St. George Episcopal Church, Fort George Island, Fla.  
 St. Hyacinth Congregation (PCUSA), Milwaukee  
 St. John the Baptist Episcopal Church, Seattle  
 St. John's Parish (Episcopal), Jacksonville, Fla.  
 St. Joseph Church (Catholic), Mechanicsburg, Pa.  
 St. Mary's Episcopal Church, Kinston, N.C.  
 St. Mary's Presentation Catholic Church, Deer Park, Wash.  
 St. Paul's English Evangelical Lutheran Church (ELCA), Baraboo, Wis.

St. Paul's Episcopal Church, White River Junction, Vt.  
 St. Peter's United Church of Christ, West Seneca, N.Y.  
 St. Thomas Lutheran Church (ELCA), Omaha, Neb.  
 Santa Ynez Valley Presbyterian Church (PCUSA), Solvang, Calif.  
 Second Congregational Church (UCC), Londonderry, Vt.  
 Shalom Community Church (Mennonite Brethren Church), Ann Arbor, Mich.  
 Shearer Hills Baptist Church (SBC), San Antonio  
 Shepherd of the Pines Lutheran Church (Lutheran Church/Missouri Synod), Payson, Ariz.  
 Southern Heights Christian Reformed Church (CRC), Kalamazoo, Mich.  
 Springwood Presbyterian Church (PCUSA), Whitsett, N.Y.  
 Sugar Creek Presbyterian Church (PCUSA), Kettering, Ohio  
 Third Congregational Church (UCC), Alstead, N.H.  
 Trinity Episcopal Church, Tulsa, Okla.  
 Trinity Lutheran Church (ELCA), Boulder, Colo.  
 Trinity Parish (Episcopal), Washington  
 Trinity Reformed Church (RCA), Orange City, Iowa  
 Wallingford Presbyterian Church (PCUSA), Seattle  
 Westminster Presbyterian Church (PCUSA), Nacogdoches, Texas

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#### Programs for the Theological Exploration of Vocation

Continuing support for theological exploration of vocation programs at selected colleges and universities

(43 grants ranging from \$280,344 to \$500,000)	20,574,600
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Asbury College, Wilmore, Ky.  
 Augustana College, Rock Island, Ill.  
 Azusa (Calif.) Pacific University  
 Baylor University, Waco, Texas  
 Bluffton (Ohio) University  
 Butler University, Indianapolis  
 Cardinal Stritch University, Milwaukee  
 Catawba College, Salisbury, N.C.  
 College of St. Benedict, St. Joseph, Minn.  
 College of Wooster, Ohio  
 Covenant College, Lookout Mountain, Ga.  
 Creighton University, Omaha, Neb.  
 Denison University, Granville, Ohio  
 Dillard University, New Orleans  
 Dordt College, Sioux City, Iowa  
 Duke University, Durham, N.C.  
 Earlham College, Richmond, Ind.  
 Elmhurst (Ill.) College

Evangel University, Springfield, Mo.  
 Geneva College, Beaver Falls, Pa.  
 Gordon College, Wenham, Mass.  
 Goshen (Ind.) College  
 Guilford College, Greensboro, S.C.  
 Hamline University, St. Paul, Minn.  
 Hastings (Neb.) College  
 Hellenic College, Brookline, Mass.  
 Hope College, Holland, Mich.  
 Lee University, Cleveland, Tenn.  
 Macalester College, St. Paul, Minn.  
 Marian College, Indianapolis  
 Milligan (Tenn.) College  
 Mount St. Mary's College, Emmitsburg, Md.  
 Northwestern College, Orange City, Iowa  
 Ohio Wesleyan University, Delaware, Ohio  
 Our Lady of the Lake University of San Antonio  
 Pacific Lutheran University, Tacoma, Wash.  
 St. Bonaventure (N.Y.) University  
 St. Olaf College, Northfield, Minn.  
 Santa Clara (Calif.) University  
 Seton Hall University, South Orange, N.J.  
 Simpson College, Indianola, Iowa  
 Spelman College, Atlanta  
 Wartburg College, Waverly, Iowa

**Sustaining Pastoral Excellence Program**

Continuing support for projects that focus attention and energy on maintaining high-caliber ministry among pastoral leaders nationwide

(9 grants ranging from \$193,021 to \$997,874) 3,810,139

Auburn Theological Seminary, New York  
 Benedict Inn Retreat and Conference Center, Beech Grove, Ind.  
 Center for New Community, Chicago  
 Cooperative Baptist Fellowship, Atlanta  
 Foundation for the Mid South, Jackson, Miss.

Louisiana Annual Conference of the United Methodist Church, Baton Rouge, La.  
 Triangle Pastoral Counseling, Raleigh, N.C.  
 Union Theological Seminary & Presbyterian School of Christian Education, Richmond, Va.  
 United Methodist Church, Minneapolis

**Theological Programs for High School Youth Supplemental Grants Initiative**

Continuing support for effort to encourage high-school-age youth to engage in theological inquiry and to explore vocations in Christian ministry

(34 grants ranging from \$56,150 to \$600,000) 14,274,700

Associated Mennonite Biblical Seminary, Elkhart, Ind.  
 Calvin Theological Seminary, Grand Rapids, Mich.  
 Catholic Theological Union at Chicago  
 Chicago Theological Seminary  
 Concordia College, St. Louis, Mo.  
 Concordia Theological Seminary, Fort Wayne, Ind.  
 Duke University, Durham, N.C.  
 Emmanuel School of Religion, Johnson City, Tenn.  
 Emory University, Atlanta  
 Fuller Theological Seminary, Pasadena, Calif.  
 Gordon-Conwell Theological Seminary, South Hamilton, Mass.  
 Huron College, London, Ontario  
 Interdenominational Theological Center, Atlanta  
 Lancaster (Pa.) Theological Seminary  
 Lincoln (Ill.) Christian College and Seminary  
 Luther Seminary, St. Paul, Minn.  
 Lutheran School of Theology at Chicago  
 Lutheran Theological Seminary at Gettysburg, Pa.  
 Lutheran Theological Seminary at Philadelphia, Pa.  
 Mennonite Brethren Biblical Seminary, Fresno, Calif.  
 Multnomah Bible College and Seminary, Portland, Ore.  
 Pacific Lutheran Theological Seminary, Berkeley, Calif.  
 Pacific School of Religion, Berkeley, Calif.  
 Pittsburgh Theological Seminary  
 Queen's Theological College, Kingston, Ontario  
 St. John's University School of Theology, Collegeville, Minn.  
 St. Mary's Seminary and University, Baltimore  
 St. Meinrad (Ind.) Archabbey  
 St. Paul School of Theology, Kansas City, Mo.  
 Southern California School of Theology, Claremont  
 Southern Methodist University, Dallas  
 Trinity Lutheran Seminary, Columbus, Ohio

Union Theological Seminary & Presbyterian School of Christian Education, Richmond, Va.

Wartburg Theological Seminary, Dubuque, Iowa

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### Transition-into-Ministry

Programs for selected churches and organizations to help new pastors make the transition from seminary student to pastoral leader

(5 grants ranging from \$635,000 to \$850,000) 3,945,276

Bryn Mawr (Pa.) Presbyterian Church (Presbyterian Church USA)

Church of the Servant (Christian Reformed Church), Grand Rapids, Mich.

Plymouth Congregational Church (United Church of Christ), Des Moines, Iowa

Plymouth Congregational Church, Minneapolis

St. James' Church (Episcopal), New York

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### Leadership Education

#### Council on Foundations

Washington, DC

2006 membership dues 50,000

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#### Foundation Center

New York, NY

General operating support 125,000

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#### Independent Sector

Washington, DC

2006 membership dues 12,500

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#### Indiana Grantmakers Alliance

Indianapolis, IN

Recognition program for nonprofit organizations 10,000

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#### Indiana University Foundation

Bloomington, IN

Support for the Center on Philanthropy at Indiana University 40,000,000

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### Philanthropy Roundtable

Washington, DC

General operating support 25,000

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**Subtotal** - Religion Division Grants 84,286,839

**Subtotal** - Leadership Education Grants 40,222,500

Religion Division Discretionary Grants 50,000

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**Total** - Religion Division and Leadership Education Grants 124,559,339

**Grand Total** - All Divisions 310,090,642

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Incentive Grants for Employee Giving 5,782,914

Total – All Grants Approved\* 315,873,556

\*Reconciliation to Financial Statements  
To reconcile the total of all grants approved with the financial statements, the following adjustments must be made:

Adjustments for decommitments (78,900)

Adjustments for refunds (608,264)

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Net Total – Grant Approvals 315,186,392

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## Guidelines & Procedures

Lilly Endowment receives several thousand grant requests each year, but we can fund only a small percentage of many worthwhile proposals.

These guidelines, formulated over the years by our founders and the Endowment's Board of Directors, govern our grantmaking decisions.

### Areas of interest

We consider proposals in three program areas: community development, education and religion. We also are interested in initiatives that benefit youth, that foster leadership education among nonprofit institutions, and that promote the causes of philanthropy and volunteerism.

### Community development

Our community development grantmaking focuses primarily on the quality of life in Indianapolis and Indiana, and we grant funds for human and social needs, central-city and neighborhood revitalization, low-income housing, and arts and culture in Indianapolis. We also support amateur athletics and fitness organizations, facilities and programs that help advance the city's economic revitalization and community recreational opportunities.

On a statewide level, we provide major support for the development of the endowments of community foundations and the advancement of United Ways.

### Education

Our education grantmaking revolves primarily around our interest in improving education in Indiana, with special emphasis on higher education and on programs designed to increase the percentage of Indiana residents with bachelor's degrees. We support a number of invitational grant programs, many of which are aimed at Indiana's colleges' and universities' abilities to increase the state's educational attainment level. We also support programs that increase access to higher education by African Americans, Native Americans and Hispanic Americans.

### Religion

Our primary aim in this field is to deepen and enrich the religious lives of American Christians, principally by supporting efforts to encourage, support and educate a new generation of talented pastors and to strength-



en current pastors in their capacities for excellence in ministry. We seek to help congregations be vibrant, healthy communities of faith, and we encourage efforts that make available and accessible the wisdom of the Christian tradition for contemporary life. We support seminaries, theological schools and other educational and religious institutions that share these aims. We also support projects that strengthen the contributions which religious ideas, practices, values and institutions make to the common good of our society.

### Youth, leadership education, and fund-raising and philanthropy

Besides grantmaking in our three principal areas of community development, education and religion, the Endowment also awards grants in support of youth development, leadership education, and fund-raising and philanthropy.

Our youth grants support direct-service organizations in central Indiana, build the capacity of intermediary organizations throughout the state, and provide professional development for the staffs and volunteer leadership of these organizations.

In leadership education, we seek to support and nurture good stewardship among the trustees and executives of the types of charitable organizations we primarily serve by funding scholarship on the characteristics of able trusteeship and good governance of nonprofit organizations.

On a limited basis, we also support programs (nationally and in Indiana) to increase charitable giving among Americans. We fund efforts to create a body of reliable knowledge about giving and fund-raising and to encourage the scholarly pursuit of the subject.

### Geographic priorities

In keeping with the founders' wishes, the Endowment gives priority to efforts that improve the quality of life in Indianapolis and Indiana. This priority applies to grants for community development and elementary/secondary education (exceptions include occasional funding for national programs that complement or relate to our work in Indiana).



The Endowment's interest in higher education extends to Indiana colleges and universities and to historically black colleges nationwide. Grants to other institutions of higher learning outside Indiana generally are restricted to programs offered by the Endowment on an invitational basis.

Our work in religion is national in scope, as is our support for leadership education. Grants for international purposes are limited to a small number of disaster-relief efforts and to a few United States-based economics and public policy programs affecting North and South American countries.

**Limitations**

The Endowment generally does not support the following:

- Loans or cash grants to private individuals. Most grant money is awarded to charitable entities. We do not assist individuals with personal or business-related finances.
- Requests to discharge pre-existing debts of individuals or organizations.
- Health-care projects.
- Mass media projects. The Endowment does not typically fund mass media projects and limits consideration to projects that fall squarely within specific program areas.
- Endowments or endowed chairs. The Endowment targets its grants for specific purposes. Except in unusual cases involving long-standing grantees or special initiatives, we do not contribute to endowments or endowed chairs.
- Libraries. Except for special initiatives, the Endowment regularly declines grants to public libraries outside Marion County, Ind. Library grants to universities generally are confined to the state of Indiana and to invitees under certain Endowment grant initiatives.

- Outside Indiana. Requests usually are declined for building campaigns, elementary/secondary education, arts and culture, human service projects, general operating funds and neighborhood projects (except as part of invitational grant programs).

**Application process**

If you believe your charitable organization has a request that fits within our guidelines, we suggest that you write us a preliminary letter of no more than two pages. The letter should tell us about your organization, the project you have in mind and the amount of support you will need from us. We respond in writing to all preliminary inquiries. In cases that warrant further consideration, we may ask you to furnish a full proposal. E-mailed or faxed requests will not be considered.

**Approval process**

A program director generally reviews grant proposals. Those that meet the criteria for consideration proceed to the appropriate division for review, then to the corporate officers, and finally to members of the Board of Directors. The Board of Directors considers grants in February, March, May, June, July, September, November and December. The grant-review process takes from three to six months. All grantseekers receive written notification of our decisions.



Please direct correspondence to:

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 Telephone 317/ 924-5471  
 Fax 317/ 926-4431  
 website: [lillyendowment.org](http://lillyendowment.org)



*Nashville boy may need a little coaxing before services at the Fifteenth Avenue Baptist Church.*

## Acknowledgments

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