



Connections

East Tennessee Foundation

2011 Issue 1

Thoughtful giving for stronger communities, better lives

Reflecting Forward



Mike McClamroch
ETF President & CEO

Among the many hunting stories my dad tells is one about my grandfather on a duck hunt. As dawn approached and a thick-as-pea-soup fog rolled in, their very small boat became a dangerous place to be in that very big river with lots of huge commercial barge traffic. In fog it's easy to lose your bearings, impossible to tell where you've been, where you're going—even where you are. My grandfather knew that danger and realized that the only way to find his way to safety was to actually look backward and see the wake of his boat.

Keeping straight the two or three feet of wake that he could see allowed him to steer the boat in a

straight line so he could reach the safety of the river bank. Sometimes the best way to move forward is to look/reflect backward. So, to make sure we are keeping our bearings at the Foundation, here's a look back at 2010 and a glimpse of where we are heading in 2011.

In 2010, East Tennessee Foundation (ETF) and its supporting foundations accepted gifts totaling \$19 million—up significantly from \$12.8 million in 2009. We opened 13 new donor advised funds, 1 charitable trust, 3 designated funds, 3 field-of-interest funds, 5 organizational endowments, and 6 scholarships. That addition of 31 new funds puts our fund total at 360.

Our total assets, thanks to a 12% market return on our investments and new gifts, have grown from \$138 million to a record \$156 million. And our operating budget is still significantly less than 1% of our assets.

Thankfully, on our grantmaking side we saw increases as well. With grants of over \$10 million in 2010, our total investment in our region since our founding in 1986 has grown to over \$179 million. I just love it when East Tennesseans buck the national trends and prove over and over again that we are one of the most generous regions in the nation - neighbors giving to neighbors.

We believe that everyone in East Tennessee should have a safe, simple, decent place to live—and \$8.6 million in grants and loans from our Affordable Housing initiatives have assisted over 3,100 families toward that goal.

Continued on page 4

Paying Tribute to Sam



L to R: Marie and Bob Alcorn, Jo Ann, Sam, and Gordon Fowler

At the beginning of his annual meeting remarks, Mike McClamroch, ETF President & CEO, reflected back to East Tennessee Foundation's (ETF) founding 25 years ago and the instrumental role that Sam Fowler played in the Foundation's origins. "ETF would simply not exist if it weren't for the vision and efforts of Sam Fowler," said McClamroch.

After graduating from the University of Virginia law school and returning to Knoxville to practice law in 1953, Sam helped set up the Knox County Foundation in 1956. That foundation then became the Community Improvement Foundation of East Tennessee in 1969, a predecessor of East Tennessee Foundation.

"We had no money, no staff, and I had to learn something about foundations," as Sam tells it. By 1972, Sam knew he had to set some kind of example, so he went to his

Continued on last page



L to R: Sam Fowler, Mike McClamroch, and Michael McClamroch



\$.89
per gallon

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NEW ETF BOARD MEMBERS

The Foundation Introduces

New Board Members

East Tennessee Foundation is pleased to welcome new members to its board of directors in 2011.



DAN BECHTOL was born in Knoxville, raised in Clinton, and has been employed by Credit Bureau of Knoxville, Inc. – ChoiceDATA since 1973. Upon his graduation from the University of Tennessee in 1977, he was named General Manager, which later became his present title of President and CEO. Dan has served in leadership roles for a number of credit-related organizations, including Director and Past President of Associated

Credit Bureaus of Tennessee, and was Chairman of the Equifax System Affiliate Advisory Board. Believing that the future success of our communities is largely dependent upon the level of training provided to our children and young adults, his favorite area of philanthropy is working with nonprofit organizations that improve the quality of education within our region. His favorite activities include: time with family and grandchildren, University of Tennessee football, gardening, traveling, bicycling, and swimming. He is a ham-radio operator, enjoys classic rock music, and is attempting to learn to play the electric guitar with his oldest grandson. Dan and his wife, Mary, have a daughter, Pam, and son, Matt, and four grandchildren with another grandchild due in March.



HOWARD BLUM was a professional baseball player from 1946 to 1953 with the Cleveland Indians organization. He moved to Knoxville from Chicago in 1975 to become a partner with the Benco Sign Company and when that company moved to Alabama in 1981, he remained in Knoxville. That year he became an owner of the Cedar Bluff Racquet Club and subsequently became an

accomplished tennis player. In 2004, Howard was ranked #1 in Tennessee, #4 in the southeast and #18 nationally in

the men's 75-80 category. He continues to play, but not at the same level! Howard doesn't have a favorite area of philanthropy....he believes in "giving to all" and greatly enjoys board participation and lending support to a variety of organizations. He presently works in the development office of the Helen Ross McNabb Foundation and is most proud of directing the Knoxville Challenger, a professional tennis tournament that benefits Helen Ross McNabb.



JEFFERSON CHAPMAN Having moved to Knoxville right after WWII, Jeff considers himself an East Tennessee native. Dr. Chapman is the Director of the Frank H. McClung Museum at the University of Tennessee and a Research Associate Professor in Anthropology. Jeff earned an undergraduate

degree from Yale University and a Master of Arts in Teaching from Brown University. He taught history and anthropology at Webb School of Knoxville for six years before receiving an M.A. and Ph.D. from the University of North Carolina, Chapel Hill. He then joined the faculty of the University of Tennessee. Drawing on over 40 years of experience in archaeological research in Tennessee, he is the author of a number of articles and books. His philanthropic interests lean toward the arts and education, but he also contributes to a wide range of social services. He enjoys golf, fishing, travel, and working as an archaeologist. Jeff has two daughters, Kate and Jennie, with his first wife, Carol, and 5 grandchildren. He is married to Vicki, who has two children and 5 grandchildren. Jeff is the board chair of the Chapman Family Fund, an ETF supporting organization.

See ETF on
Community Television
Channel 12
Tuesdays - 9 a.m.
Saturdays - Noon



There Are Rivalries and Then There Are RIVALRIES!

New Board Members Continued from page 2



CHERYL MASSINGALE is a native of Knoxville and an avid UT fan. She attended Webb School, Emory University in Atlanta, and received her J.D. and M.B.A. degrees from the University of Tennessee.

Cheryl retired from a full-time tenured professorship at UT, where she taught Business and Healthcare Law for twenty years. She also taught Business Law as an adjunct faculty member at Maryville College for several years. Cheryl has been involved with numerous professional and charitable organizations, and her favorite area of philanthropy is education. Her leisure time is full of outdoor activities: riding horses with her husband, water skiing, struggling at golf, daily walks with friends and dogs, snorkeling and tennis (her favorite). She also is enjoying learning to play bridge.



PHYLLIS NICHOLS is a native East Tennessean, was born in Mountain City, raised in Kingsport, and attended college in Johnson City and Knoxville. She began her professional career as a public school teacher, took time off to raise two wonderfully successful daughters, and returned to the world of work via the University of Tennessee and

the Urban League. “I learned the art of service and giving through the example set by my parents, both educators, who committed their entire lives to helping others,” said Phyllis. Her specific focus for giving is to support efforts that empower individuals to become self-sufficient. It harkens back to the teaching gene in her DNA. Phyllis is known for her sense of humor and enjoys reading, playing with her iPad, traveling, and theatre in all its forms. Her newest joy is a nearly one-year-old granddaughter. Phyllis and Jim, her husband, have two daughters, Tiffany and Allison, and one granddaughter, Bella.



Central High School

Tennesseans are very familiar with rivalries: Tennessee vs. Florida – Tennessee vs. UConn – Webb vs. Catholic – Bearden vs. Farragut, etc. But recently, because of a mistake in labeling a picture in our last newsletter, another great RIVALRY was revived – Central High School vs. Knoxville High School. Intending to show a picture of Central High School in a story about L.D. Strader’s wonderful legacy, we instead used a picture of “the other school.” We apologize profusely to all concerned...and indeed, many were concerned! Please know that we attempt to avoid offending anyone (especially our donors) and we can now clearly identify each of the school buildings if placed among hundreds of choices. On the more positive side, it was gratifying to learn how many of our constituents do actually read the ETF newsletter!



“The River” singing group, an ETF Harris Fund grantee, performed at our Annual Meeting.

Connections

SO MANY WAYS TO GIVE TO ETF

Of course, East Tennessee Foundation is always happy to accept cash gifts. Oftentimes, gifts of other types of assets yield beneficial results in the areas of capital gains and tax and estate planning. To open a fund or contribute to any existing fund, the Foundation accepts almost any asset of value, including:

- Cash and checks
- Credit cards by mail and in person - VISA, MasterCard, Discover
- Credit cards on-line through www.easttennesseefoundation.org - VISA, MasterCard, and American Express
- Publicly traded securities (stocks, bonds, and mutual fund shares)
- Stock in privately owned companies
- Retirement assets
- Life insurance policies
- Unencumbered real property
- Remainder interests in personal residences or farms
- Tangible personal property
- Promissory notes



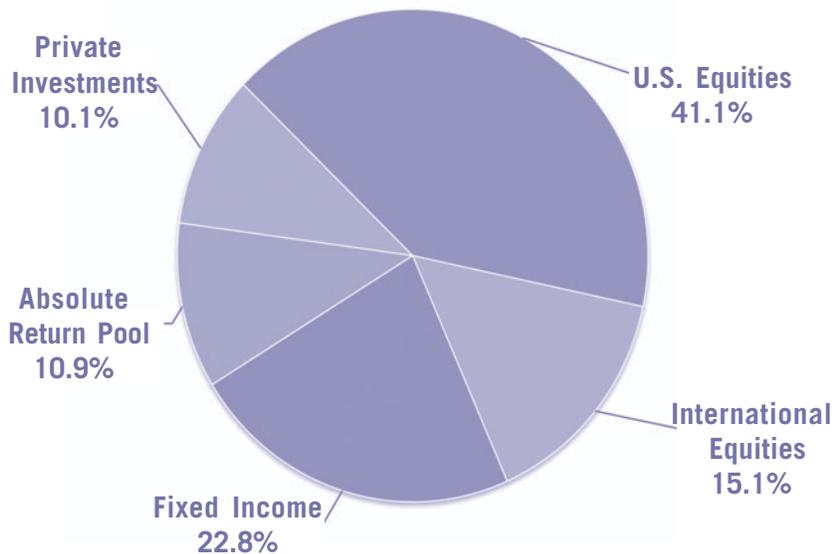
For further information about determining the type of gift that would be most advantageous for you, please contact Bob Calloway, Vice President for Advancement, or your professional advisor.

ENDOWMENT PERFORMANCE UPDATE

East Tennessee Foundation's primary long-term investment vehicle is the commingled fund. The Foundation seeks through its investment policies to maintain or increase the real value of endowment principal and distributions over the long term while funding current needs at an appropriate level. To carry out this mission, the Investment Committee establishes investment objectives and strategies of equity, fixed income, cash and non-traditional investments as it determines appropriate.

The asset allocation and long term investment performance returns of the commingled fund as of December 31, 2010, are included below:

2010	3 YEAR	5 YEAR	10 YEAR	15 YEAR	20 YEAR	Fund Inception in 1987
11.91%	1.55%	5.67%	5.82%	7.69%	8.48%	8.27%



Reflecting Forward - Continued from page 1

East Tennessee Foundation has been entrusted with \$9.1 million in 37 scholarship funds. With 31 of those currently active, 107 individuals attended 31 different colleges and universities in 2010. A scholarship fund is a thoughtful way for a donor to change lives, changing our region, forever.

Soon we will officially launch our Women's Fund, which will provide grants to organizations throughout East Tennessee that help women find solutions to family and community challenges.

This year, 2011, marks our 25th anniversary and our celebration will be more than just a pat on the back for the nearly \$200 million in total grants we will have made by year's end. We will reflect on how our work has changed our region and do our very best to explain who we are and what we do, to everyone in East Tennessee who could benefit from our services.

Thanks to each of you for being our partner. As we "reflect forward" into 2011, I hope you'll ask yourselves these questions:

- Are your neighbors able to feed their families?
- Do you know anyone who can't afford the medical care they need?
- Does everyone have a safe place to live?
- Is our region able to provide enough affordable housing?

And the list can go on and on...

My point is that there are so many reasons to work to make a difference, so many reasons you support East Tennessee Foundation. We must keep our bearings and go forward together, because drifting is not an option.

Mike McClamroch
ETF President & CEO



ETF Grantees



MONROE COUNTY GRANT AWARDS

John D. Grubb and Louise G. Sumner Fund for Monroe County

An Affiliate Fund of
East Tennessee Foundation
2010 Grant Awards

The John D. Grubb and Louise G. Sumner Fund for Monroe County was established in 1998 through a generous gift by Monroe County natives John and his sister, Louise. The Fund was created to benefit the economic, social, cultural and educational well-being of Monroe County residents and their communities. Grants from the Fund encourage creative use of area resources and contribute to the quality of life of Monroe County residents.

American Red Cross (ARC) - Monroe County Chapter

Disaster funds will be used to help families recover from house fires, floods, tornadoes, and other natural and manmade disasters.

Boys and Girls Club of the Monroe Area

Keystone Clubs and Torch Clubs will provide youth with opportunities to strengthen their sense of identity and ability to contribute to society.

Branches of Monroe County, Inc.

Programs will teach life skills and practical work skills training to women.

CASA Monroe

The "CASA Monroe Awareness Program" will increase community awareness about child abuse and neglect.

Coker Creek Economic Development Group, Inc.

The Coker Creek Welcome Center and Heritage Gift Shop will be supported in their essential roles as destinations for local tourism.

Douglas-Cherokee Economic Authority, Inc.

The Monroe County Neighborhood Center will provide assistance to low-income households that are in a crisis or emergency situation.

Douglas-Cherokee Economic Authority, Inc.

A new refrigerator will be provided for the Senior Nutrition Program meal site at Cora Veal Senior Citizens Center.

Florence Crittenton Agency

The Addiction Recovery Center is a new intensive outpatient substance abuse treatment program serving Monroe County pregnant and parenting women.

Good Shepherd Center

The Heating and Cooling Initiative and Food Self-Sufficiency Initiative will provide low-income families with heaters, blankets, and fans during extreme weather conditions.

Hearing and Speech Foundation

Hearing aids will be provided for Monroe County citizens who are living at or below poverty level.

Monroe Area Council for the Arts

The Missoula Children's Theatre residence will provide school children with opportunities to participate in theatrical productions.

Monroe Area School for the Performing Arts, Inc.

Monroe Area Opera productions will be supported during the 2011 season.

Monroe County Animal Control

Animal control services for Monroe County residents will be expanded.

Top to Bottom: "Quilt Trail Tales of Downtown Kingsport" - Appalachian Resource Conservation & Development Council; Sequoyah Birthplace Museum; Small Miracles Therapeutic Horseback Riding Center; Douglas-Cherokee Economic Authority; Coker Creek Welcome Center and Heritage Gift Shop - Coker Creek Economic Development Group

Continued on page 6

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Monroe County Grants -
Continued from page 5

Monroe County Community Health Access Committee

The Flu Shot Program and Diabetes Support Group will be supported.

Monroe County Vaulting Club

Students will have opportunities to master gymnastics and dance on horseback.

Second Harvest Food Bank of East Tennessee

The Food for Kids program will provide kid-friendly food for at-risk school children to take home each weekend.

Sequoyah Birthplace Museum

The 20th annual Fall Festival will celebrate Cherokee history and educate visitors about Cherokee culture.

Spay/Neuter Assistance for Pets, Inc.

A five-year spay/neuter project initiated in 2006, will help reduce the number of animals euthanized at the Monroe County Animal Shelter by more than 80%.

Sweetwater Valley Citizens for the Arts

Professional percussionist Zig Wajler will conduct an interactive workshop with students at Brown Intermediate School.

Tennessee Overhill Heritage Association

A new *Fur to Factories Trail Guide* will be produced.

TOTAL AMOUNT OF FUNDING AWARDED:

\$58,620



Netherland Inn Association
ETF Grantee

KINGSPORT CF GRANTS

Kingsport Community Foundation

An Affiliate Fund of
East Tennessee Foundation
2011 Grant Awards

Kingsport Community Foundation is a philanthropic organization, governed by a local board of directors. Its mission is to help donors maximize their contributions to the community by awarding grants that enrich lives and strengthen the Greater Kingsport community forever.

Appalachian Resource Conservation & Development Council

"Quilt Trail Tales of Downtown Kingsport," will be a walking tour in the Downtown area of quilt square murals with ties to local families.

Boys and Girls Club of Greater Kingsport, Inc.

An art therapy program will be provided for children with behavioral issues.

Contact-Concern of Northeast Tennessee, Inc.

2-1-1 Helpline volunteer staff will benefit from updated training materials and procedural manuals.

Frontier Health

Family Links Respite will take children who suffer from severe emotional disturbances on outings to local attractions, thereby providing weekly respite time for their families.

Girls on the Run of Northeast Tennessee, Inc.

Girls who attend Kennedy Elementary in Kingsport will participate in a program which utilizes running to teach the principles of self-respect and healthy living.

Literacy Council of Kingsport

The Literacy Legacy Rosetta Stone English software project will help

English Speakers of Other Languages (ESOL) with their verbal communication, reading and writing skills.

Netherland Inn Association, Inc.

Educational day camps at Exchange Place will focus on aspects of pre-industrial farm life such as open-hearth cooking and gardening.

Of One Accord, Inc.

Fiscal Sponsor for: The Horse Affect "Joining the Herd: Living Skills for Youth and Families" program will engage parents/guardians and troubled youth in therapy to deal with family situations.



Remnant Yuchi Nation
ETF Grantee

Remnant Yuchi Nation Educational Alliance, Inc.

Native American regalia will be handcrafted, to be worn and used when tribe members demonstrate their cultural heritage at community events.

Small Miracles Therapeutic Horseback Riding Center, Inc.

Shelter and fencing will be provided for the new Mini (miniature horses) Miracles Corral Program.

TOTAL AMOUNT OF FUNDING AWARDED:

\$15,000



ADVANCEMENT

1986



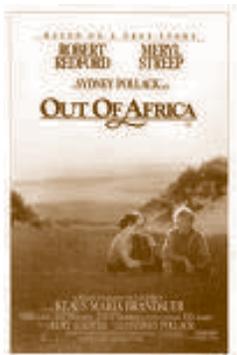
\$.89
per gallon



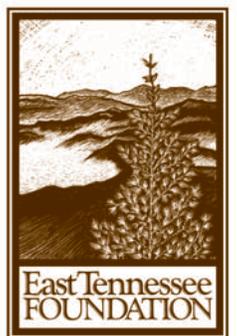
**Halley's
Comet**



**Human
Genome Project**



**Academy
Award Winner**



For all of us, there are certain years in our past that stand taller in our memories than others. 1986 is one such year for me. UT sports certainly had nothing to do with it, although Pat's Lady Vols did make it to the NCAA semifinals before being sent home by Southern Cal. The men's side of the ledger was highly forgettable; Johnny Majors' team had to run the table in November in order to squeeze out a 7-5 record. Meanwhile, Don DeVoe and his outmanned troops trudged through a 12-16 campaign.

No, my memories from 1986 are a little broader in scope than sports results. (I must admit, however, that I will never forget that ground ball rolling between Bill Buckner's legs and allowing the Mets to ultimately beat the Red Sox in the World Series!) Does the name Christa McAuliffe ring a bell? She was the teacher who was chosen for the ill-fated space shuttle mission that ended in an explosion seventy-three seconds after liftoff on January 28th.

On April 26th, the worst accident in the history of nuclear power occurred when a series of explosions ripped apart the Chernobyl nuclear power station in the Soviet Union. Dangerous levels of radioactive particles were carried as far away as France, Italy, and the northern part of Great Britain. Also in 1986, Halley's Comet visited our part of the solar system, as it does on a regular basis every seventy-six years.

Is it beginning to sound like all of my memories of 1986 have to do with fireballs or explosions? Let's get past that!

Following a meeting in Santa Fe of the world's leading geneticists, the Human Genome Project was launched, opening the way for great advances in the treatment of many illnesses. The Internet Mail Access Protocol was designed in 1986 by Mark Crispin, marking the beginning of e-mail.

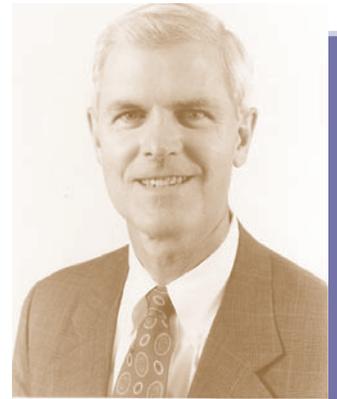
For trivia buffs, Fox Network was launched in 1986, the Iran Contra scandal occurred under Ronald Reagan's administration (remember Oliver North?), we celebrated Martin Luther King, Jr., Day for the first time, and "A.M.Chicago" changed its name to the Oprah Winfrey Show and went national. Two notable weddings occurred: Arnold Schwarzenegger married Maria Shriver and I married Carolyn Gross! America's favorite TV program was "The Cosby Show," the Oscar for best movie went to "Out of Africa," the song of the year was "That's What Friends Are For," and you could buy a gallon of gas for eighty-nine cents.

One other item of interest occurred in 1986: the name of the East Tennessee Community Foundation was changed to East Tennessee Foundation. Thus was born the organization that has promoted and facilitated thoughtful giving for stronger communities and better lives for nearly twenty-five years. It is an organization that has grown from \$650,000 in assets to approximately \$155,000,000, and has awarded grants in excess of \$178,000,000.

We are going to make a big deal out of our twenty-fifth anniversary. We will throw big numbers around, like I did in the previous paragraph. We will tell you how proud we are to cover a service area composed of twenty-five counties in East Tennessee. We will talk about the different types of funds we administer and how those funds address a wide array of needs throughout our region.

What may not get much mention is how a small group of visionary thinkers saw the need for a regional community foundation. A quarter of a century has passed, and their vision has become reality. I can't help but wonder how much of that \$178,000,000 would have been given to charitable causes had East Tennessee Foundation not existed.

As we celebrate our twenty-fifth anniversary, we won't rest on our record. We will continue doing what we do, we will continue growing, and we will continue working with you to make East Tennessee an even better place in which to live.



Bob Calloway
V.P. for Advancement

East Tennessee Foundation

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a free bi-monthly e-newsletter, send
your request to bcalloway@etf.org.



Confirmed in Compliance with National Standards for U.S. Community Foundations

Paying Tribute to Sam

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father, also a lawyer, and pitched the idea of setting up an endowment fund to honor his grandfather and grandmother. With his father's gift of a piece of property on Kingston Pike and a gift from Sam and Jo Ann, the Fowler Operating Endowment Fund was born and has helped ensure the success of ETF ever since.

"Sam, when we reflect back, we see you with your tireless support of our mission for all these years, and we are

deeply thankful for the legacy in leadership, time, treasure, and your family—your sister Marie Alcorn, a former Board member—and your daughter-in-law, Ellen Fowler, a current Board member—that you have provided for us," Mike said. Sam, surrounded by his family, received a standing ovation from a room full of Foundation constituents, as well as Knox County commissioners and City council members, State senators and representatives, the Knoxville City mayor, and other regional leaders.

East Tennessee Foundation is a public, nonprofit, community foundation created for the purpose of building charitable resources to make communities stronger and lives better through thoughtful giving.

BOARD OF DIRECTORS

- Jenny L. Hines, *Chair*
- Alice A. Mercer, *Vice Chair*
- Paul G. Willson, *Treasurer*
- Michael T. McClamroch, *President & CEO*
- Carolyn Schwenn, *Secretary*
- Peyton T. Hairston, Jr., *Past Chair*

Has your contact information changed?
If so, please let us know so we can keep in touch.



E-mail and Website Options

To receive this newsletter and other helpful and exciting updates from East Tennessee Foundation, please contact us at etf@etf.org or read it on our website: www.easttennesseefoundation.org.

To have a copy of this newsletter sent to someone, contact us by phone, toll-free (877) 524-1223, (865) 524-1223 or e-mail, etf@etf.org.

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- Jeanette D. Blazier
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- Mary Ellen Brewington
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- Jefferson Chapman
- Janice K. Clayton
- Joseph M. Dawson
- Ellen B. Fowler
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- Christine G. Hayworth
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- Bill G. Williams
- Fred D. Womack
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- LIFETIME
- MEMBERS
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- Sam F. Fowler, Jr.
- Natalie L. Haslam
- A. David Martin
- David V. White
- Stuart R. Worden

East Tennessee Foundation respects, celebrates, and encourages diversity that positively contributes to our healthy and caring community.