



THE PITTSBURGH FOUNDATION
ANNUAL REPORT 2012

MISSION

The Pittsburgh Foundation works to improve the quality of life in the Pittsburgh region by evaluating and addressing community issues, promoting responsible philanthropy and connecting donors to the critical needs of the community.

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LETTER FROM THE CHAIR AND PRESIDENT

ONE OF THE CIVIC LEADERS we are privileged to work with told us something recently that really caught our attention. “Something has shifted in Pittsburgh,” she said. “It used to be that big ideas were met with skepticism here. Now people want to know why we can’t do even more. It’s gone from ‘we can’t’ to ‘why not?’”

That shift in mindset is monumental for Pittsburgh, and in our roles at The Pittsburgh Foundation, we see it too. Suddenly, our region is alive with a newfound sense of possibility.

One of the joys of our work is that we and our donors get to encourage that sense of greater opportunity, and we relish the transformation we see taking place. The work of a foundation like ours is to help inspire our community to keep pushing and expanding the boundaries of the possible, setting higher and more ambitious standards for everything from how we educate our children to how we revitalize our neighborhoods.

As a community foundation, we care that Pittsburgh is a bright, vibrant, livable place, alive with art and culture, rich with economic vibrancy and innovation. Every step farther down that road is a step to be celebrated.

But we care, too, that our community also makes the harder choices: to open the doors of hope and opportunity for everyone, to look out for its most vulnerable citizens, and to protect the environment that is so much a part of the fabric of this special place and so critical to the health of each and every one of us who lives here regardless of circumstance.

We are often asked how we measure success as a community foundation. As with any serious social-sector organization, the answer is complicated and we have numerous ways of tracking how we are doing. We look, for example, at the progress of the initiatives we have launched and the programs we are supporting through our grantmaking. We examine whether they—and we—are making the sort of gains we hope to achieve.

We also look at how many donors we connect with the power of inspired giving and the new resources we bring into philanthropy, because that, too, is part of our mission. In a good year, that tends to be the story that catches the media headlines, and we are pleased that 2012 was another good year for us in fundraising. In fact, for the third straight year, it was the best ever.

Ultimately, though, as stewards of this institution, what we most care about is whether all these activities and measures add up to a better community, one with a stronger social fabric, a more generous and connected populace, a healthier nonprofit sector—in short, a community where common interest is embraced and success is shared.

The Pittsburgh Foundation operates at a unique junction where everyone from policy-makers to corporate and nonprofit leaders, from individual philanthropists to residents of this place we so proudly call home, can come together on behalf of bold efforts that none of us could ever accomplish on our own. It is that unique role that we strive, above all, to fulfill.

The pages of this report convey some of the ways we—along with our donor family, our grantees and our many partners—worked to do that in 2012. We are proud of the story it tells, which is the story of a community engaged in numerous ways, large and small, in the joyful work of pushing Pittsburgh forward past the “we can’t’s” and into a new era of “why not?”



Edith L. Shapira, M.D.
Chair of the Board
The Pittsburgh Foundation



Grant Oliphant
President and CEO
The Pittsburgh Foundation

SERVING THE NEEDS OF VETERANS

The U.S. involvement in overseas wars and conflicts may be decreasing, but the needs of America's military men and women who served are not. As they return home to integrate into stateside lives, they face a host of obstacles, including disability, post-traumatic stress syndrome, reintegrating with family, and the challenge of finding work.

Through generous donors and its own commitment to the nation's veterans, The Pittsburgh Foundation has helped launch a variety of initiatives to ease veterans' transitions. "As we wind down the conflicts in Afghanistan and Iraq, the danger is these veterans will be forgotten," said Grant Oliphant, President and CEO of The Pittsburgh Foundation. "We want to make sure they're not forgotten."

Perhaps foremost among the initiatives is a grant to the National Organization on Disability to establish a Wounded Warrior Careers program in Greater Pittsburgh. The grant is part of an overall pledge of \$1.2 million over three years by The Pittsburgh Foundation, The Heinz Endowments and the Richard King Mellon, Hillman and Jewish Healthcare foundations. It is expected to help Pittsburgh-area veterans by working with them and their families, providing guidance for at least three years that includes developing a career plan and helping with job interviews.

Other efforts under way to supplement federal help are coming from private citizens of many stripes. When one of his former students—Marine Corps Capt. Todd M. Siebert—died in Iraq, North Allegheny Intermediate High School social studies teacher Mark Wilson and his wife Mary started a \$10,000 fund at The Pittsburgh Foundation to help active-duty military veterans and their families.

Pittsburgh Steeler All-Pro Troy Polamalu and his wife Theodora have long been involved in helping veterans. "My grandfather, Harry Panos, served in the infantry in Okinawa during World War II," Theodora said. "He instilled in my mother to be very patriotic and to respect veterans who serve their country, and she passed that along."

Eight years ago, the Polamaluses started the Harry Panos Fund at The Pittsburgh Foundation to help veterans. The Polamaluses have grown the fund and made numerous grants. They've also donated their suite at Heinz Field during home Pitt football games to the Veterans Leadership Program of Western Pa. in the belief that extending this opportunity for veterans helps them to integrate with society and their families in a fun atmosphere. The Polamaluses also are interested in helping with what are called Trackchairs, which are special all-terrain wheelchairs that helps disabled vets have a fuller life.

"As a community, we need to come together and support veterans as much as we can by volunteering our time, donating funds, and educating ourselves," Theodora said. "We're seeing a lot of mental health issues, homelessness and poverty, and then we have a lot of vets who are pretty severely injured. They've served our country, but a lot of them aren't getting the benefits. We should help support them when we can. Troy and I are trying to do that, and we hope to pass that thought along to our children."



"AS A COMMUNITY, WE NEED TO COME TOGETHER AND SUPPORT VETERANS AS MUCH AS WE CAN BY VOLUNTEERING OUR TIME, DONATING FUNDS, AND EDUCATING OURSELVES."

Theodora Polamalu

Above: Theodora and Troy Polamalu with their two sons, Paisios (standing) and Ephraim



"I RECOMMENDED THAT MY PARENTS SIT DOWN WITH THE PITTSBURGH FOUNDATION TO HELP THEM BECOME MORE EFFECTIVE BY BEING MORE FOCUSED AND STRATEGIC IN THEIR CHARITABLE INVESTMENTS."

Scott Oehrle

GROWING PARTNERSHIPS WITH FINANCIAL ADVISORS

Among the most important and successful initiatives The Pittsburgh Foundation has undertaken in recent years is building relationships among the financial advisor community. The benefits have accrued to advisors, their clients, the Foundation and charitable organizations across the region. In 2012, that partnership took another step forward, as a number of advisors turned to the Foundation for their own family's needs.

For Dr. John Oehrle and his wife Lee, the recommendation to set up a family fund at the Foundation came from their son Scott, founder of Marbury Wealth Management. Scott said they could realize tax benefits and increase their charitable giving.

"Scott said we needed to think about it," Dr. Oehrle said. "So a philanthropic advisor came over from the Foundation, and it was just duck soup. The whole aspect of the Foundation is magnificent for Pittsburgh."

After a decade of running the private family foundation their parents had established, the Beck family siblings decided they needed professional support. "Between the excise tax and the day-to-day management, we found we weren't having the time to give it the due diligence it needed," said James Beck.

From his work at a certified financial planner at Hefren Tillotson, Mr. Beck had worked with the Foundation on behalf of clients. When it came time to bring the family foundation under the wing of a larger organization, he also researched some national firms. "The transition has been seamless,"

Mr. Beck said. "It's been a wonderful experience, it truly has. The Pittsburgh Foundation's attention to detail and responsiveness—I really can't say enough about how we've been treated. And just to have it here and local means a lot."

Long-time Pittsburgher, Dana Craig knew the Foundation existed, but he originally thought it might be a competitor for Merrill Lynch, where he's a financial advisor. "Then I found it's really another arrow in the quiver for what we offer our clients," said Mr. Craig, who has recommended the Foundation to clients for tax and charitable reasons.

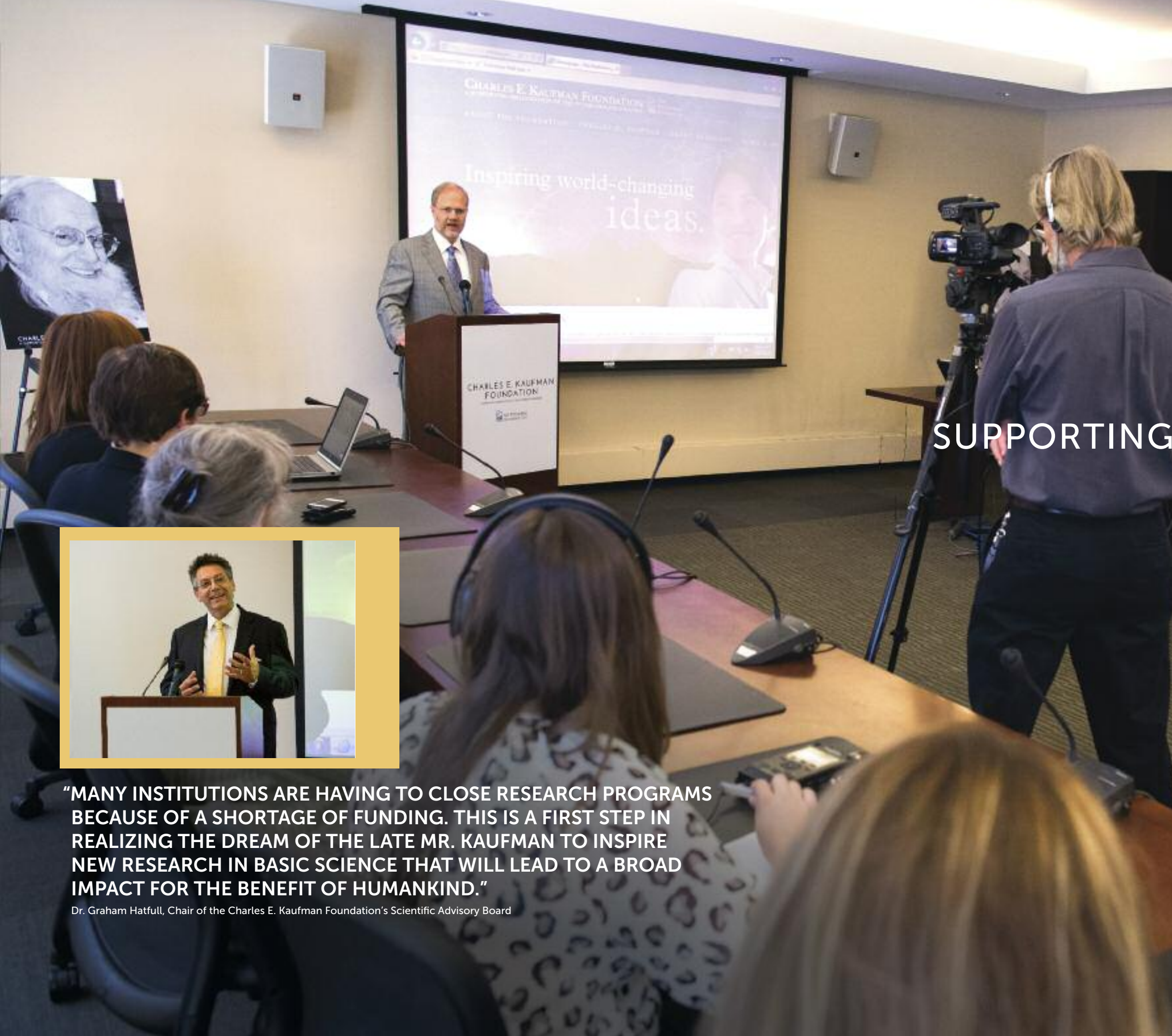
In 2012, he decided to follow suit himself and created the Paul and Buena Craig Memorial Fund. "My parents, although from modest means, were cheerful givers when they could. They're both gone now, and I thought, 'I hope they're looking down and seeing me honor them with this fund in their name.'"

"With some organizations, when you donate, it's never enough, and they want more, more, more. It's not that way with The Pittsburgh Foundation."

Cohen & Grigsby estate and trust attorney Bruce Gabler has raised the Foundation as a possible opportunity to a number of clients. So when he and his wife Ann wanted to start their own family fund, they knew where to turn.

"I've had a long and very enjoyable career in Pittsburgh, and I have been very impressed with where the city has come and is today," Mr. Gabler said. "I'm also very fortunate in that my three children are grown, all have masters degrees or better, and they've all come back to live in Pittsburgh." By creating a donor-advised fund, they've made charitable giving a family affair.

"I really appreciate what the Foundation is about and what they bring to the table. For us, it's a great opportunity to work together as a family unit on what I consider an important message: It's important to give back when you've been blessed."



“MANY INSTITUTIONS ARE HAVING TO CLOSE RESEARCH PROGRAMS BECAUSE OF A SHORTAGE OF FUNDING. THIS IS A FIRST STEP IN REALIZING THE DREAM OF THE LATE MR. KAUFMAN TO INSPIRE NEW RESEARCH IN BASIC SCIENCE THAT WILL LEAD TO A BROAD IMPACT FOR THE BENEFIT OF HUMANKIND.”

Dr. Graham Hatfull, Chair of the Charles E. Kaufman Foundation's Scientific Advisory Board

SUPPORTING BREAKTHROUGH SCIENTIFIC RESEARCH

When Charles Kaufman died, he had put in place a plan that would extend his spirit through a legacy of scientific achievement that will last for generations; his largess will lead to as yet untold innovations that will improve human life and increase our understanding of it.

“It’s an extraordinary gift,” said Grant Oliphant, President and CEO of The Pittsburgh Foundation. “It’s a little bit as though somebody gave us an entire new program area for our grantmaking.” Mr. Kaufman’s gift to start the Charles E. Kaufman Foundation is approximately \$40 million to support research and advance the work of Pennsylvania scientists in biology, chemistry and physics.

“He gave us a fair amount of discretion in how we set that structure up,” Mr. Oliphant said. “It’s an opportunity to shepherd what is essentially a foundation within the foundation—so it’s a very exciting mission for us.”

Mr. Kaufmann also gave The Pittsburgh Foundation a concept to follow. While on the Internet in his nineties, Mr. Kaufman discovered the Welch Foundation in Texas, which started with a grant similar to Mr. Kaufman’s and has now given more than \$600 million to scientific research at academic institutions in Texas.

“We took that model and applied it to Pennsylvania,” Mr. Oliphant said. “We’re still in that start-up phase, and we have a lot less money than they do today. But it’s a pretty clear roadmap of what

Mr. Kaufman wanted to achieve.”

The Pittsburgh Foundation has set up a scientific advisory panel drawn from leading academic institutions across Pennsylvania that helped shape the program and screens the awardees, which are in two categories. The first is for very established researchers looking to begin a new line of investigation; they are eligible for up to \$300,000 in grants. The second category is for new investigators, who are eligible for grants up to \$150,000. Each year, The Pittsburgh Foundation will give up to three awards in the established investigator category and up to six awards to new investigators; investigators from any academic institution in Pennsylvania are eligible.

Mr. Kaufman had previously set up a fund at The Pittsburgh Foundation with his sister, who predeceased him. Neither was married, nor had children, and both shared a belief in philanthropy. The initial fund awarded a \$50,000 prize each year to a researcher in Greater Pittsburgh. From the success of that first fund, Mr. Kaufman decided to expand his relationship with the Foundation.

“That is a very typical thing for us, and we encourage donors to do that during their lifetime,” said Mr. Oliphant. “Take us for a spin and see how you like us. It allows us to get a sense of what they want as donors and to build trust.”

“It’s a remarkable thing,” Mr. Oliphant said of Mr. Kaufman’s gift. “This is an example of how The Pittsburgh Foundation is aggressively extending its mission. This is very much a foundation that’s about working with donors to design programs with impact. That’s what we’ve done in Mr. Kaufman’s case on a very large scale.”

Mr. Kaufman’s fund announced its first series of grants amounting to almost \$1.6 million in 2013 to support cutting-edge scientific research at institutions across the state of Pennsylvania. For more information visit: <http://kaufman.pittsburghfoundation.org>.



“OUR PRIMARY GOALS IN LAUNCHING THIS INITIATIVE WERE TO HELP NONPROFITS INCREASE THE NUMBER OF DONORS TO THEIR ORGANIZATIONS, TO HELP THEM GROW INDIVIDUAL GIVING AND SUPPORT USING SOCIAL MEDIA TOOLS AND TO BUILD A DATABASE OF NONPROFITS TO SERVE AS A RESEARCH RESOURCE FOR OUR COMMUNITY.”

Grant Oliphant, President and CEO, The Pittsburgh Foundation

INSPIRING OUR COMMUNITY TO KEEP ON GIVING

Sometimes, when a new program develops into an outstanding success, the challenge is what to do for an encore. Such is the case with the Day of Giving. Started in 2009 as a good idea, the program faced a host of initial difficulties. But the idea had promise: by augmenting the charitable donations by local citizens through a matching fund, could The Pittsburgh Foundation increase the number of first-time donors and catalyze a cultural change? Through a Day of Giving, could the Foundation increase awareness of the importance of charitable giving and increase overall donations?

“Over the first four years, we’ve gone from a sort of messy, first-year experiment with about 1,000 donors to 18,000 donors last year,” said Grant Oliphant, President and CEO of The Pittsburgh Foundation. “In 2012, the Day of Giving was a huge success—a much bigger success than I thought it would be. I had thought that since we weren’t able to increase the size of the matching pool, that we’d tapped the market. But we had 4,000 to 5,000 more donors last year than the year before.”

“There is a tremendous energy in this community for giving on a particular day when there is an incentive in place. But the success is also an indication that our nonprofit organizations have become better every year at reaching out to donors and encouraging more donors to give. Now the question for the future is, is that sustainable?”

Because of its success, the Day of Giving went through some changes for its 2013 event. Individuals were able to give as much as they wished to charity, but the amount garnering the match from The Pittsburgh Foundation was limited to \$1,000 per individual per charity. Previously, individual gifts of up to \$10,000 per charity received a portion of the funds from The Pittsburgh Foundation’s matching pool.

“The spirit of this was always reaching out to more donors and bringing more people into nonprofit giving,” Mr. Oliphant said. “The new plan disincentivizes nonprofits from just having their board members give on one day.”

As to why Day of Giving has been so successful, Mr. Oliphant ascribed several reasons.

“I suppose the financial markets being better over the past four years has helped—people are feeling better in general. But I attribute the success primarily to people being more familiar with the program. And the nonprofits are flat out better in pursuing new people to give to them. We do no marketing for it ourselves; all the marketing is done by the nonprofits.”

The Pittsburgh Foundation’s other contributions, however, are substantial. Aside from having taken no fees for its efforts in the past, it gives significant matching funds each year, as well as about \$150,000 in staff time each year on the program. In 2012, The Pittsburgh Foundation matched donors’ contributions with an additional \$750,000. That amount remained the same for 2013, as well as an additional near-\$100,000 for a similar program in Westmoreland County.

YEAR IN REVIEW



\$1 MILLION GRANT CREATES ENDOWED CHAIR AT UNIVERSITY OF PITTSBURGH

In order to advance research in psychotic disorders, The Pittsburgh Foundation has awarded a \$1 million grant to create an endowed chair in the University of Pittsburgh Department of Psychiatry. With a matching UPMC grant, the interest from the combined \$2 million will support a top researcher.

Major gaps still exist in both the understanding of the mechanisms underlying psychotic disorders and the ability to treat and prevent them. Psychosis includes a variety of characteristics including: delusions, false beliefs that are firmly held despite contrary evidence, hallucinations, and a variety of other abnormalities. Psychosis can accompany bipolar disorder, major depression and Alzheimer's disease, but it's most common in schizophrenia.

The creation of the endowed chair will allow the University to advance research in understanding the basic disease process and develop new treatments based on that understanding. The University also hopes to improve the process of identifying people at greater risk of developing the brain illness and therefore intervene before symptoms become disruptive and require hospitalization.

The endowed chair is a potent signal that the University is committed to the research and to being a leader in the field. It's also expected to facilitate future research grants and help the University attract more researchers in the field. A search is under way for the scientist to fill this position and lead future research.

"It would not have happened without The Pittsburgh Foundation," said David Lewis, Chair of the Department of Psychiatry at the University of Pittsburgh.

Above: David Lewis

EXILED WRITERS FIND A HOME IN PITTSBURGH

In 1997, Henry Reese and his wife Diane Samuels heard Salmon Rushdie speak about the City of Refuge program he had started in Europe for exiled writers. Mr. Reese and Ms. Samuels simultaneously kicked each other under the chair and decided to start something similar in Pittsburgh.

They wrote letters for seven years and got a response in 2004 when the program decided to start a U.S. initiative. Since then, the North Side couple has rehabilitated a nearby home and dedicated it and their volunteer efforts to helping exiled writers gain a new foothold—with a temporary home, \$25,000 annual stipend and adaptive services.

"We want to help them be able to continue to write and become independent," said Mr. Reese. "Otherwise, the people who exiled the writer win—it's a form of death." The Pittsburgh program differs from others in that exiles can stay as long as it takes to become self-sufficient. So far, three writers have made the transition, and a fourth is under way.

A \$75,000 grant from The Pittsburgh Foundation helped the program expand its public offerings, including readings, workshops and concerts; increasing public events is part of an exciting plan to open a literary center on the North Side in early summer 2014. Called Alphabet City, it will have a bookstore, bar and restaurant and event space for more than 200 people. Being "wired to the hilt," it also will export its events around the world.

The Pittsburgh Foundation also has been decisive in helping City of Asylum attract national funding, including a \$300,000 award from ArtPlace America. "Having The Pittsburgh Foundation's imprimatur is very important," Mr. Reese said. "They laid down the stake and said, 'This is going to happen.'"



Above: City of Asylum residence on Samsonia Way and Resident Israel Centeno



Above: The McIlroy's, (left to right) Ashley, Jeff, Peter (front), Erica and Brandon

OUR DONORS

FULFILLING A FAMILY'S PHILANTHROPIC MISSION

In his position at manufacturing firm Robroy Industries, Jeff McIlroy has been very involved in the company's charitable giving. One day, talking with an advisor he works with at accounting and wealth management firm Alpern Rosenthal, he mentioned that he wanted to take the charitable work a step further and involve his family.

The advisor recommended the McIlroys consider The Pittsburgh Foundation. The more Mr. McIlroy researched, he said, "The more I realized The Pittsburgh Foundation was the perfect fit for our family. We met with the Foundation, and we liked what they had to say. We decided to form the fund."

The McIlroys started with a \$100,000 gift, and they expect to augment that. And just 10 months into the process, and they've already made grants, and they're involving their three children—11, 13, and 16.

"We like the idea of having a family meeting and getting the kids involved in helping make the selections. We want to pick charities we can go visit and do some volunteer work. And I want to come back to the Foundation's office Downtown and have the kids be able to ask questions. We want to keep it in the family forever, hopefully handing it down to the kids, so as they get older, they'll hopefully continue the legacy. My wife deserves a lot of the credit. She's instilled those values. And The Pittsburgh Foundation is a way to take it a step further. We're very pleased with the way it's all worked out."

YEAR IN REVIEW

IN 2012, 76 NEW DONOR FUNDS WERE ESTABLISHED, THE MOST IN THE FOUNDATION'S HISTORY AND NARROWLY TOPPING THE 75 FUNDS CREATED WHEN FINANCIAL MARKETS PEAKED IN 2007.

ONE QUESTION COULD
SAVE YOUR CHILD'S LIFE.



ASK
HOW TO SAVE LIVES

FACEBOOK.COM/ASKCAMPAIGN

ASK: WHY GUN SAFETY IS A PUBLIC HEALTH ISSUE

The causes of gun-related deaths among American children are many, and just as many solutions are debated. One simple preventative step, however, is something every parent can do, and The Pittsburgh Foundation has awarded a \$50,000 grant to bring it to Pittsburgh.

The Foundation is supporting the ASK Campaign, which suggests that when a child is going to another home to play, parents should ask whether there are guns in that home and whether they are stored safely. The ASK (Asking Saves Kids) Campaign in Allegheny County is being launched by The Center to Prevent Youth Violence, now part of the Brady Center to Prevent Gun Violence.

“About one-third of homes with kids have guns, many left unlocked or loaded, and just talking to your child about the dangers of firearms is not enough,” said Dan Gross, of The Center to Prevent Youth Violence. “Children are naturally curious. If a gun is accessible in someone’s home, there is a good chance a child will find it and play with it.”

Using public service announcements in traditional media as well as messaging in social media, schools and doctor offices, the ASK Campaign will work with a broad coalition of public safety, school, medical and community groups.

“The ASK Campaign is about responsible parenting,” said Jeanne Pearlman, Senior Vice President of Program and Policy at The Pittsburgh Foundation. “Asking this simple question is an important step every parent can take to keep their children safe.”

“CHILDREN ARE NATURALLY CURIOUS. IF A GUN IS ACCESSIBLE IN SOMEONE’S HOME, THERE IS A GOOD CHANCE A CHILD WILL FIND IT AND PLAY WITH IT.”

Dan Gross, The Center to Prevent Youth Violence



Above: Amanda Settelmaier and An Lewis Right: Blight in McKeesport



FOR THE THIRD STRAIGHT YEAR, THE PITTSBURGH FOUNDATION SET A NEW FUNDRAISING RECORD, GARNERING \$65 MILLION IN 2012.

CELEBRATING THIRD SUCCESSIVE FUNDRAISING RECORD

For the third straight year, The Pittsburgh Foundation set a new fundraising record, garnering \$65 million in 2012.

“Our fundraising for 2012 was outstanding, and all the more remarkable in an economic climate that was less than favorable,” said Grant Oliphant, Foundation President and CEO.

The \$65 million figure for 2012, compares with \$60.4 million in 2011 and \$52.8 million in 2010, and the eight percent increase in 2012 exceeds the national average growth rate for charitable giving of 6.7 percent. Included in the 2012 results is \$3.2 million raised by foundation’s affiliate, the Community Foundation of Westmoreland County, which saw an increase of 71 percent over 2011.

One key reason for the growing fundraising strength is the partnerships the Foundation has built with the region’s professional advisors, estate trust attorneys and CPAs. In 2012, 76 new donor funds were established, the most in the Foundation’s history and narrowly topping the 75 funds created when financial markets peaked in 2007. Thirty one of those new funds—totalling \$10 million—were referred by financial advisors, the result of continued growth from a 2008 initiative that allows advisors to continue to manage assets of clients they refer.

Additionally, the Foundation continued its strategy to enable conversion of private family foundations to Family Foundation Funds at The Pittsburgh Foundation, offering personalized options, professional expertise and freedom from administrative duties for the donors.

THE COSTS OF ABANDONED PROPERTY

In the past two years, information detailing the civic and economic costs of vacant and abandoned property has galvanized local leaders.

Helping to lead that effort, The Pittsburgh Foundation awarded a \$40,000 grant to the Steel Valley Council of Governments to “Fight Blight.” The cooperative initiative includes the Steel Valley, Twin Rivers and Turtle Creek Valley Council of Governments and their 41 municipalities.

“Our communities are suffering from blight much worse than anywhere else in the region,” said An Lewis, Executive Director of the Steel Valley COG since 1988. “None of them can fight these battles alone.”

As the 2010 Census numbers came out, the COGs studied them. “Since population peaked in the 1950s, every single municipality in the Mon Valley communities,

the eastern suburbs and the Youghiogheny Valley has seen steadily declining population, except Plum Borough.”

The result is blight. The COG directors developed a five-year plan, which included the first step of commissioning a study to detail the economic and community costs of blight. The Pittsburgh Foundation grant support that first phase, and the study, which will be released in late summer, is expected to catalyze a variety of next steps including: engaging the public around the issue, continuing to work with partner organizations, and examining the development of a community land bank, which provides a potent tool for fighting blight.

“It all got started when we had the brilliant idea to meet with Jane Downing of The Pittsburgh Foundation,” Ms. Lewis said. “With her background, she got it immediately.”

YEAR IN REVIEW



OUR DONORS

JEAN AND NANCY DAVIS— THEIR PASSION FOR PITTSBURGH

Identical twin sisters Jean and Nancy Davis grew up in a red brick house built by their father in Pittsburgh’s East End. They graduated from different colleges—Jean from Mt. Holyoke and Nancy from the Pennsylvania School for Women (now Chatham University)—and they had separate careers. Jean headed the Tarentum Schools’ music department, and Nancy was a secretary at Westinghouse. But they lived nearly their entire lives together in that same red brick house. And they shared a deep commitment to their home city.

Below: Dental assistant Radhika Chhelin and Pitt School of Dentistry, Elijah Ed. Below right: Map illustrating the origin of immigrants and refugees that have received healthcare at the Squirrel Hill Health Center.

Above: Jean and Nancy Davis



CREATING A HEALTHY COMMUNITY FOR REFUGEES

Formed to provide affordable healthcare to whomever needs it, the Squirrel Hill Health Center has become one of the region’s key agencies in providing healthcare to immigrants and refugees. In its seven years, the Center has worked with clients speaking 48 languages.

In 2012, The Pittsburgh Foundation awarded a \$50,000 grant to help the center work with Bhutanese refugees. The refugees had been living in United Nations refugee camps in northern Nepal for 20 years, since the Bhutanese forced their departure. When a decision to close the camps was made four years ago, the U.S. State Department agreed to accept 50,000, the largest of any country.

“We’ve had two groups,” said Susan Friedberg Kalson, CEO of the Squirrel Hill Health Center. “There are the initial refugees who are brought here formally, and there are the secondary migrants, who were resettled elsewhere but who chose to leave that place and come here.”

Pittsburgh has turned out to be very popular among the Bhutanese, and the Center has more than 1,200 Bhutanese patients; the region now has some 4,000 Bhutanese overall.

The grant has helped the Center hire staff, which includes three Bhutanese, and provide comprehensive healthcare and interpretation services.

“The timing of the grant was fantastic,” Ms. Kalson said. “We were just swamped. Pittsburgh is having a resurgence of its immigrant population—along with the rebirth of the city as a whole. I think it’s essential and very exciting, and I’m proud that the work we do helps people get a foothold here.”

OUR DONORS

LATE WIDOW’S \$4M ESTATE SUPPORTS LOCAL SCHOLARS



Above: Lydia Meshanko

With their recent deaths, just months apart, the depth of their commitment became public, as they donated more than \$9 million to The Pittsburgh Foundation. About 65 percent of their gift established a fund to support discretionary grantmaking for such charitable organizations whose educational or cultural activities and programs improve the general quality of life in Allegheny County. Another 25 percent created a fund to benefit Pittsburgh Theological Seminary, and 10 percent provides support for The Pittsburgh Symphony.

Much of their wealth was inherited; their father Frank Davis owned the distribution franchise for the laundry whitening detergent LaFrance, but Jean and Nancy augmented that through their frugal lifestyles. “They were very careful with their money and invested wisely,” said their executor Bonnie Titus.

Separately, they also established a fund at the Foundation to benefit their church, Second United Presbyterian Church in Wilksburg.

“It was their way of generously paying forward for the next generation of Pittsburghers,” said Yvonne Maher, the Foundation’s Vice President for Development and Donor Services.

Lydia Meshanko was a widow in her nineties when one day she stopped in at her First National Bank branch. She’d never had children, and the manager asked what she was going to do with her money. It was just a few months before Mrs. Meshanko died that an F.N.B. wealth manager suggested she consider The Pittsburgh Foundation.

Mrs. Meshanko asked the opinion of her estate attorney, Alison Smith, and Ms. Smith said the Foundation was a good choice.

The two set to work, and, though time was short, Mrs. Meshanko knew what she wanted. From an era with fewer educational opportunities—especially for women—she was a lifelong learner, who was registered last fall for a CCAC art class she would never take.

“It was all about education,” Ms. Smith said. “That’s what she kept stressing to me: ‘With an education, you can accomplish anything.’”

A+ SCHOOLS: WORKING TO REFORM PUBLIC SCHOOLS

After three foundations withdrew support from the Pittsburgh Public Schools during a 2002 crisis in confidence, then Pittsburgh Mayor Tom Murphy established The Commission on Public Education. It recommended the creation of an organization for school reform, and in 2004, A+ Schools was created.

The Pittsburgh Foundation awarded a 2012 grant of \$105,000 grant to A+Schools for general operating support.

“That money goes into all of our programs,” said James Fogarty, A+ Communications Director. “It’s critical and allows us to be flexible. When we see needs, we can go after those opportunities.”

A+ has several functions. It provides information about the city schools to the public and has dramatically improved the district’s transparency. The group follows national best practices, and when they see one that’s not happening in Pittsburgh, they work to get it into practice.

“People know what’s going on at a much higher level than when we started,” said Mr. Fogarty. “We’ve always tried to be more neutral—an independent watchdog. We’re changing a little, seeing the need to push harder. We want to provide good information and then advocate for what the good information tells us.”

The group’s advocacy includes training volunteers to be watchdogs of the school board, analyzing board actions. A+ grades the Board on its governance and also recommends how it can improve. Another project is School Works, in which A+ interviews school principals, counselors and teachers. “We want to better understand what’s going on the schools—and why we’re getting the outcomes we’re getting.”

Left: Pamela Little-Poole with TeenBloc members (left to right) Fatimah Adisa, Taeler Wright and Amma Ababio



When Mrs. Meshanko passed away in September 2012, the plan was complete. She would leave the bulk of her estate—about \$4 million—to a scholarship fund administered by The Pittsburgh Foundation that would support a variety of students.

“She was an amazing woman,” Ms. Smith said of the career paralegal for the Pennsylvania Railroad. “She was sharp and very quick-witted. And she was committed to leaving a legacy. The people at the Foundation were very responsive and very helpful. And Lydia was very comfortable. When she signed her will and put the plan into place, she was definitely very happy about it.”

YEAR IN REVIEW

THE ALLEGHENY FRONT: CONNECTING THE PUBLIC TO ENVIRONMENTAL ISSUES

As dramatic change continues in the news media landscape, The Pittsburgh Foundation has spearheaded the exploration of new ways of getting vital information to the region's citizens. That support includes a \$50,000 grant to the Allegheny Front, an award-winning weekly Saturday morning radio show on WESA.

The environmental program started in 1991 on public radio station WYEP, and for years, the half-hour show was an all-volunteer effort, with interviews, nature essays and a calendar of environmental events.

"We thought we could do a lot more to tell the stories of the environment and people working in the environment, if we did more storytelling and interviews," said Executive Producer Kathy Knauer, who joined the Allegheny Front in 1995.

The show remains at 30 minutes, but its content has more sound-rich programming and in-depth stories focusing on the region's most important environmental issues including climate change, energy, hydraulic fracturing, and the economy.

Now, the program has a staff of four and uses a network of freelance contributors. The Pittsburgh Foundation grant has funded reporting and production as well as helping the staff envision the show's future.

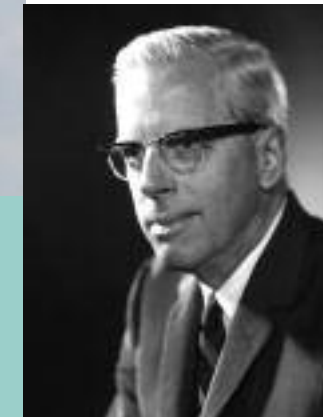
"Deepening our impact—that's what we really want to continue to do," Ms. Knauer said. That includes increasing the already broad use of the program's reports in other media across the region and nation. "We're not an advocacy show. We look at all sides of the issues. I think there's a need for getting accurate information to the public, especially as things get more complex."



Above: Allegheny Front Reporter Kara Holsopple interviewing New Eagle resident Allen Gregg

"THE ALLEN'S GENEROUS GIFT WILL SUPPORT CHARITABLE PROGRAMS IN OUR PITTSBURGH COMMUNITY, BENEFITING A GREAT MANY INDIVIDUALS AND FAMILIES NOW AND IN THE FUTURE."

Grant Oliphant, President and CEO, The Pittsburgh Foundation



Above: Junius Allen

OUR DONORS

PRIVATE FOUNDATION SUSTAINS ITS MISSION AS PART OF THE PITTSBURGH FOUNDATION

Clair N. Hayes III's grandfather was an active member of Gideon's International, known for donating bibles to hotel rooms, military members, nurses and prisons. He once set a record for speaking at churches on Gideon's behalf for 26 straight weeks.

"That was his real interest in his early days," Clair Hayes said of his grandfather, the founder of the Hayes School Publishing Company. "Once he got older, he realized there might come a time when no one was around to continue that work. So he decided to start the Hayes Foundation."

The elder Mr. Hayes died in 1989, and afterwards, grandson Clair Hayes III and his brother and their mother oversaw the foundation. When Clair's brother died in 2011, Clair considered options for continuing the foundation. He researched and decided to bring the Hayes Foundation into The Pittsburgh Foundation. "I was doing all the tax forms, and it got to be too much for me. So now The Pittsburgh Foundation handles that part, and I still influence who receives the funds."

The transition has been smooth, and Clair keeps the philanthropic focus on faith-based organizations. "My grandfather wanted to ensure that there would be money available to buy Gideon testaments in the Pittsburgh area. We've continued that and have also been able to support 19 or 20 additional organizations. My grandfather knew the original founders of many of them, and we've been with them long enough to see them mature. That's been satisfying."

LOCAL ARTISTS HONORED: CAROL R. BROWN AWARDS

In 2012, The Pittsburgh Foundation awarded grants to two local artists as part of the Carol R. Brown Creative Achievement Awards. The new awards honor Carol Brown whose leadership of the Pittsburgh Cultural Trust from 1986–2001 helped transform Downtown Pittsburgh. She has also been a seminal supporter of the region's small and mid-sized arts organizations and local artists.



The program honors two local artists annually with \$15,000 "no strings attached" grants in the categories of Emerging Artist and Established Artist. Multi-media artist John Peña won in the Emerging Artist category. His work spans the gamut, from drawings and three-dimensional work to video. In one video, for example, he runs across a field, keeping pace with the moving shadow of a cloud passing overhead.

"When I found out that I got the award, I started crying—like I really started crying," Peña said. "Because there was just some part of me that was like, 'There's no way in a million years I'm going to get this award. ' To have someone else say, 'We've just awarded you this grant for being an artist and being committed to your artwork.' It's saying other people value what I'm doing."

Toi Derricotte won the award in the Established Artist category and was nominated for literature. She has published five collections of poetry, most recently, *The Undertaker's Daughter* (2011). An earlier collection of poems, *Tender*, won the 1998 Paterson Poetry Prize.

The awards are part of the Investing in Professional Artists: The Pittsburgh Region Artists Program.



Above: John Peña Above right: Toi Derricotte

OUR DONORS

JUNIUS AND ZELLA ALLEN—THEIR LEGACY FOR OUR COMMUNITY

Junius and Zella Allen were both born and raised in Coraopolis. After they married in 1936, Junius' business with the H.J. Heinz Company would take them all over the world—to six continents over his 38 years with the company. In 1973, they moved to Florida. But though they had travelled far from home and lived in another state, the Allens never lost their love for Pittsburgh.

In 1988, they established their fund at The Pittsburgh Foundation to support discretionary grantmaking. Junius died in 2004, and by the time of Zella's death in 2012, the fund had grown to \$500,000. Upon her passing, however, the Allens became two of the largest donors ever to The Pittsburgh Foundation, leaving an \$11.7 million bequest that will benefit generations of Pittsburghers.

When Junius retired from Heinz, he was Senior Vice President, responsible for the company's European operations. Zella had a variety of interests and had worked as a secretary for a Pittsburgh law firm. During their many decades in Pittsburgh, both were involved in a wide range of community activities, most notably Junius' service as President of the Sarah Heinz House and the Pittsburgh Council for International Visitors.

With their broad interests, their largesse will be used for unrestricted grantmaking at The Pittsburgh Foundation, addressing the region's most critical needs. "Extremely generous," was how Grant Oliphant, Foundation President and CEO termed the gift. The money "will support charitable programs in our Pittsburgh community, benefiting a great many individuals and families now and in the future."



Above: Clair Hayes, III (standing) with his mother Nellie

YEAR IN REVIEW

ENHANCED INVESTMENT OPTIONS AND STRENGTHENED PARTNERSHIPS

As times change, great organizations adapt, and that's what The Pittsburgh Foundation has done with its investment offerings. Spurred by financial turmoil in 2008–09, the Foundation created two new approaches designed to help donors and reduce obstacles for their pursuit of philanthropy.

The first initiative involves the 2009 creation of the Legacy Funds with a three-pronged investment strategy tailored to donors' risk tolerance and grantmaking time-horizon.

All funds at The Pittsburgh Foundation are endowed, but the organization's new investment model is purposefully designed to meet donors' individual philanthropic plans. Some join the Foundation and wish to immediately distribute significant grantmaking from their fund. Others target and short and medium-term grantmaking, and some prefer to create a consistent flow of funding for their chosen charities.

Under the Foundation's strategy the Legacy Fund serves to weather market fluctuation over time in perpetuity, the Intermediate Fund serves donors who plan major distributions during a three-to-seven year period, and the Grantmaking Fund facilitates grantmaking within two years.

Donors can choose any or each of the three, depending on their charitable strategy. The only limitation is that the Legacy Funds require a minimum investment of \$10,000 in the perpetual investment portfolio.

"These three funds align the risk of a donor's charitable funds with their philanthropic intent," said Jonathan Brelsford, the Foundation's Vice President of Investment. "We are about endowment and setting up a fund that will have impact on areas of community need in perpetuity. But after the financial crisis, in conversations with donors, we wanted to offer the flexibility of these new options."

A second program, expanded in 2008, is the Third Party Manager Program. Some donors were ready to give, but they had developed comfort and confidence with their investment advisors. So The Pittsburgh Foundation created a program in which donors can recommend that their advisors continue to manage their money; the Foundation reviews the advisors, and, subject to approval, the assets are placed with that that advisor.

See page 29 for additional information.

"WE'RE LOOKING TO REDUCE THE BARRIERS FOR PEOPLE ACHIEVING THEIR PHILANTHROPIC GOALS. ULTIMATELY, WE'RE TRYING TO HELP THEM PURSUE PHILANTHROPY."

Jonathan Brelsford, Vice President of Investment, The Pittsburgh Foundation



Above: Elizabeth Weatherspoon and her daughters Destini Green and Mirakole Green at a Homewood Children's Village event for parents and students.

IMPROVING LIVES AND REVITALIZING A NEIGHBORHOOD

As part of the community-wide effort to improve the lives of children in Homewood and to provide a model for future efforts elsewhere, The Pittsburgh Foundation made a grant of \$200,000 to the Homewood Children's Village.

Modeled after Geoffrey Canada's internationally acclaimed Harlem Children's Zone, the Homewood Children's Village's mission is "to simultaneously improve the lives of Homewood's children and to reweave the fabric of the community in which they live." It's the result of a partnership with residents, faith and community-based organizations, local and state government, the public school system, and local and national funders.

The Pittsburgh Foundation grant is to help the initiative's Health and Wellness Network improve access to health and wellness care for about 1,500 children and families in partnership with Primary Care Health Service Inc. Primary Care Health Service will provide health screenings and urgent care services at Westinghouse High School during the day and at the Alma Illery Clinic after school.

The grant money is specifically supporting the hiring of a number of key personnel including: an Executive Manager of the Health and Wellness Network to manage the program, a full-service community school Health Coordinator to serve as a liaison in the Homewood schools, a licensed social worker to help with referrals and case management, and a family advocate for daily outreach for children and families in the schools and community.

CAMPAIGN FOR WHAT WORKS MOBILIZES GRASSROOTS FOR HUMAN SERVICES

In 2011, as Harrisburg leaders drastically cut state spending, The Pittsburgh Foundation's President and CEO Grant Oliphant teamed up with Bob Nelkin, Chief Professional Officer of the United Way of Allegheny County to try and stop the disintegration of human services support.

The result was called "Why Cut What Works?" Now known as the Campaign for What Works, the public education initiative focused on the importance of human services to the wellbeing of our community.

The Campaign hired an organizer to begin efforts in three areas: an immediate communications campaign utilizing media sources, key influencers, and nonprofit mobilization; data driven messaging to educate public policy makers, key stakeholders, and influencers about intelligent reform that maintains human services and saves taxpayer dollars in the long term; and securing resources for vital services to people in need.

While the bulk of the Campaign focused on impacting the state policy and budget, it also organized a successful grassroots, public relations, and civic effort resulting in

Allegheny County Council restoring \$5 million in spending, which allowed the County to get an additional \$17 million from the state in 2012.

In order to continue the Campaign for What Works, The Pittsburgh Foundation awarded a 2012 grant of \$135,000 to the United Way of Allegheny County. The grant supports the continuation of efforts to lead a public dialogue supporting successful human service programs. This includes marketing, communications and building a variety of coalitions with faith-based organizations, the business community and advocates for children, youth and families.

Below: Grant Oliphant (left) and Bob Nelkin



"THE PITTSBURGH FOUNDATION HAS BEEN IDEAL. THEY HAVE A GOOD REPUTATION. THEY'RE VERY ORGANIZED. AND THEY'RE NICE PEOPLE TO DEAL WITH."

Dr. Narayan Shetty, Internist and Cardiologist

OUR DONORS

THREE SHETTY FUNDS TARGET GIVING TO A VARIETY OF CAUSES

Nearly three years ago, after battling breast cancer and Parkinson's disease, Lila Shetty passed away. Her husband, Dr. Narayan Shetty decided he wanted to do something in her memory. He considered various options and decided The Pittsburgh Foundation was the organization that could best help him.

"I just wanted to have something in memory of her," said Dr. Shetty, an internist and cardiologist. "The Pittsburgh Foundation has been ideal for this purpose. They have a good reputation. They're very organized. And they're nice people to deal with."

Dr. Shetty approached the Foundation two years ago, and he credits Foundation staff and his broker, Douglas Stirling of Janney Montgomery Scott, with helping him reach his goal.

With an initial gift of \$650,000, Dr. Shetty set up three funds: the Leela Narayan Shetty Memorial Cancer Fund, the Lila Shetty Charitable Fund, and the Lila Shetty Foundation Fund. The charitable giving will go to a variety of causes, Dr. Shetty said, including helping people in this country, helping people in the Shetty's home country of India and furthering research into breast cancer and Parkinson's.

"The numbers are not so important," Dr. Shetty said. "The idea of giving is more important. The Foundation is my eyes and ears. They do the research and find out who needs what and what can benefit the people. They are really pioneers at The Pittsburgh Foundation."



Above: Lila Shetty

YEAR IN REVIEW



A PROMISE FULFILLED BRINGS BENEFITS FOR SCHOLARS AND THE REGION

After five years of operations—that included the adverse effects of one of worst economic recessions for a generation—leaders of the Pittsburgh Promise scholarship program for Pittsburgh Public Schools students are convinced that its positive impact is creating sustainable benefit for our City’s children and the regional economy.

Data for the five-year period ending December 2012 shows that the Promise, established by The Pittsburgh Foundation in 2008, has sent a total of 4,092 urban youth to colleges and universities, many of whom would not otherwise have had the opportunity to pursue further education.

Of those, 528 had graduated from two- or four-year courses at their chosen institutions, and Promise scholars are showing retention rates in college of 77 percent—nine percent higher than the U.S. national average, according to a study by the University of Pittsburgh’s Learning Research and Development Center.

Importantly, education officials are encouraged by evidence that the program is beginning to contribute significantly to the local economy and counter the decline in the City’s population. “We now have evidence through our Pittsburgh Public Schools alumni who have completed their post-secondary education and are now part of our region’s workforce that the Promise is a key motivator and

a meaningful financial factor for those who might not otherwise be able to pursue their dreams,” said Dr. Linda Lane, Superintendent of Pittsburgh Public Schools.

Additionally, the Promise has proved to be an incentive for the school district’s students with graduation rates increasing from 63 percent in 2007 to 69 percent in 2012. “School enrollment declines of the past are stabilizing,” said Saleem Ghubril, Executive Director of the Promise. “At the same time, kindergarten enrollment has grown measurably for two successive years and the City’s population is beginning to grow after 50 straight years of decline.”

Through June 30, 2012, the end of the Promise’s financial year, the scholarship fund—that has become a model for similar initiatives across the U.S. and overseas—has financial commitments of \$160 million, including a commitment totaling \$100 million from UPMC. Other supporters include foundation, corporate and community investors. This amount represents 64 percent towards the program’s 10-year fundraising goal of \$250 million.

For more information about the Pittsburgh Promise, visit the program’s website at: www.pittsburghpromise.org.



OUR DONORS

MEMORY OF NEWLYWEDS LIVES ON IN SCHOLARSHIP PROGRAM

In November 2011, five days after they were married, Michael Abel and Nicole Bevilacqua were killed in a helicopter crash during their Hawaii honeymoon.

“People just don’t know what to do when something like this happens,” said Michael’s mother Marcia. “We were given money from people we didn’t even know. So we thought we’d create a memorial of some kind, simply because he was so young, just 25.”

Michael had received a \$10,000 scholarship for each of his four years at Grove City College, where he graduated. So Marcia and David Abel decided to create the Michael T. Abel Memorial Scholarship Fund.

When they realized the work involved in starting a nonprofit, a friend suggested The Pittsburgh Foundation. After meeting with Foundation officials, the Abels decided to move ahead. “They take the burden of administration off of us,” Marcia said, “and we focus on who gets the scholarship.”

They initiated the fund with \$30,000, and they expect it to grow after the accident settlement. Michael was involved in his church youth group, so the scholarship is for parishioners at any of the 35 Allegheny District Free Churches who are pursuing a bachelor’s degree at Grove City or Geneva colleges. In the fund’s first year, the Abels awarded \$3,000 in scholarships to a young man and a young woman, one at Grove City, and the other at Geneva.

“It’s been excellent,” Marcia said. “There’s an outlet—a way to remember what you’ve lost, and knowing it’s going to be there forever.”



Above: Michael Abel
Left: Kate Dewey

KATE DEWEY JOINS FOUNDATION’S NONPROFIT LEADERSHIP

For anyone involved in Pittsburgh’s nonprofit sector over the past three decades, the name of Kate Dewey is familiar as one of the philanthropic community’s driving forces. On Jan. 1, 2013, with grant support from The Pittsburgh Foundation, she became the new President of The Forbes Funds, an affiliate of the Foundation.

Ms. Dewey’s experience is vast. She was Manager of Community Affairs for Mellon Bank, before serving as the founding Executive Director of Grantmakers of Western Pennsylvania, the local membership organization for the region’s foundations sector. Following that, in 1990 she co-founded Dewey & Kaye, overseeing numerous searches for the region’s top philanthropic jobs.

“Kate has unrivalled knowledge and experience in the field,” said The Pittsburgh Foundation’s President and CEO Grant Oliphant. “She has an astute appreciation for the challenges and opportunities facing our region’s charitable organizations and she cares deeply about the health of our nonprofit sector.”

A former Athena Award winner, Ms. Dewey provides management assistance and technical expertise to the region’s nonprofits, primarily those serving human services. In collaboration with the Greater Pittsburgh Nonprofit Partnership, The Forbes Funds also develops advocacy initiatives to help represent the charitable sector.

“For the past 30 years, The Forbes Funds has been an enduring asset in this community—supporting, informing and inspiring the nonprofit sector,” Ms. Dewey said. “I am honored to have been selected to build on that tradition to help ensure the optimum health and sustainability of our community’s nonprofits during this time of tremendous change.”

ESTABLISHING A FUND

WHAT IT ENTAILS

Since 1945, The Pittsburgh Foundation has been connecting its generous donors with the critical needs of our community. Donors who have established funds through the Foundation can support virtually any area of charitable interest in Pittsburgh, or anywhere in the United States. Because the Foundation is a public charity, donors benefit from significant tax advantages.

Endowment funds held by the Foundation range from \$10,000 to \$40 million, created by individuals and organizations, which exist in perpetuity, growing each year, to provide an ever increasing resource to benefit the community.

In 2012, the Foundation and its Supporting Organizations awarded more than \$43 million in grants to a vast array of nonprofit organizations, students, scholarships, and medical researchers, based on donor interest and specific purposes of individual funds.

OUR PURPOSE

Throughout its history, The Pittsburgh Foundation has sought to meet the changing needs of our region. Our purpose is to focus on the people of our community through engaged grant-making and strategic partnerships with other organizations.

WE HAVE THE EXPERTISE

The development and donor services staff of The Pittsburgh Foundation have the experience and the expertise to assist donors in establishing funds and to structure each fund to realize the important tax savings that result from charitable giving. Our experienced grantmaking staff has broad knowledge and understanding of the needs of the community and can assist donors in ensuring that their charitable goals are met.

All distributions from donor advised funds are subject to the ultimate control and variance powers of the Board of Directors of The Pittsburgh Foundation.

WHO ARE OUR DONORS?

As a community foundation, our resources comprise endowment funds established by individuals, families and organizations with a passion for Pittsburgh and a deep commitment to our community. The Foundation has more than 1,800 individual funds and our donors give in a variety of ways during their lifetime and after they have passed away.

More information on funds at The Pittsburgh Foundation and sample agreements are available by calling the Development and Donor Services Department at 412.394.2653

Credit card donations may be made via the Foundation's web site at: www.pittsburghfoundation.org

To contribute to THE PITTSBURGH PROMISE, checks may be made payable and sent to:
The Pittsburgh Foundation
The Pittsburgh Promise Fund
Five PPG Place, Suite 250
Pittsburgh, PA 15222

DONOR ADVISED FUNDS allow the donor to recommend grants to specific nonprofit organizations. These organizations must be bona fide nonprofits and are subject to approval by The Pittsburgh Foundation's Board of Directors. The original donor may also determine what the purpose of the fund will be after the donor's death, or may appoint future advisors (successor advisors) who will advise on its distribution annually.

SCHOLARSHIP FUNDS benefit students throughout the United States. Most frequently, donors established funds that assist high school seniors seeking post-secondary education. There are, however, funds that focus on college, graduate or technical school students who are pursuing specific areas of interest. Donors may choose the type of assistance they would like to provide, whether to help pay tuition or purchase school-related items such as books and computers. Some funds have been created to assist elementary school children in obtaining music lessons.

DESIGNATED FUNDS allow the donor to specify eligible nonprofit organization(s) to receive annual grants. This is a commitment to one or more specific organizations. Should the organization(s) cease to exist after the donor's death, the Foundation will honor the donor's original intent by making grants to a current existing organization with the same mission or purpose.

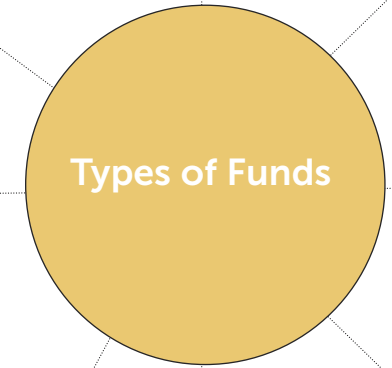
FIELD OF INTEREST FUNDS provide grants within the overall direction of the donor's areas of interest. This type of fund allows donors to support a broad area of concerns. For example, a donor may be interested in having the fund address grant making that benefits children, the arts or the elderly. Specific charities would not be named, but all grants from the fund would be directed toward programs that address the field of the donor's interest within the greater Pittsburgh region.

MEDICAL RESEARCH FUNDS are established by donors to support investigation into the cause and cure of a variety of diseases. The Foundation's Medical Research Advisory Committees, composed of physicians and researchers, review proposals and make recommendations of worthy projects to the Foundation's Board of Directors for approval.

FAMILY FOUNDATION FUNDS provide donors and their families with an efficient and effective way to conduct their giving and provides them the opportunity to focus their energies on the true joys of philanthropy rather than the administrative burdens of maintaining a private foundation. Family Foundation Funds have more favorable tax benefits than a private foundation, enable donors to suggest their own investment manager and allow for multiple generations of family members to be involved.

UNRESTRICTED GRANTMAKING FUNDS enable the Foundation to respond to community needs now and in the future. Following the Foundation's strategic direction, key issues of nonprofit capacity building and innovation are integrated into three funding guideline categories: Self Sufficient Individuals and Families, Healthy Communities and A Vibrant Democracy.

AGENCY ENDOWMENT FUNDS are permanent endowments established by local nonprofit organizations to provide ongoing unrestricted support for the organization's programs.



APPLYING FOR A GRANT

The Pittsburgh Foundation comprises several types of funds that award grants in different ways. Our donors have created funds to support designated agencies; to provide scholarships to students who attend specific schools; to support medical research and to address specific fields of interest. Donors also choose to establish funds whereby they can advise on grantmaking from their funds subject to the approval of the Foundation's Board of Directors. The Foundation does not accept grant applications for designated/donor advised funds.

Other donors have established endowed funds where the charge to the Foundation's Board of Directors is to "meet community needs as they arise." These funds are known collectively as The Pittsburgh Foundation Community Endowment.

The mission of the Program Department is to foster sustainable communities, defined as those which seek to seamlessly integrate economic, social equity and environmental goals in order to enhance the quality of life for residents in our region. Sustainable communities can be identified by the presence of:

- Self Sufficient Individuals and Families;
- Healthy Communities; and
- A Vibrant Democracy

The first includes education, affordable housing, public transportation, healthy children and adults and job development. Healthy Communities covers ecological issues, the creation of safe communities, cultural and racial diversity, creative arts and encouraging excellence in civic design. A Vibrant Democracy includes civic engagement and the research and dissemination of information around critical community issues, designed to inform and shape public policy.

GRANT APPLICATION PROCESS

Prior to submitting a full proposal, applicants are required to send a Letter of Inquiry that includes a brief statement about the organization, the proposed project, its intended results and a general idea of project costs. The applicant will receive an electronic notification that the Letter of Inquiry has been received and a Grant identification number has been assigned.

Program staff will review each Letter of Inquiry; a process that could take six to eight weeks to complete. At that point, applicants will either receive an invitation to submit a full proposal or feedback regarding why the proposal could not be funded.

Additional information detailing the specific project goals and budget is required to be considered for a grant. The Common Grant Application (available on the Grantmakers of Western Pennsylvania website, www.gwpa.org or on the Foundation's web site at www.pittsburghfoundation.org) provides guidelines for submitting a full proposal.

Generally, Program staff will request a meeting with the applicant and/or a site visit once the full proposal is submitted. The Board of Directors, which meets five times each year, makes final decisions on all grants.

WHO CAN APPLY?

Grants are awarded to nonprofit organizations that are defined as tax exempt under Section 501(c)(3) of the Internal Revenue Code. In order to be eligible for a grant from unrestricted and undesignated grantmaking, nonprofit organizations must be located within Allegheny County or demonstrate that the population served resides in Allegheny County. The Pittsburgh Foundation does not award grants from unrestricted grantmaking funds to individuals, nor does the Foundation generally award grants for annual operating costs, sectarian purposes, private or parochial schools, individual public schools, individual hospitals, organizations addressing the needs relating to single diseases, endowment campaigns, capital costs, special events, conferences, scholarships, internships or awards.

LETTERS OF INQUIRY SHOULD BE SUBMITTED TO:

The Pittsburgh Foundation
Attn: Program Department
Five PPG Place, Suite 250
Pittsburgh, PA 15222-5414

NEW FUNDS 2012

Anonymous Fund No. 11
Charles H. Austin Fund
Thomas J. and Anna M. Balestrieri Fund
Paul J. Baum Fund
John and Frances Beck Family Foundation Fund
BE ME Charitable Fund
Dr. Edward and Lucie Bernstein Charitable Fund
BNY Mellon Employee Care Fund
Butch Bonnett Entrepreneurial Spirit Award Fund
Bill and Denise Brown Fund
A.H. Burchfield Family Foundation Fund
Milton Burkart and Patricia Crumrine Charitable Trust
Albert H. Burki Fund
Rose and Zachary Caplan Fund
Carnegie-Collier Rotary Scholarship Fund
Joseph D. Castellana Memorial Caring for Cancer Fund
Contact Pittsburgh Fund
Cornelia Fund
Paul and Buena Craig Memorial Fund
Jean Hartley Davis and Nancy Lane Davis Fund #1
Jean Hartley Davis and Nancy Lane Davis Fund #2
Jean Hartley Davis and Nancy Lane Davis Fund #3
Nancy Lane Davis and Jean Hartley Davis
Second United Presbyterian Church Fund (of Wilkinsburg)
George Davison Fund
Developmental Delay Resources (DDR) Fund
Jim Evangelista and Ridwan Lin Charitable Fund
Friends of Donora Public Library Fund
Duerr Family Fund
Sam Duerr Charitable Fund
Permanent Memorial for the Fallen Heroes Fund
Evan and Holly Frazier Fund
Gabler Family Charitable Fund
Glenn Charitable Trust Fund
Barbara Gengler and Randy Weinberg Fund
Harrison Family Fund
Hayes Foundation Fund
Paul Seagrave Heckbert Fund
David and Dawne Hickton Family Fund
Sean and Carol Hughes Fund
Joseph M. and Dorothy A. Jackovic Fund
Ellen Weiss Kander Award Fund
Dr. Lucille M. Koehler Fund
Joseph and Martha Lang Fund
Ligonier Valley Endowment Scholarship Fund
Ligonier Valley Endowment/Margaret M. Tosh Memorial Fund
John Keith Maitland Fund
Jeff and Erica McIlroy Family Fund
McMurray Family Trust
Moraca Family Fund
Nancy T. Moulton Charitable Fund
Phyllis and Victor Mizel Charitable Fund
William and Kristina Mulvaney Family Fund
Ross and Carole Nese Fund
Newbold Winkler Fund
Walter F. and Ellen H. Nicoden Fund
Marc Obniski Memorial Scholarship Fund
J & L Oehrle Family Fund
Charles and Paula Orr Fund

Deacon Palmer/The First Tee of Pittsburgh Endowment Fund
Pittsburgh Zoo & PPG Aquarium Fund
Endowment for Pitt Ultimate Fund
Power of 32 Fund
Mollie S. and Martin B. Price Family Fund
Henry, Tillie M. and Sylvia J. Reidman Fund
Frank and Athena Sarris Endowment Fund
Frank and Athena Sarris Public Library Endowment Fund
Leela Narayan Shetty Memorial Cancer Fund
Slick Family Fund
Tepe Family Fund
Kermit B. Thomas UCC Fund
Kermit B. Thomas UCC Penn West Conference Fund
Diane V. Thompson Fund
Mary Vasilakis Fund
Charles B. and Betsy H. Watkins Fund
Ruth A. West Fund
Joanne, Charlie and Bruce Wilder Charitable Trust Fund

ADVICE AND GUIDANCE

The Pittsburgh Foundation is deeply grateful for the thoughtful advice and guidance provided to the Foundation and its supporting organizations by members of our community. For full list please visit: www.pittsburghfoundation.org/guidance

2012 LEGACY SOCIETY

The Legacy Society recognizes donors who have named The Pittsburgh Foundation in their estate plans. For details please visit: www.pittsburghfoundation.org/legacy

OUR SYMPATHIES AND CONDOLENCES GO TO THE FAMILIES OF THE FOLLOWING DONORS WHO PASSED AWAY IN 2012:

Lillian W. Burke
Albert B. Costa
Nancy L. Davis
Arthur Ebbert
Claire B. Hahn
Peggy Houston
L. James Huegel
Donald H. Jones
Janet F. Krieger
Joseph C. Lang
Eva H. Means
Lauretta G. Phillips
Christian M. Snavelly
Jerold M. Starr
Kermit B. Thomas
Stewart M. Vockel
Mary Lou Waite
Susan G. Whitaker
George R. White

FINANCIAL INFORMATION

COMBINED STATEMENTS OF FINANCIAL POSITION

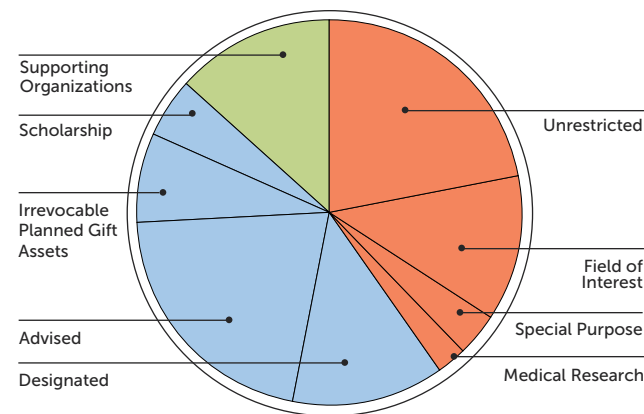
The Pittsburgh Foundation (and controlled supporting organizations)
As of December 31, 2012 and 2011

Assets	2012	2011
Cash and cash equivalents	\$86,706,451	\$86,179,132
Investments, at market value	725,681,490	643,937,103
Accounts and investment income receivable	1,572,245	1,195,919
Program-related investments	852,065	917,713
Contributions receivable and other assets	87,714,487	93,590,459
Rental properties, net	347,305	3,237,724
Furniture, equipment & leaseholds, net	2,272,599	1,916,880
Total Assets	\$905,146,642	\$830,974,930
Liabilities and Net Assets		
Accounts payable and other liabilities	\$17,933,721	\$20,190,480
Grants payable	11,996,946	11,648,049
Accrued pension liability	5,186,538	5,130,288
Total Liabilities	35,117,205	36,968,817
Net Assets		
Unrestricted	129,789,835	149,312,206
Temporarily restricted	728,998,290	634,091,699
Permanently restricted	11,241,312	10,602,208
Total Net Assets	870,029,437	794,006,113
Total Liabilities and Net Assets	\$905,146,642	\$830,974,930

FUND ASSETS BY TYPE

including controlled supporting organizations
As of December 31, 2012

Unrestricted	\$199,834,821
Field of Interest	111,202,011
Special Purpose	31,874,733
Medical Research	22,656,612
Designated	114,740,215
Advised	193,152,326
Irrevocable Planned Gift Assets	68,274,399
Scholarship	45,003,463
Controlled Supporting Organizations	118,408,062
TOTAL	\$905,146,642



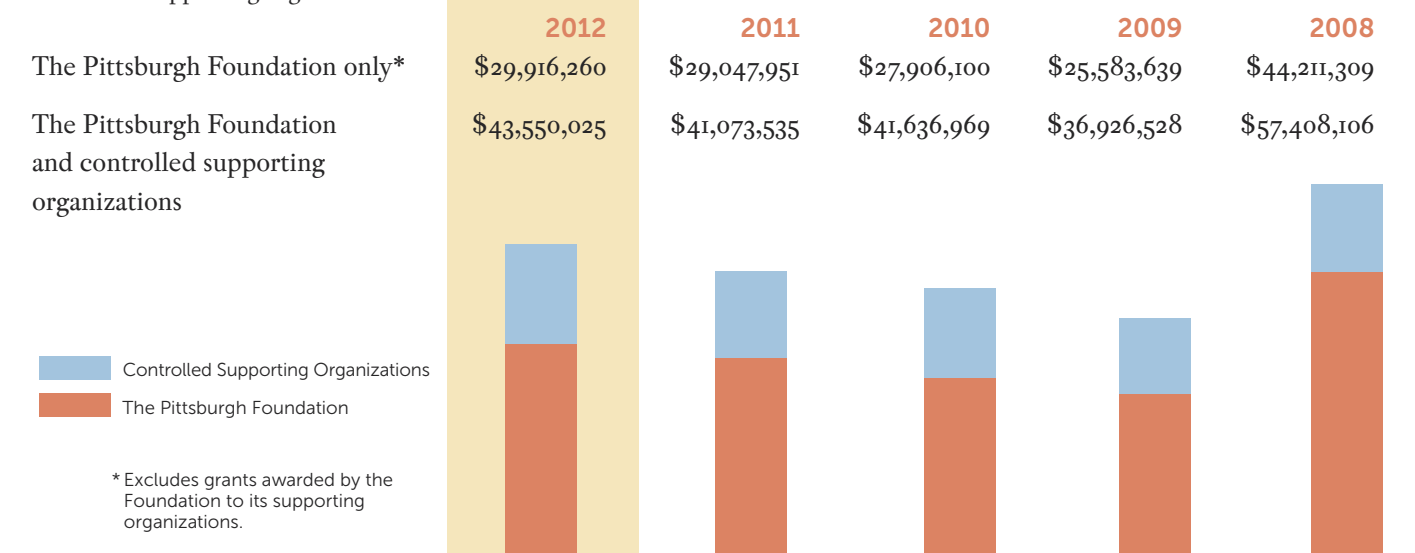
COMBINED STATEMENTS OF ACTIVITIES

The Pittsburgh Foundation (and controlled supporting organizations)
For the years ended December 31, 2012 and 2011

Revenues and Gains/(Losses)	2012	2011
Contributions	\$60,169,229	\$49,330,221
Investment income, net	15,468,549	13,503,770
Net realized and unrealized gains (losses) on investments	53,440,057	(23,741,366)
Actuarial adjustments on split interest agreements	3,567,429	13,784,486
Other	812,964	527,702
Total Revenues and Gains/(Losses)	133,458,228	53,404,813
Expenses		
Grants approved, net	43,550,025	41,073,535
Grantmaking and related services expenses	4,437,564	4,371,066
Development and donor services expenses	3,176,875	3,296,715
Management and general administrative expenses	2,873,418	5,584,371
Other	3,397,022	2,044,798
Total Expenses	57,434,904	56,370,485
Increase/(decrease) in net assets	76,023,324	(2,965,672)
Net Assets at Beginning of Year	794,006,113	796,971,785
Net Assets at End of Year	\$870,029,437	\$794,006,113

GRANTMAKING OVER A FIVE-YEAR PERIOD

The Pittsburgh Foundation and controlled supporting organizations



**SUMMARY OF GRANTS
BY CATEGORY (PARENT ONLY)**

For the year ended December 31, 2012

Health, Families, Youth and Special Needs	\$8,025,857	
Community Development and the Environment	5,867,078	
Education	6,685,458	
Art Culture Humanities	7,052,989	
Special Projects and Philanthropic Relations	2,284,878	
TOTAL	\$29,916,260	

SUPPORTING ORGANIZATIONS

The Pittsburgh Foundation is affiliated with eight supporting organizations in which it has control with total assets of \$118,408,062. The supporting organizations are separate entities that are exempt under section 501(c)(3) of the Internal Revenue Code of 1986. Each qualifies for the highest federal income tax deduction as a public charity because its charitable activities complement and further the charitable activities of The Pittsburgh Foundation. While they are separate entities, The Pittsburgh Foundation handles all administrative issues for the supporting organizations, relieving the donors of any administrative burden.

1. A supporting organization at The Pittsburgh Foundation is designed for families and individuals who want to maintain independence in charitable giving, while benefiting from the Foundation's grantmaking and financial services expertise.
2. Custom-tailored for endowments of approximately \$2 million or more, a supporting organization is a tax-exempt entity that offers you, as a philanthropist, the benefits of a private foundation, greater tax advantages available to a public charity, and the opportunity to engage in grantmaking decisions.
3. Whether you choose to give locally or outside the region, the services provided by The Pittsburgh Foundation release you from the burdens of state and federal reporting, and the numerous and expensive administrative tasks associated with running a private foundation. And you and your family are able to remain involved in perpetuity.

Further information is available at the Foundation's web site at www.pittsburghfoundation.org.

Select A Money Manager.

Your Board can decide who shall invest and administer the assets.

Pay Reasonable Administrative Fees.

Our team of professionals assumes the responsibility for all filing and compliance requirements.

Establish Your Own Grants Budget.

You make charitable distributions as you see fit and are not limited to the foundation's grantmaking budget or spending policy.

Identify Future Trustees.

You leave a charitable legacy and keep decision-making within your family or with close associates, in perpetuity.

Avoid Excise Taxes And Annual Distribution Requirements.

You are not required to distribute a specified amount each year (as private foundations are), so you make only the gifts that you are inspired to make.

Receive Assistance from the Foundation's Program Staff.

Our professionals can share their in-depth knowledge of community needs and, if you choose, help you decide where your charitable dollars go.

Obtain Due Diligence Reports from Grantees.

Your gifts to 501 (c)(3) organizations will be monitored to ensure that your contributions are used according to your directives.

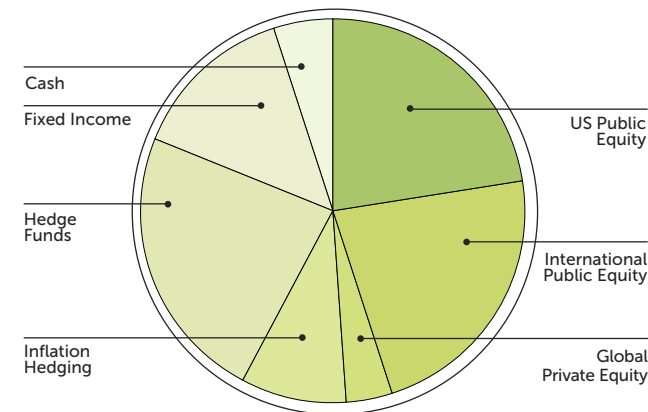
INVESTMENTS

In 2009, the Legacy Fund was created to address the desire for greater investment flexibility on behalf of the Foundation, with the goal of improving the long-term, risk adjusted rate of return. The Legacy Fund has provided a true open architecture investment platform allowing the Foundation to access best of class investment managers in public and private markets. In addition to the Legacy Fund, the Foundation also added two additional investment portfolios that a fund could be invested in: The Intermediate Fund and The Grantmaking Fund, providing greater flexibility for charitable funds and the alignment of risk with the intended timing of the distribution of their grants.

2012 proved to be a great year to be invested in global equity markets. The MSCI All Country World Index, the primary benchmark for our public equity allocation, returned 17.4%. Bond markets also performed well with the Barclay's Aggregate Bond Index returning a more modest 4.2%, however, still in excess of much of the coupon rates on the component debt instruments.

The Legacy Fund has continued to decrease the amount of fixed income in the portfolio, as expected long term returns remain well below our distribution goals and inflation. At the end of 2012, we began the transition from a more defensive portfolio to one that reflects our intermediate term view of an improved global economy. The Legacy Fund retains its predominant equity exposure, favoring emerging markets and lower volatility hedge funds.

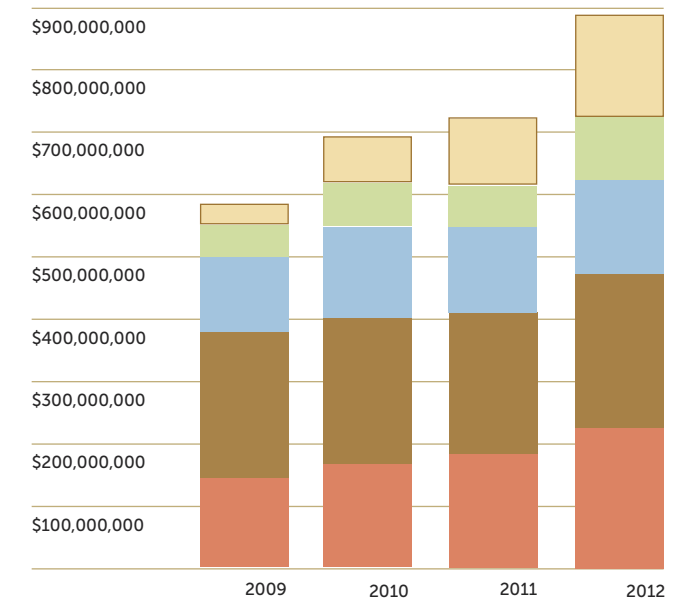
LEGACY FUND ASSET ALLOCATION



ANNUALIZED RETURNS (%)

	1 Year	2 Years	3 Years	5 Years	10 Years
Total Managed Assets	11.06	4.32	6.50	1.27	6.24
80% MSCI All-Cap World Index/ 20% Barclay's Capital Aggregate Index	14.29	4.70	7.00	0.70	7.97
CPI + 5%	6.74	7.35	7.06	6.80	7.41
Legacy Fund	10.80	3.00	6.00	n/a	n/a
Intermediate Fund	9.50	6.10	6.80	n/a	n/a
Grantmaking Fund	0.10	0.10	0.10	n/a	n/a

INVESTED ASSETS



BOARD OF DIRECTORS

The Board of Directors of The Pittsburgh Foundation comprises outstanding leaders from all sectors of the community. The commitment, generosity and experience of our Board greatly enhance the mission and success of The Pittsburgh Foundation.

EDITH SHAPIRA ELECTED BOARD CHAIR

On her re-election to The Pittsburgh Foundation’s Board of Directors, Edith L. Shapira, M.D. was appointed Chair—the first woman to Chair the organization in its 68-year history.

Dr. Shapira, a psychiatrist in private practice since 1991, was re-elected after retiring from the Foundation’s Board in 2012 following nine years service. As Chair of the Board she succeeds Gregory Curtis, founder and Chairman of global wealth advisory firm, Greycourt & Co. Inc, who retired from the Foundation’s Board in December 2012 after serving as its Chair for four years and as a Board member since 2003.

During her previous term with the Foundation’s Board, Dr. Shapira helped to lead a major transformation of the organization, including a strategic re-alignment to maximize its grantmaking impact and the development of philanthropic initiatives that became models for similar programs by other foundations across the United States.

For Dr. Shapira, her return continues a dedicated family legacy with the Foundation, originally established by her late mother, Frieda Shapira who served on the Foundation’s Board for 18 years. Frieda retired from the Board in 2002 and passed away the following year.

“This is a special moment in the Foundation’s history,” said Grant Oliphant, the Foundation’s President and CEO. “The commitment and influence that Edie and her mother have contributed to the positive development of this organization are immeasurable.”

“It is a profound honor to return to the Foundation’s Board, and especially in the role as Chair,” said Dr. Shapira. “The Pittsburgh Foundation is an incredibly important organization that has and continues to make a big difference in our community. I am looking forward to continue working with the Foundation’s inspirational leadership, staff and my Board colleagues in a region about which I care very deeply.”

Also returning to the Foundation’s Board is John Harmon, a partner with law firm, Lovett Bookman Harmon Marks LLP, who retired from the Board following nine years service. Mr. Harmon was elected Vice Chair. The Foundation is grateful to Greg Curtis and Jim Roddey, Vice Principal with financial services firm ParenteBeard, who also retired from the Board, for their service and commitment.

The Foundation welcomes three new directors to its 19-member Board, Edward J. Donnelly, III, M.D., a primary care physician with UPMC, Lee B. Foster, II, Chairman of L.B. Foster Company, and David J. Malone, President and CEO of Gateway Financial.



Edith L. Shapira, M.D.
Chair



John C. Harmon
Vice Chair



Nancy L. Rackoff
Secretary



David McL. Hillman
Treasurer



Morton Coleman, Ph.D.



Edward J. Donnelly, III, M.D.



Lee B. Foster, II



Kim Tillotson Fleming



Evan S. Frazier

Mark R. Hornak
(not pictured)



William E. Hunt



Jui M. Joshi



Claudette R. Lewis



David J. Malone



Peter F. Mathieson



Vincent J. Quatrini, Jr.



Howard B. Slaughter, Jr., D.Sc.



Walter H. Smith, Jr., Ph.D.



William E. Strickland

BOARD EMERITI

Robert P. Bozzone
James S. Broadhurst
JoAnne E. Burley, Ph.D.
Joseph L. Calihan
Estelle F. Comay
William J. Copeland
Douglas D. Danforth
Mary Lou McLaughlin
Aaron A. Walton

Biographies of all Board members and Directors Emeriti are available on the Foundation’s website at: http://pittsburghfoundation.org/board_aboutUs

STAFF

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President and CEO

Jonathan Brelsford
Vice President of
Investments

Marianne Cola
Executive Secretary

Leigh Halverson
Special Assistant to
the President

Cheryl Poston
Receptionist/
Administrative Support

FINANCE

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Vice President of
Finance and Administration

Barbara Brooks
Grants Administrator

Willa Dukes
Funds Coordinator

Stacey Graham
Finance Specialist

Anthony Mollica
Senior Accountant

Katie Robson
Director of Information
Technology

Dot Sikora
Finance Associate

Jennifer Steinmetz
IT Support Analyst

Bryan Tait
Assistant Controller

Mike Traeger
Senior Accountant

Deborah Turner
Scholarship
Coordinator

Dustin Widdoss
Investment Accountant

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Communications

Stephanie Higgins
Communications
Associate

Christopher Whitlatch
Manager of Marketing
and Communications

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Vice President for
Development and
Donor Services

Lindsay Aroesty
Assistant Director of
Donor Services and
Planned Giving

Hilary Brown
Philanthropic Relations
Officer

Gwyneth Gaul
Director of
Development

Neil Straub
Data Analyst/
Administrative Support

Kelly Uranker
Philanthropic
Resources Manager

Jan Vish
Administrative Support

Arlene Vukas
Administrative Support

Jennie Zioncheck
Development Officer

PROGRAM

Jeanne Pearlman
Senior Vice President
for Program and Policy

Jane Downing
Senior Program Officer,
Economic and
Community Development

Chatiqua Good
Administrative Support

Nicole Henninger
Administrative
Assistant

Kevin Jenkins
Director of
Community Initiatives/
Senior Program Officer

Lauren Mikus
Program Officer,
Civic Design and
Special Initiatives

Jill Ritchie
Administrative Support

Germaine Williams
Program Officer,
Arts and Culture

Design: Wolfe Design | Photography: Joshua Franzos



City of Asylum Jazz Poetry concert



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Telephone (412) 391-5122
Facsimile (412) 391-7259
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www.pittsburghfoundation.org

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