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**PUBLIC WILL PUNISH NONPROFITS THAT MISUSE DESIGNATED
GRANTS, NEW ZOGBY SURVEY FINDS**

Results Boost Plaintiffs in Robertson v. Princeton Lawsuit

NAPLES, FL, Dec. 14 – With many Americans planning year-end contributions to their favorite charities, a new public opinion survey sends a strong message to officials of nonprofit organizations about the proper use of donations: use contributions for their intended purpose or be prepared to suffer the consequences.

The revealing new survey by Zogby International, commissioned by the plaintiffs in what may be the largest ‘donor intent’ lawsuit in U.S. history (Robertson v. Princeton University), comes at a time of heightened concern about misuse of charitable donations by nonprofit organizations. The results were hailed by William Robertson, lead plaintiff in the lawsuit, as “a sharp rebuke to nonprofit executives who care more about their donors’ contributions than their donors’ intent.”

The Robertson family lawsuit against Princeton claims the university misused a 1961 gift intended to prepare Princeton graduate students for foreign policy careers in the federal government. The case goes to trial next year.

Survey Confirms Importance of Donor Intent

According to the nationwide survey by Zogby International, one of the country’s leading polling firms, a near-unanimous 97 percent of the respondents said they consider it a “very” or “somewhat” serious matter if charities are spending money donated to them on unauthorized projects, while 78.7 percent said they would “definitely” or “probably” stop giving to any nonprofit organization that accepts contributions for one purpose and uses the money for another. A near-equal number (72.4 percent) said that when a nonprofit organization uses money “for a purpose other than the one for which it was given,” the managers of the recipient organization “should be held legally or criminally liable for acting in a fraudulent manner.” Additionally, 97.4 percent of respondents said that respecting a donor’s wishes was “very” or “somewhat” important to the “ethical governance” of a nonprofit.

The nationwide survey of 1,216 voting-age adults, conducted Nov. 20-Nov. 22, has a margin of error of plus or minus 2.9 percent.

“My family commissioned this nationwide survey on ‘donor intent’ to gauge the public’s attitudes on this important issue,” said Robertson. “We are encouraged by the results, which confirm that we are far from alone in believing that money donated to a university, hospital, research institute, symphony or any other 501 C (3) tax-exempt organization for a specific purpose should be used by the recipient organization precisely for the purpose for which it was given.”

The Robertson family and Princeton University have been embroiled for the past three years in a bitter, high-profile controversy involving charges that the university improperly spent more than \$200 million from a special charitable fund intended to prepare graduate students at the university’s Woodrow Wilson School of Public and International Affairs for U.S. government careers in foreign policy and diplomacy. The resulting lawsuit, brought by the children of the late Charles and Marie Robertson – who established the fund during the Kennedy administration with a \$35 million gift – is slated to go to trial next year.

Known as the Robertson Foundation, the fund currently has an endowment valued at more than \$650 million. Princeton, meanwhile, already has spent an estimated \$330 million of the Robertson Foundation’s funds, but has channeled relatively few program graduates into the U.S. Foreign Service and other government agencies and offices involved in international affairs. Indeed, a study conducted by Princeton itself concluded that the private sector is the largest employer of Wilson School graduates.

Though no direct link to the Robertson family lawsuit has been claimed, or can be shown, contributions to Princeton last year declined by 44 percent, while most other universities and nonprofit organizations saw increased support. Princeton’s 2004 total of \$125 million in contributions was \$102 million below its 2003 total (\$227.5 million), \$60 million below 2002 and 2001 (approx. \$185 million each year), \$41 million below 2000, and \$34 million below 1999. By way of contrast, contributions to colleges and universities increased 3.4 percent overall in 2004, according to the Council for Aid to Education, a division of the RAND Corp. Overall contributions to other nonprofit organizations also were up last year, increasing approximately 5 percent to \$248.5 billion, the Giving USA Foundation reported this summer.

Sending a Message: Country could suffer

William Robertson of Naples, FL., son of the Robertson Foundation founders, lead plaintiff in the high-profile lawsuit (Robertson v. Princeton), and a prominent

philanthropist in his own right, said, “The nonprofit sector is one of the foundation stones of America’s civil society. If those of us who support charitable organizations lose faith in these institutions – institutions involved in the arts, higher education, and environmental, medical and public policy research, as well as those providing social services to the needy – our entire country will suffer.”

In addition to his service on the board of the Robertson Foundation, which is supposed to oversee his parents’ gift to train future generations of U.S. diplomats, Mr. Robertson and his family also support many other philanthropic interests, ranging from prominent environmental and medical research organizations to the United Negro College Fund.

Robertson said that he hoped the lawsuit not only will remedy the problems at Princeton, but also will serve as a constructive message to all nonprofits: “The people who support you expect you to use their money wisely and for the purpose for which it was given. If you do not, expect consequences.”

Zogby Survey Details

Zogby researchers asked a series of 10 questions on charitable giving from a representative cross-section of voting age adults. Within the margin of error, the responses can be extrapolated to the public at large. Among the highlights of the Zogby survey were the following:

- 1) Approximately eight out of 10 Americans donate money to charitable organizations frequently (45.8 percent) or occasionally (36.7 percent.)
- 2) While more than a third of the respondents (34.5 percent) said they typically donate between \$100 and \$500 per year, 14 percent said they donate \$501 to \$1,000 annually, and nearly 21 percent said they donate over \$1,000 a year.
- 3) A large majority (57.2 percent) of Americans typically contribute money to charitable organizations with no conditions attached, but four out of 10 Americans (40.7 percent) have at one time or another specified that their contribution be used for a specific purpose, such as disaster relief or medical research.
- 4) More than three-fourths of the respondents (78.7 percent) said they would “definitely stop giving” (53 percent) or “probably stop giving” (25.7 percent) to any charitable organization that they asked to use their donation for a specific purpose and they found that the organization ignored that request. In sharp

contrast, just 4.6 percent of the public said they “definitely” would continue to support such an organization.

- 5) The public was more divided on the question of what should happen when a charitable organization “intentionally” ignores the donor’s intent, with 59.3 percent of the respondents saying the recipient organization should “definitely” (36.4 percent) or “probably” (22.9 percent) return the full donation, 14.7 percent saying the recipient organization “definitely” should keep the money, and 19.7 percent saying the organization “probably” should keep it.
- 6) When asked if nonprofit managers “used your money for a purpose other than the one for which it was given, do you think the managers of the recipient organization should be held legally or criminally liable for acting in a fraudulent manner,” the public’s reaction was far-less forgiving, with 46.6 percent of the public saying nonprofit managers who do this should be held “legally and criminally liable,” 23.8 percent saying they should be held “legally liable” only, and 18.3 percent indicating they would ignore the misuse of funds.
- 7) In a related question, 93.7 percent of the respondents said they would “definitely” or “probably” remove the managers of a nonprofit organization that “secretly” change the organization’s purpose “to focus on something completely different” than the founder intended.

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NOTE TO EDITORS: A copy of the complete Zogby survey is available on request. Please call Jennifer Berkowitz at (540) 751-1597.