

Waltersdorf-Henson Endowment Challenge

Campaign

“Endowments are not sexy.”

John M. Waltersdorf believed in endowments. The quote of “endowments are not sexy” came from Mr. Waltersdorf’s comments at the kick-off of the Waltersdorf-Henson Endowment Challenge Campaign. It was followed by “... but everyone knows that the current nonprofit funding environment is rife with inconsistency and volatility. Many organizations that rely on government funding are struggling to offset cutbacks and need to look to new strategies to help their cash

flow. I believe that to mature as a nonprofit means to establish an endowment to effectively smooth out the rough spots in a fiscal year.” It was this philosophy that led John and his wife Peg to support the concept of the Waltersdorf-Henson Endowment Challenge Campaign.

However, the Challenge Campaign was not the Waltersdorf’s idea.

Creating a Legacy

Recognizing the power of endowment, the Richard A. Henson Foundation approached the Community Foundation in 2004 with a unique challenge and gift to mimic a successful challenge campaign that had been completed on the Eastern Shore of Maryland.

“The Kresge Challenge to Build Community Capital” campaign challenged the Eastern Shore Community Foundation and local nonprofits to raise money for endowments that were then matched by the Kresge Foundation and the local Perdue Family. The Henson Foundation had supported many of the participating organizations of that challenge and realized the potential of a matching campaign.

Mr. Henson and the Henson Foundation had been supportive of the Washington County area before his death in June 2002, supporting the new Hagerstown YMCA building with a \$1 million naming gift, among other projects. The Henson Foundation looked to continue Mr. Henson’s wishes to support all of Washington County and acknowledged that the Community Foundation of Washington County MD, Inc. would be the best resource to determine the needs in the local area. Coupling upon this desire and the recent success of the Kresge Challenge, the Henson Foundation approached the Community Foundation with an incredible matching grant opportunity.



John & Peg Waltersdorf at the Challenge Campaign Announcement in October 2004. Richard A. Henson is pictured in the photo behind the Waltersdorfs. Reprinted with permission from *The Herald-Mail*.

ENDOWMENT

(Def.): A permanent fund bestowed upon an individual or institution, such as a university, museum, hospital or foundation, whose income and earnings, but not the principal sum, can be expended for a specific purpose in perpetuity.

Presenting the Challenge

The challenge was this: The Henson Foundation committed to \$2.5 million in endowment money and challenged the Community Foundation of Washington County MD, Inc. to find a local donor or business to match their commitment, thereby establishing a \$5 million pool of endowment money. This \$5 million would then be made available for a dollar-for-dollar match to the local nonprofits of Washington County as they raised their own endowment funds for a possible total of \$10 million.

The Henson Foundation first introduced this challenge to Mr. David Beachley, a Community Foundation trustee who had worked with Mr. Henson while he was on the board of the Hagerstown YMCA. Mr. Beachley and the Community Foundation Board accepted the idea of a challenge and set out to find a local philanthropist with both the means and aspiration to match a campaign of this magnitude. The name of John M. Waltersdorf was an obvious first choice. Along with being a noted philanthropist in the area, Mr. Waltersdorf had also been a good friend of Mr. Henson. Mr. Waltersdorf had been the first Chairman of the Board of the Hagerstown Regional Airport, and was also a founding member of the Community Foundation. So, on a snowy day in January 2004, members of the Henson Foundation and the Community Foundation met with the Waltersdorfs to discuss this extraordinary challenge. And the rest, as they say, is history.

The Power of Endowment

Mr. Waltersdorf was excited to partner with the Henson Foundation because as he said, "I've always had an enormous amount of respect for Dick Henson and I think that partnering with the Henson Foundation would help fulfill the philanthropic wishes Dick had to continue to support the Hagerstown community." Mr. Waltersdorf also liked the idea of participating in a matching campaign in which the nonprofits were challenged to "go a little further and raise their own money to be matched, especially the nonprofits that did not have a history of fundraising." He felt this gave the nonprofits the resources and motivation to evaluate their structure and in turn set themselves up to be successful in the future.

"An endowment is a lasting gift in which you continue to see an impact over time." This statement summarized Mr. Waltersdorf's passion for endowments and his desire to create a legacy that would benefit the Washington County community forever. He also stated that endowments can help an organization realize and maximize its potential by underwriting programs that have not been funded. This enables management to move the organization forward, even in difficult financial times and provides a safety net when an unexpected financial crisis occurs. He believed that there were many donors, like him, who viewed endowments as an incentive to give to an organization because the endowment would help the organization be viewed as stable and financially mature.

Mr. Waltersdorf also thought that the Challenge Campaign was a great way to educate the community about the Community Foundation, while at the same time raising awareness of the participating organizations.



About The Richard A. Henson Foundation, Inc.

Richard A. Henson, a native of Hagerstown, MD, created the Henson Foundation to provide for and assure the continuation of his philanthropic spirit, objectives, and ideals and to support charitable projects which seek to enrich the quality of life in the communities which he served. His business began in Hagerstown with a commuter airline that eventually became the Hagerstown Regional Airport Henson Field. In time, the business relocated to Salisbury, MD and is where the Henson Foundation is located.

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“A challenge campaign helps people open their pocketbooks and checkbooks a little bit more easily. When your donation is matched, you can feel twice as good about your donation.”—John M. Waltersdorf

Announcing the Challenge

In October 2004, a reception was held at the Hagerstown Regional Airport Henson Field and the Waltersdorf- Henson Endowment Challenge Campaign was introduced to the community. The total challenge for the community was to raise \$5 million over the next five years, for a one-to-one match and a potential total of \$10 million in endowments. The Challenge Campaign was intended to create designated endowment funds, which were defined as funds established at the Community Foundation to support specific charitable organizations named at the time the gifts were made. These endowment funds would be permanently earmarked for those organizations. All monies would be held and managed by the Community Foundation. The perpetual revenue stream produced by the total \$10 million would contribute to the financial viability of the nonprofit community.

At the announcement Mr. Waltersdorf said this about the Challenge, “My wife, Peg, and I, share this belief in the Community Foundation and its importance as a vehicle for charity and philanthropy. As Federal and State funding and grants are being cut back, endowments are becoming increasingly critical for the survival of nonprofit agencies. This is why Peg and I believe in this Foundation and why we have joined together with the Henson Foundation to create the Waltersdorf-Henson Endowment Challenge Campaign.”

Engaging the Community’s Support

The Community Foundation next invited the nonprofits in their service area to participate in this exciting opportunity. Response to this invitation was extraordinary and a community forum for interested organizations was held on December 1, 2004. Over 100 people, representing 35 organizations attended. Booklets for the Waltersdorf-Henson Endowment Challenge Campaign were distributed and the application process was explained.

Reflecting on the opportunity presented at the forum, Mr. Brad Sell, Executive Director of the Community Foundation said, “This is a win, win, win situation. The donors are able to leverage their money by effectively doubling their own contributions, the participating nonprofits will have ever-increasing amounts of operating cash from their endowment funds, and the Community Foundation will increase its assets by \$10 million, further enabling it to promote and encourage philanthropy of all kinds and increase its grant-making capacity.”



In all, 31 organizations applied for an initial screening by the Waltersdorf-Henson Agency Review Committee at the Community Foundation. Those passing the screening process, then submitted an application stating their endowment goals. The Community Foundation was named as a required participant in the Challenge, and fifteen other organizations were chosen after official review and approval by both the Waltersdorf’s and the Henson Foundation Board. The endowment goals ranged in size from \$100,000 to \$800,000.

Kicking-Off the Challenge

The Waltersdorf-Henson Endowment Challenge Campaign and its sixteen participants were officially announced to the public at a kick-off on June 30, 2005. During the Challenge kick-off it was stated that all of the permanent endowments would be housed at the Community Foundation of Washington County MD, Inc. and that funds would be open for deposit on September 30, 2005. The

agencies then had five years to reach their fundraising goals. Matching dollars from the Waltersdorf-Henson Campaign were transferred into the organization's funds once they had reached two-thirds of their fundraising goals. Annually, the organizations could choose to accept the available funds from the endowment.

Meeting the Challenge

The nonprofit organizations participating in the Challenge were truly the essence of the campaign. Each organization was able to promote and assure their donors that their gift would be matched 100% by the Waltersdorf-Henson Endowment Challenge Campaign. For a gift of \$25,000 or more, donors had the option to create their own named scholarship or sub-fund.

Six of the organizations did not have previous endowments funds and three of the organizations had never done any organized, major gift fundraising at all. However, with major gift planning support and training from the Community Foundation, all of the agencies were pleasantly surprised at their ability to raise funds and attract new major donors. As a result of this Challenge, the agencies realized the impact of successful development efforts and the impact of endowments.

The commitment of the organization's donors also became evident as few of the organizations saw a decline in contributions during the economic downturn and they were able to continue their fundraising success and meet their goals.

The organizations participating in and profiting from the Waltersdorf-Henson Endowment Challenge Campaign held their fundraising campaigns and are using their endowments in the following ways:



The new Meritus Medical Center

Antietam Healthcare Foundation: The Waltersdorf-Henson Challenge began during a time when the Antietam Healthcare Foundation was already undergoing an unprecedented capital campaign for the new Meritus Medical Center. Endowment was a part of their landmark fundraising goals and the Waltersdorf-Henson Challenge was a perfect fit. The matching funds available through the Challenge made donors eager to give. As a result of the new medical center, the community will have the opportunity for advanced technology and a higher level of care, and their endowment fund will support new initiatives that will improve the hospital's services. The Foundation and its Board also greatly appreciate the supporters who gave so unselfishly to this



"This campaign opened the eyes of many organizations to the possibility of raising funds to be used in perpetuity through the establishment of endowments."

—John M. Waltersdorf

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Chesapeake Wildlife Heritage planting trees at the Antietam National Battlefield

campaign and made their vision possible. As the Meritus Medical Center opens its doors in December 2010, Antietam Healthcare Foundation will be renamed as the Meritus Healthcare Foundation.

Chesapeake Wildlife Heritage: As the Chesapeake Wildlife Heritage looked to expand its offices for the first time in 25 years, the Waltersdorf-Henson Challenge came at a great time of growth. The publicity and recognition of the organization was greatly increased through the participation in the Challenge. Their endowment has allowed for new Habitat Restoration projects and the stability for projects in the future. These projects included planting over 2,500 trees at the Antietam National Battlefield and 30 acres of trees at Saint James School. The Waltersdorf-Henson Challenge helped Chesapeake Wildlife Heritage to establish and sustain an office and now allows for staff to have the resources to continue projects.

Community Foundation of Washington County MD, Inc: As a required participant in the Waltersdorf-Henson Challenge, the Community Foundation is using the endowment to add to the unrestricted granting program to help local nonprofits. The Challenge increased the capacity to help nonprofits, initiate programs and provide services that build community assets. As the amount of money available for distribution increases, the Foundation will have greater ability to both target and impact a specific need, or expand distributions over wide areas of interests.



John Waltersdorf visits with Bindy Boyer at HCC's Donor Recognition Reception.

Hagerstown Community College: The Hagerstown Community College (HCC) felt very fortunate to be part of the Waltersdorf-Henson Challenge, especially as their enrollment has increased by almost 27% since the economic downturn. With 75% of HCC students receiving some form of financial aid, the need for a stable source of assistance is always increasing. HCC students and the Washington County community are realizing the importance of a continued education and the Hagerstown Community College is their stepping stone. This Challenge also leaves a lasting legacy for both the

Waltersdorf and Henson families that HCC students in the future will appreciate and recognize.

Hagerstown YMCA: Participating in the Waltersdorf-Henson Challenge was an easy choice for the Hagerstown YMCA, as both John Waltersdorf and Richard Henson had already been long-time supporters of the organization. At the time of the Challenge, the YMCA was already conducting an endowment campaign and the Waltersdorf-Henson Challenge fit well with their

fundraising goals. Their board was very supportive and the YMCA was also proud to have a large percentage of staff donating to the Challenge. A large benefit of the Challenge was the increased recognition of their need for support. The YMCA is grateful to have a reliable source of income as they grant sponsorships to about 600 children and families annually and this endowment makes it easier to meet this demand.

Hood College: Hood College established their endowment to provide financial assistance for students attending from the Community Foundation's service area with an emphasis on Washington County. A large part of their success came from three large major gifts from local women in the Hagerstown area who created named scholarship funds. These named funds add a personal and historical nature to Hood College while



YMCA's Summer Camp 2010

providing financial stability to the institution. The College is exceptionally grateful to be included in the Challenge and to the alumni who continue to believe in the excellence of a Hood education.

Magnolia Foundation for the benefit of the University System of Maryland

at Hagerstown: The University System of Maryland at Hagerstown (USMH) offers 13 undergraduate and eight graduate programs from five state schools. As programs have been added, enrollment has also increased by close to 34% since first opening in 2005, close to the time that the Waltersdorf-Henson Challenge kicked off. USMH looked to the Magnolia Foundation for assistance in achieving the necessary prerequisites for the Challenge. USMH declined to receive annual distributions from their funds until after the Challenge ends in 2010. However, they completed a separate scholarship fundraiser allowing them to be able to still grant annual scholarships.

Named scholarships from the Waltersdorf-Henson Challenge include 1) City of Hagerstown Scholarship 2) Board of County Commissioners Scholarship 3) Citi Scholarship and the 4) Science, Technology, Engineering or Mathematics Scholarship.



University System of Maryland at Hagerstown

Maryland Symphony Orchestra: At the time of the Waltersdorf-Henson Challenge, the Maryland Symphony Orchestra (MSO) had not recently conducted an endowment campaign and thought the Challenge would be a fitting opportunity. As a result of the campaign, the MSO has been able to sustain and expand their musical education programs for all ages including preschool through grade 12. These programs reach over 25,000 youth annually. The MSO also offers adult programs to help encourage lifelong learning. The MSO is proud and grateful for the support it has seen in Washington County for this Challenge. Through the Waltersdorf-Henson Challenge, the Maryland Symphony Orchestra is laying the cornerstone for the future of the arts.



A young student in the MSO's Little Maestros program masters his technique on the timpani.

Mercersburg Academy: With John Waltersdorf as an alumnus of the Mercersburg Academy, the Academy's involvement in the campaign was an easy decision. The endowment created from the Challenge will focus on scholarships for students in the Washington County area. The most important element in their fundraising success was having local leadership and support of alumni and families. Their donors were able to support Mercersburg Academy and support Washington County at the same time. The local students who receive scholarships are also given the opportunity to represent their community in a diverse educational institution. The named scholarships of this fund include: 1) Paul C. Mellott, Sr. Memorial Scholarship Fund, 2) Amy L. and Robert M. Kerstein '58 Scholarship Fund and 3) John L. and Cora I. Grove Scholarship Fund.

REACH, Inc: For Reach, Inc. the Waltersdorf-Henson Challenge allowed their donors to "open both their hearts and their wallets." Utilizing the Community Foundation to hold their endowment allowed REACH to gain a degree of stability and credibility that they would not have been able to do through their own efforts. The Challenge also opened new avenues of financial and monetary support that allowed them to stretch beyond their standard donor base. For the staff and board at REACH, it was especially touching when a volunteer for over 14 years, Clarence Koontz, passed away and asked that all memorial contributions be made to the Challenge.

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Rotary Sunrise presents a check to Friends of Safe Place.

Rotary Club of Hagerstown Sunrise Foundation, Inc:

The Rotary Sunrise Foundation provides grants to charitable organizations that support the citizens of Washington County. Their endowment fundraising came from an annual auction entitled “The Sun Rises Over Rotary.” The event has been held annually and has been very successful. The Rotary Sunrise

Foundation was pleased with the overall generosity of the community and the continued success of the event. As a result of the successful auctions, they were able to raise well over their goal for the Waltersdorf-Henson Challenge, allowing them to grant additional funds to local organizations.



The Waltersdorf-Henson reception at Saint James School

Saint James School: With one-third of students receiving some type of financial assistance at Saint James School, the school and their alumni were very receptive to establishing a fund which focused on providing aid to local students through the Waltersdorf-Henson Challenge. John Waltersdorf also had an extensive history of support for Saint James School and a challenge in his name was looked upon with great support and affection by both alumni and current students’ families.

The scholarships provided through this endowment are to meet a financial need of the student and their family, and families with multiple children attending are also able to receive aid. The James and Joan Snyder Family Scholarship is a named scholarship under this fund.

Saint Maria Goretti High School: The Saint Maria Goretti High School already had a fund with the Community Foundation and their Waltersdorf-Henson fund

was established to provide need-based financial assistance in the Washington County area. The Challenge allowed them to reach out to a larger base of donors and gain alumni support throughout the country. This fund will provide a stable base for assistance and provide the flexibility needed for long term viability.



The Ventures Flower and Garden Crew at Star Community

Star Community, Inc: As a local nonprofit with limited resources, Star Community saw the need for an endowment to ensure stability for their future. Through the application process and campaign, the organization also gained credibility and support on a local level that they would not have been able to do on their own. Many of their donors came from families of those currently

receiving and participating in services. Matching donations were a large benefit for these donors. The Waltersdorf-Henson Challenge also opened the eyes of their donors to the value of endowment as well as the possibilities of bequests and the need for estate planning. The success of this campaign has also opened the doors for additional grants and awards providing additional stability for their future.



Children enjoying United Way’s Born Learning Trail at Pangborn Park

United Way of Washington County: As a key partner to the nonprofits of the Washington County community, the United Way’s involvement in the Waltersdorf-Henson Challenge was crucial in helping to gain support and participation of the other nonprofits. Their involvement gave a sense of credibility and stability to the Challenge. The United Way’s endowment from the Challenge allows for dependable dollars each year, which is key in making budget and grant decisions. Through the Challenge, United Way was able to gain continued support through their endowment. The matching donations were a key for their fundraising success which opened doors for new donors, especially in the corporate realm. The Challenge also allowed their donors to consider long-term giving.

Washington County Museum of Fine Arts: The Museum was already familiar with John Waltersdorf's passion for endowments as he had previously set up his own fund designated to the Museum. They were eager to participate in the Challenge. The Waltersdorf-Henson Challenge allowed the Museum to reach out to a more diverse type of donor and gain general support and recognition that it was not able to do in capital campaigns. They were especially appreciative of the diversity of participation throughout the whole community. The Museum values that it will now have an additional steady source of income as a result of their endowment. They also valued the increased general awareness that the community gained from the realization that a nonprofit cannot exist on its own unless you nurture and grow it. They felt that the Waltersdorf-Henson Challenge raised consciousness throughout the community on what it takes to sustain a nonprofit and for it to go even further and achieve excellence. A general awareness of each of the sixteen participating organizations was also gained through the Challenge that otherwise would not have been possible.

Lasting Impact

The Waltersdorf-Henson Endowment Challenge Campaign was a unique and innovative approach to fundraising that was remarkably successful. It can truly be said that the Challenge Campaign opened the eyes of Washington County's citizens to the value of endowment. As John Waltersdorf noted, it is difficult to raise endowment dollars but being able to offer donors a one-to-one match for their investment proved to be a win-win situation for everyone. Many of the participating agencies would not have considered an endowment fund had it not been for the Challenge.

Sixteen organizations now have a new, stable stream of income that shall increase over the years to meet rising operating costs and new opportunities. They each have a stronger fundraising program that provides donors the opportunity to support the agency in perpetuity, and to complement their annual giving. The organizations also have an increased donor base and a more active and committed board. Each of the organizations also has an added level of credibility, as a result of greater financial stability and an affiliation with the Community Foundation of Washington County MD, Inc. Raising \$10 million in five years certainly challenged the community but it rose to meet the challenge.

When each of the endowment funds reach maturity, over \$500,000 per year will be available in the form of grants which can be used for operations, programs or scholarships. These dollars will touch every facet of the nonprofit community. To date, the Community Foundation has already distributed over \$341,000 to the participating organizations.

The Community Foundation looks forward to officially celebrating the efforts of the community and the generosity of the Waltersdorf Family and the Henson Foundation. It is the hope of the Community Foundation to be able to build upon that success and keep the momentum going for the possibility of a future challenge.

The quality of life in Washington County will be forever impacted as a result of the Waltersdorf-Henson Endowment Challenge Campaign and the desire and ability of the community to meet the Challenge. The Community Foundation is also forever indebted to the Richard A. Henson Foundation and the John M. Waltersdorf Family for providing the matching dollars and making this Challenge possible.



The Waltersdorf Family at Saint James School to celebrate the Challenge

"The exciting part of this initiative is finding out how charitable a large part of the community can be when they are challenged with a specific goal. It has also made them aware of the Community Foundation and what can be done through them is significant"

—John M. Waltersdorf



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“Dick Henson really inspired others to be more and to do more... that was really his legacy. His smile... his approach to people; he would win people over and his enthusiasm was contagious. And he put that enthusiasm to work in the community.”

*—Tom Evans,
Henson
Foundation
Trustee*

About Richard A. Henson

Richard A. Henson had a single goal in his life: To excel in every endeavor, large and small.

Born in Hagerstown in 1910, his life was a classic American story, in which a young man from humble Depression-era beginnings was able to pull himself up by his bootstraps and achieve success.

By the time young Mr. Henson was 17, he knew he wanted to pursue a career in aviation. After completing advanced mechanical training at Mountain Park Institute in North Carolina, he returned to Hagerstown. As a businessman, he made aviation history by launching the nation’s first commuter airline service in 1962, located in Hagerstown, MD with services to Washington, DC. This commuter service spawned an entirely new industry and created a standard for excellence in customer service and flight operations.

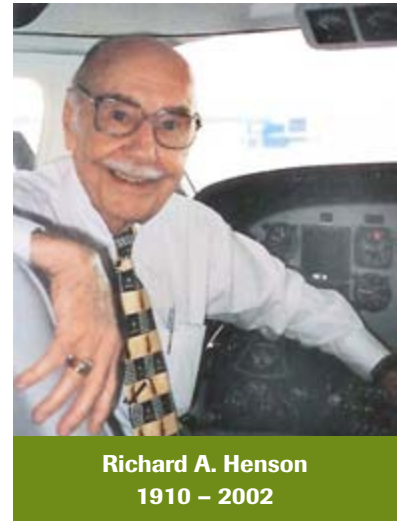
In time, the Hagerstown Commuter joined with Allegheny Airlines to create the Allegheny Commuter operation. At this point, service to Salisbury, MD was added, and in later years, Henson’s network of cities served expanded to include Baltimore, Pittsburgh and New York.

Through mergers, Allegheny Airlines became the new USAir, and was associated with several smaller, commuter-type airlines. The lack of independent status in operating his airline bothered Mr. Henson, and in 1983, he took his airline business to Piedmont Aviation.

The new alliance allowed Mr. Henson to update his aircraft and expand service throughout the southeast United States as “Henson, the Piedmont Regional Airline.” In 1989, USAir bought Piedmont, and by 1993, the Henson logo was phased out.

At age 80, Mr. Henson wasn’t quite ready to retire, but was ready to “move on” and in 1990, he established the Richard A. Henson Foundation. The Henson Foundation is a 501(c) (3) organization used to facilitate his philanthropic endeavors, ideals and goals. It has also created a legacy which reaches beyond his lifetime. The Henson Foundation supports charitable projects seeking to enrich the quality of life in the communities in which he served.

Mr. Henson died at the age of 92, on June 12, 2002.



Richard A. Henson
1910 – 2002