



Lilly Endowment Inc. | 2008
Annual Report

Board of Directors

Thomas M. Lofton Chairman	Eli Lilly II
Otis R. Bowen	Mary K. Lisher
Daniel P. Carmichael	Eugene F. Ratliff (Emeritus Director)
William G. Enright	N. Clay Robbins
Charles E. Golden	

Officers

Thomas M. Lofton Chairman	E.G. White Vice President Finance
N. Clay Robbins President	Diane M. Stenson Treasurer
Craig Dykstra Senior Vice President Religion	David D. Biber Secretary
Sara B. Cobb Vice President Education	

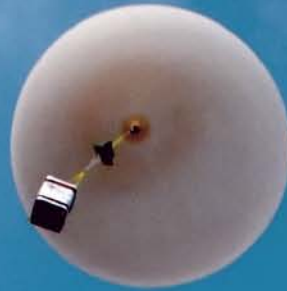
About Lilly Endowment

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

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

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

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



Lilly Endowment Inc. Annual Report 2008

Opening Doors Through Education

- 2 | Executive Message**
- 4 | Education: Series of Initiatives Prepares Students for “Knowledge Economy”**
- 24 | Religion: Indianapolis Center for Congregations, “A Grand Experiment”**
- 27 | Finances & Grantmaking: A Narrative**
- 28 | Auditor’s Report**
- 33 | 2008 Grant Approvals**
- 34 | Community Development Division**
- 38 | Education Division and Youth Programming**
- 43 | Religion Division and Philanthropic Leadership Education**
- 48 | Guidelines & Procedures**
- 50 | Acknowledgments**

Executive Message

“Be an opener of doors for such as come after thee” —Ralph Waldo Emerson

This phrase is used often to describe what master teachers do for their students. It also depicts the efforts of community leaders to open doors of opportunity for others in order to sustain the civic culture and values that underlie strong, vibrant communities. The full results of their efforts often unfold many years after their contributions of time and resources are made.

In last year’s annual report, we put forward the notion of a “virtuous circle of community” to describe the interconnectedness of various sectors of community life—business, governmental, charitable, religious and educational. We observed that prosperous businesses employ talented people who give their time and resources to strengthen nonprofit organizations such as museums, United Way agencies, schools and universities, and religious congregations. Those organizations in turn enhance a community’s quality of life and foster a new generation of talented residents, encouraging businesses to locate and expand there, thus perpetuating the virtuous circle.

In this annual report, we tell the stories of dedicated individuals and institutions that are building on the virtuous circle of community by opening doors for others through education. They strive daily to improve the quality of education in Indiana. Time and again we hear business leaders say that the most important predictor of success for their businesses is the quality of Indiana’s workforce. For the virtuous circle of community to persist, Indiana must redouble its efforts to educate its population to be competitive in the global economy.

We believe it is important for Lilly Endowment to persevere in its efforts to nurture a virtuous circle of community and to help continue the legacy of civic engagement and commitment. In 1937 when Lilly Endowment’s founders—J.K. Lilly Sr. and his sons, J.K. Jr. and Eli—established the Endowment, they began opening doors for those who came after them. We strive to ensure that the resources they provided so generously to this foundation are used to open as many doors as possible to help prepare our communities and state for prosperity and fullness of life. Education is the best way to do this, and we are grateful for the many imaginative and committed people and institutions that use Endowment grants to pursue crucial educational objectives. We are pleased to highlight the work of a number of them here.

The Endowment’s founders also recognized the

important role religion plays in the quality of life of citizens. Most of our funding in religion is national in scope and will be reported through other channels. This report, however, includes a story about the development of the Indianapolis Center for Congregations and its expansion in Indiana. We believe that flourishing congregations are essential components of the virtuous circle of community, and we appreciate all the ways the center supports and inspires them. A full listing of all the Endowment’s 2008 grants, including the religion grants, can be found in the Grant Approvals section of this report or on the Endowment’s Web site, www.lillyendowment.org.

Disaster relief

2008 was an extraordinary year for natural disasters in Indiana: flooding in January, flooding and tornadoes in June, more flooding and high winds in September. More than 80 of Indiana’s 92 counties were declared disaster areas, 28 of them twice. As many as 8,400 evacuations and water rescues were counted. More than 45,600 homes, 650 roads and 100 dams and levees were damaged or destroyed. The Federal Emergency Management Agency dispensed \$55 million to flood victims. Federal aid for repairs to homes and public infrastructure totaled more than \$213 million.

Despite the significant government assistance, substantial needs remained. Consequently, the

Endowment in June awarded \$50 million in grants for Indiana disaster relief: \$2.5 million to the American Red Cross, \$2.5 million to the Salvation Army and \$45 million to the Indiana Association of United Ways (IAUW) for the 2008 Indiana Natural Disaster Fund. IAUW worked with local United Ways, community foundations and other civic groups to distribute the funds quickly and fairly. By year's end, IAUW had spent or allocated more than \$17.5 million and had announced plans for at least two additional grant rounds. We all hope for calm weather in 2009.

Economic crisis

2008 brought more than just weather challenges.

Along with the rest of the country, we in Indiana read the same increasingly depressing headlines about the economic crisis: jobs vanishing, unemployment skyrocketing, home prices plummeting, financial giants disappearing, and the auto industry teetering on collapse. Indiana is not immune to these challenges.

To help respond to those in need, the United Way of Central Indiana established an Economic Relief Fund in December, to which the Endowment contributed \$2 million. The fund's dollars support agencies that provide direct assistance to individuals and families. The Endowment and other contributors will monitor the demand for resources in the coming months to determine whether additional contributions are warranted.

Support for veterans and military families

The current economic conditions present special challenges to many veterans of the military conflicts in Iraq and Afghanistan. Building on the efforts to support veterans outlined in last year's report, the Endowment awarded a \$5.8 million grant in 2008 for a project of Purdue University's Military Family Research Institute (MFRI) to strengthen the support that Indiana's higher education institutions provide for military-service members and veterans who are or will become their students. MFRI, the only academic center of its kind in the country, will inform Indiana colleges and universities about the needs of students who are veterans or in the military, as well as possible

strategies for addressing them. Funds also will be made available to other Indiana universities to help them develop related support programs.

We know it may be many months before our economic picture looks brighter. But then we think back to 1937 when three members of the Lilly family established the Endowment. The headlines then spoke of what we now call the Great Depression. Unemployment stood at 14.1 percent; World War II loomed. What vision and faith the founders showed in creating this institution at such a bleak time in our nation's history. Their generosity under such circumstances inspires us to ensure that Lilly Endowment's grantmaking stays focused on its highest priorities—education, religion and community development—centered primarily on its founders' home state and true to the causes and ideals its founders valued.

Personnel changes. We are pleased to note the election to the Endowment's board of directors of Charles E. Golden, executive vice president and chief financial officer of Eli Lilly and Co. from 1996 to 2006. We also note the addition to our staff of Richard O. Ristine Jr. as a program director in the Endowment's Community Development Division and the promotions of Patricia R. Villars and Barbara S. DeHart as program directors in the Endowment's Education Division.



Thomas M. Lofton
Chairman



N. Clay Robbins
President

Finding

Partners collaborate to improve science



science kids

and math literacy; encourage students to go figure.

On Nov. 12 more than 500 job seekers—dressed for success and with résumés in hand—streamed into the Purdue University Calumet gymnasium for interviews with 25 representatives of area businesses and higher education institutions. No one left the gym with a firm job offer, but everyone gained a glimpse of the future. The “applicants” were students from middle and high schools; the event was a simulated job fair; the purpose was to introduce youth to in-demand careers related to science, technology, engineering and mathematics. In short, the STEM disciplines. Employers discussed their future workforce needs, and campus personnel plotted academic paths that would lead to the highly desirable positions.

Participants got the message. With the Indiana Department of Workforce Development projecting 46,000 new jobs related to the life sciences by 2014 and the Education Commission of the States confirming that 80 percent of the fastest-growing occupations depend on science and math skills, STEM classes took on new relevance. Chemistry mattered. Algebra counted.

“To obtain those jobs, students must start preparing now,” says Dan Luncsford, coordinator of I-STEM Northwest, part of Indiana’s STEM Resource Network and host of the event. “The sooner they start preparing, the better off they and the economy of our region will be.”

The I-STEM Resource Network was formed in 2006 to improve K-12 STEM education and provide support for teachers interested in discovering new ways to accelerate student achievement. “It’s tougher to engage youth today,” says Jeff Nowak, a former science teacher at Columbus East High School who now directs the Northeast

Indiana STEM Education Resource Center at Indiana University-Purdue University Fort Wayne (IPFW). “We live in a fast-paced, high-tech, visual society. Students are used to movies and video games that excite the senses. Many of the old teaching strategies no longer work.”

The need for the network became apparent after Indiana ratcheted up its high-school graduation requirements to improve math and science literacy. BioCrossroads, a public-private initiative of the Central

Indiana Corporate Partnership (CICP) that promotes business development through the growth of the life sciences, convened a task force to discuss STEM education. The task force applauded the state’s intent but questioned school districts’ capacity to comply with the rigorous standards.

“We couldn’t understand how behavior or outcomes were going to be different unless there was some attempt to provide resources to help districts meet the challenges,” says Anne Shane, vice president of BioCrossroads. Funded



in part by a \$3.4 million Lilly Endowment grant to the CICP Foundation, the network is based at Purdue University with 10 regional hubs—I-STEM Northwest and I-STEM Northeast among them—located on campuses throughout Indiana. Network participation isn't limited to educators; it also includes government, industry and community stakeholders.

As diverse as these collaborators are, they share a common vision: They want to position Indiana as a national leader in STEM education.

BioCrossroads board member Dan Peterson agrees. He is vice president of industry and government affairs for the Bloomington-based Cook Group, one of the world's leading health-care device manufacturers. He believes that "the biggest issue that could limit our industry's ability to grow in this state will not be a limitation of technology or science but the ability to build an adequately sized and educated workforce. The network is a critical component in building this capacity."

Beyond the basics

"Many high-school teachers know their content areas but may not have the pedagogy skills to bring about inquiry-based learning," says Brandon Sorge, director of operations for the network. "On the other hand, many elementary-school teachers have the pedagogy skills but lack adequate training in teaching math."

To fill gaps and update skills, the network provides a range of professional development opportunities. For example, teachers of middle-level mathematics can enroll in any of four graduate math courses offered at colleges around the state. The network offers the classes tuition-

free and allocates funds so teachers can buy materials.

Of the more than 300 teachers who have enrolled in the classes, many are experienced educators who are looking for ways to reach a new generation of learners. "If teaching were an exact science with one right way to do it, we'd all do it that way and everything would be fine," says Bill Reed, past president of the Indiana Council of Teachers of Mathematics and a veteran of 26 years in the classroom. "But we're talking about teaching a changing clientele within a changing society that has changing demographics. There are so many variables."

Reed has completed two of the graduate courses offered by the I-STEM Resource Network at Ball State University, is enrolled in a third, and plans to take the fourth. "I pick up new ways to say the same things and to reach more students," he says. "My goal, whenever I take a class, is to come away with two or three things that I can integrate into my classroom right away. So far, every class I've taken



"**Science kids**" from Northeast Indiana converged on IPFW for a regional Indiana Science Olympiad competition. Manchester High School boys (*opposite, top*) participated in the "Egg-O-Naut" (design, construct and launch rockets to stay aloft and carry a raw egg—Grade A large—without breaking). Manchester girls (*opposite, bottom*) took on the "Elevated Bridge" (design, build and test the lightest bridge to carry a maximum load). Other contestants (*above*) tried to figure out fossils (identify, describe and classify various specimens) or demonstrate chemistry laboratory skills (*next page*). Students from Columbia City High School took first place in this contest; Manchester was second. Seven other regionals and one wild-card contest determined which schools went to the state competition. Science Olympiad is fun, instructive, and recognizes the talents of teens who excel in areas encompassed by the "information economy."

with I-STEM has done that."

Besides the obvious benefits of the training, Reed says he values the opportunity to interact with peers from other schools who teach at different grade levels. "It's a chance for elementary-school teachers to talk with middle-school teachers and for middle-school teachers to talk with high-school teachers. As a high-school algebra teacher, I can say to a middle-school teacher, 'OK, here's what I need for students to learn in middle school so I can take them further in high school and better prepare them for college work.'"



Building a better robot

In erecting the Resource Network's infrastructure, Sorge and his colleagues traveled throughout the state to familiarize themselves with existing STEM-related programs that they could promote on the network's interactive Web site. For example, each year hundreds of Hoosier students, ages 9-14, build and program robots as part of a statewide Lego League competition. The contest culminates at IPFW where this year 48 teams exhibited their engineering, computer-programming and problem-solving skills.

"It's one of the biggest events on campus," says Nowak, director of I-STEM at IPFW and tournament judge.

With funding from I-STEM, Nowak planned a regional Science Olympiad that invited high-school teams to compete in 23 science, engineering and technology events that transcend traditional academic coursework. Students tackled real-world problems related to forensics, health science and transportation.

Like the Lego League competition, Science Olympiad is a national program with the potential to grow in importance, participation and relevance. "We're laying the foundation for many years of expansion," says Nowak.

Upgrading STEM curriculum

Now in its second year of operation, the I-STEM Resource Network has taken on two major projects designed to help students succeed in the STEM disciplines.

The first, an algebra-readiness initiative, was developed in partnership with the Indiana Department of Education and began with a one-day conference led by three national experts. These experts then trained 26 Indiana educators to conduct similar workshops around the state. "In one summer we had more than 300 people involved," says Sorge. "Participants included teachers, principals and district administrators. We're now looking at ways to expand the program."

The second activity under way is crafting a strategic plan for science-education reform, a task that Sorge describes as "massive." A grant from the Eli Lilly and Company Foundation supports the engagement of the Smithsonian Institution's National Science Resources Center to lead the strategic-planning process. To help ensure that the future curriculum will meet the anticipated needs of the economy, participants in the planning process include the governor's office, the Department of Education, BioCrossroads, the Indiana Chamber of Commerce and Eli Lilly and Co.

Seeing the big picture

Although it is too early to evaluate definitively I-STEM's progress toward accomplishing its ambitious vision, early indicators are positive. Workshops are well attended, the Web site attracts sizable traffic, and the number of participating partners is increasing. As promising as these signs are, I-STEM's leaders—true to the science that they promote—plan a rigorous assessment of the initiative's impact.

According to John C. Lechleiter, chairman and CEO of Eli Lilly and Co., "Improving K-12 science and math education is the path to economic vitality for Indiana. High-school graduates who are well prepared for advanced math and science courses in college are more likely to develop the capacities that life sciences and other technologically focused companies require in their employees. A workforce that is proficient in these skills will help create more job and business opportunities, which will lead to more prosperity and wealth creation in Indiana."

Help is on the way

Shannon Hudson and her son Tyler, 15, give PRISM (Portal Resources for Indiana Science and Math) two thumbs up as a digital learning tool that makes science and math relevant and fun. When Hudson—a science teacher at Tuttle Middle School in Crawfordsville—trains colleagues in using PRISM, she emphasizes that the online library is free, easy to navigate and contains more than 2,300 resources for classroom use. “It’s wonderful because PRISM offers lesson plans and Web sites that have been evaluated by educators and have direct links to Indiana’s academic standards,” she says.

As a student, Tyler likes the connections that PRISM makes between textbook lessons and real-world situations. For example, when he was a student at Tuttle, his math teacher created a unit called “How Much Does This Car Really Cost?” The teacher invited a car dealer to class to explain the business side of vehicle sales, and then she used PRISM to find information on how to calculate simple and compound interest. “It helped students realize that the advertised deals may not be as good as they seem,” says Hudson.

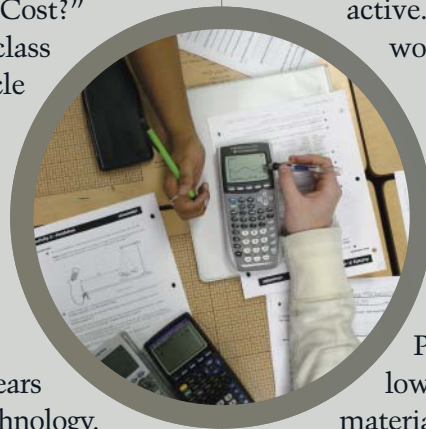
With support from Lilly Endowment, PRISM was developed five years ago at Rose-Hulman Institute of Technology.

Bill Reed, mathematics teacher at Hamilton Southeastern High School in Fishers, stops by to answer questions from Karlee Hepp (*front*) and Brittany Barnes. At the time his class was doing two labs at one time. Both labs used the Texas Instruments Sonic Ranger connected to graphing calculators. Reed is an enthusiastic cheerleader for PRISM and the Homework Hotline, both based at Rose-Hulman Institute of Technology in Terre Haute.



The motivation was twofold. First, middle-school teachers were eager to integrate computer technology into their classrooms but had little time to explore and evaluate the many digital resources. Second, research indicated that students responded favorably to the interactive, graphic nature of online learning tools.

“We felt we could be the mediator to help teachers find and use age-appropriate resources,” explains Patricia Carlson, professor of new media at Rose-Hulman, facilitator of the West Central regional hub of I-STEM and director of PRISM. “We think there is a strong indication that students who learn skills in information technology are better able to go into the workforce and use the advanced tools that are readily available there. They enjoy learning the concepts because it’s very interactive. It’s better than traditional board work or worksheets.”



Although PRISM is designed for use in middle-school math and science classes, it also has application at other grade levels. Bill Reed, who teaches algebra and calculus at Hamilton Southeastern High School in Fishers, modifies PRISM materials for some of his lower-achieving students. “I use the material as a starting point to get them up to where they need to be,” he says. Diedre Adams, a science and math teacher at West Vigo Middle School in Terre Haute, has introduced PRISM to special-education teachers at her school. “The students love the graphics,” she says. “They often can manipulate the keyboard more easily than they can use pens and pencils.”



Just ask Rose

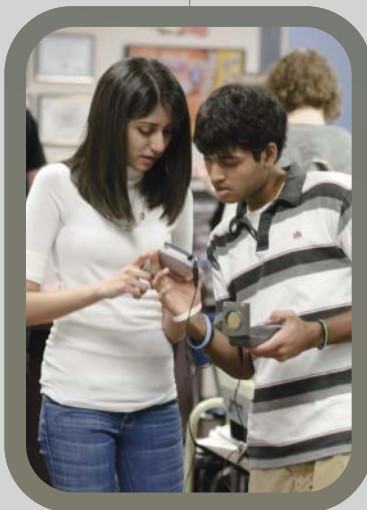
Hudson, Reed and Adams enthusiastically

endorse another Rose-Hulman service, Homework Hotline. For 17 years Indiana youth in grades 6-12 have asked Rose-Hulman students for after-hours help with science, engineering and math problems. The Hotline, supported by more than \$8 million in Endowment grants since 1999, continues to expand its reach and its impact.

During 2008 a record 44,151 callers from throughout the state contacted Rose, bringing the service's cumulative response statistic to more than 250,000. Of the 110 trained student tutors, at least 30 are available to field questions during each evening shift, 7 p.m. to 10 p.m., Sunday through Thursday.

"This year we have a new system," says Susan Smith, founder and director of the Hotline. "Students can call Homework Hotline (877-ASK-ROSE), e-mail us (www.AskRose.org), or chat online with a tutor. These options help us accommodate different learning styles. The telephone works well for auditory learners; the online chat is great for visual learners."

Beneficiaries of the Hotline service aren't just the teenagers struggling with tough algebra or physics



Susan Smith (*top left*) is the founder and director of Homework Hotline. In 2008 Rose-Hulman students helped more than 44,000 callers figure out their math, engineering and science problems. The Endowment has supported the project since 1999. Patricia Carlson (*top right*), professor of new media and PRISM director, sees the need for resources to connect the classroom teacher quickly to reliable information. Bill Reed's students—Gauri Wagle (*above left*) and Nikhil Kulkarni—confer on a lab problem.

assignments. Smith says the student tutors tell her that the work improves their own skills in critical thinking, problem solving and communication. "After they graduate, many of our tutors help youth wherever they're living. They see there's a real need."

One-stop shopping

Among the positive aspects of the I-STEM

Resource Network is its capacity to link users to key Web sites such as PRISM, Homework Hotline and smartDESKTOP. The last was developed with the help of more than \$5 million in Endowment support to the Learning Cooperative, an affiliate of the Indiana Humanities Council.

After successfully piloting it, the Learning Cooperative transferred in late 2007 the operations of the smartDESKTOP to the Indiana Department of Education, which has incorporated the program into its educational technology resources.

A suite of smart tools delivered over the Internet, smartDESKTOP has a user base of about 14,500, with new teachers comprising its largest group. Teachers at all grade levels can use these tools to help them plan instruction, manage curriculum, measure student learning, and collaborate with other professionals.

"I began using smartDESKTOP when our school was piloting the program in 2005," says Sherry

Butcher, a first-grade teacher at North Daviess Elementary School in Elnora. "I use it mainly for lesson planning, although I've browsed Web sites in the resource section to find activities pertaining to certain standards or lessons we're discussing."

Different versions of smartDESKTOP are geared to teachers, schools and districts, and parents and students. Overseers expect usage to accelerate and observe that having a central location at the Department of Education is helpful.

"One of our big goals is to highlight existing resources, not to reinvent the wheel," assures Sorge, director of operations for the network. "We want to make sure that teachers, schools, districts, parents and students know about the spokes of the wheel so they can determine the resources they will find most beneficial."



A class of their own

Teach for America and the Woodrow Wilson Fellowship program provide alternative paths to the teaching profession.

Although they didn't know each other, Brittany Langdon and Andy Seibert had much in common when their career paths took unexpected turns and brought them to Indianapolis for what Brittany describes as "the greatest experience of my life, but also the hardest thing I've ever done."

A 2008 graduate of the University of Kentucky, Brittany had excelled as a political science and journalism major, served as vice president of the Student Government and was considering law school. Andy, a 2008 graduate of Butler University, also had earned a degree in political science, served

Fresh from the University of Kentucky, Brittany Langdon (*this page and next*) was selected to be in the first Teach for America corps in Indianapolis. The 46 are members of a 6,000-member "class" that has taken up posts in schools all across the country. Langdon teaches reading at New Horizons Alternative School. She says she is having the "greatest experience of her life" and attributes the most satisfaction to the "little wins that prove we're accomplishing something."

as president of the Student Government Association and, like Brittany, saw law school in his future.

But all plans were put on hold when each surprised family and friends by making a two-year commitment to teach at-risk students in inner-city Indianapolis. Brittany teaches reading to youth who, because of behavior problems, have been assigned by the Juvenile Court to an alternative school. Andy teaches English to middle-school students who have been retained at least two times. Some of his fifth-graders are teenagers.

"These kids want to learn, but they've struggled in the past and have a sense of failure," says Seibert. "My goal is to engage them like they've never been engaged before. I want to prove that education really can do something for them."

Recruiting 'Generation Next'

Langdon and Seibert are corps members in the Indianapolis Teach for America program, one of two

Endowment-funded initiatives aimed at recruiting the next generation of Indiana educators. Teach for America is supported by a \$2 million grant to the Mind Trust, an Indianapolis-based organization founded to improve public education for underserved students through entrepreneurship. The Woodrow Wilson Indiana Teaching Fellowship program is supported by a \$10 million grant to the Woodrow Wilson National Fellowship Foundation. Both programs prepare and place gifted leaders in under-resourced classrooms. The rigorous and highly selective programs focus on outstanding candidates who didn't set out to be teachers but who later felt a call to serve in that capacity.

"I'm incredibly passionate about education," says Langdon. "I was a first-generation college student, and I realize that the single reason I have done well is education."

Both Teach for America and the Woodrow Wilson Teaching Fellowship program are designed to create a cadre of educator-leaders who have taken alternative paths to the profession. Their entry into Indiana's classrooms is timely for four reasons:

- More than 40 percent of the state's teachers and administrators are age 50 or older, and one-third of Indiana teachers will be eligible to retire in five years.

- About half of all new teachers throughout the country leave the teaching profession within the first five years.

- Indiana's rigorous Core 40 curriculum calls for teachers trained in using innovative methods to engage students and prepare them to meet the new graduation standards.

- The state's economy requires more students to continue their education past high school. Enthusiastic teachers with excellent academic backgrounds and strong leadership qualities can serve as role models for youth who are



contemplating their futures.

"Our community must embrace education improvement efforts such as Teach for America and the Woodrow Wilson fellowships," says Ron Gifford, president and CEO of the Indy Partnership, a 10-county regional economic-development corporation in central Indiana. "A strong K-12 education system is essential to business recruiting. Well-educated employees will not move to a community that does not offer outstanding educational opportunities for their children. Excellent K-12 schools train not only the future workforce, but also play a vital role in attracting today's desired employees."

Building a pipeline

Since its beginning in 1990, Teach for America has placed almost 20,000 teachers in the classroom and earned a reputation for building a pipeline of leaders committed to educational equity and excellence. The Endowment was among the initiative's early financial supporters, but not until 2007 did Teach for America increase its number of urban sites to include Indianapolis. The catalyst in attracting the program to the city was the Mind Trust.

"We thought Teach for America was a good fit for Indianapolis because we believe that teachers are the most critical piece of education reform," says



David Harris, president and chief executive officer of the Mind Trust. “One of the challenges that we face as a community is to create a talent pool of people who can serve as teachers, principals, central office staff, superintendents, directors of nonprofit organizations and policy advisers to elected officials. Teach for America brings in a new group of motivated and socially conscious people who become part of the city’s talent pool.”

The 46 teachers who make up the Indianapolis corps are typical of the 6,000 Teach for America recruits who began assignments in schools across the country in September. They have a collective grade point average of 3.6, were leaders on their college campuses, completed lengthy application forms, and participated in telephone screenings and all-day personal interviews.

After successfully emerging from the selection process, the recruits attended what they call “teacher boot camp,” a five-week intensive summer training institute in Phoenix that taught them classroom management, instructional planning and other pedagogical skills.

“The institute tailored its approach to low-income community settings,” says Seibert. “It prepared us for the situations that we would be entering. That said, there’s no substitute for the real experience of standing in front of a classroom of kids and working with them day in and day out.”

Continuing education

To help the young teachers meet the “day in and day out” challenges of the classroom, Teach for America provides ongoing educational opportunities. Corps members work with a program director who observes them in class, they attend monthly professional development sessions, and they have the option of enrolling in a two-year graduate program at Marian College that leads to a master’s degree in education.

To help them feel connected to Indianapolis, they have been matched with “advocates” who are employees of Eli Lilly and Co. “The business community wanted to make sure that corps members

In an impromptu bit of hall monitoring, Andy Siebert playfully gloms on to a student who thought he had somewhere to go. The Teach for America participant graduated from Indianapolis’ Butler University in the spring and then headed a few miles southeast to Thomas Carr Howe Academy where he teaches English to middle-school students.

had positive experiences here,” explains Jason Kloth, a former Teach for America teacher who directs the Indianapolis program. “That way, they will be more likely to stay in the community at the end of their two-year commitment.”

“Eli Lilly and Co. recognizes how important it is that efforts to improve K-12 education succeed,” says Rob Smith, president of the Eli Lilly and Company Foundation. “Several of our employees were more than happy to serve as Teach for America advocates and to welcome and support these talented, committed teachers into our community.”

Smith, who serves as one of the advocates, shares Kloth’s hopes that the hospitality shown by the Indianapolis community to these young teachers will encourage many of them to think of Indianapolis as an appealing place to call home. “These bright and motivated young people can only add to our community’s quality of life,” he added.

Efforts to integrate the new teachers into the Indianapolis Public School (IPS) system have gone well. Seibert believes that veteran educators who might have questioned the nontraditional preparation



of the newcomers have come to appreciate the enthusiasm of their junior colleagues. "I try to be one of the first to arrive at school in the morning and one of the last to leave," Seibert says.

Brittany Langdon is similarly dedicated. "I've observed that good teachers know it's not about words; it's about actions. I stay late to talk with the kids. Now I'm trying to start a tutoring program, and students who aren't in my reading class are coming up to me and asking if they can stay after school for help. I had this crazy idea that within three months all my kids would be reading at their grade level. What I'm realizing now is what experienced teachers already know: It's the little wins that prove you're accomplishing something."

Testing new models

The Indiana Teaching Fellowship program, created by the Woodrow Wilson National Fellowship Foundation, shares a similar mission with Teach for America. A key difference is that the fellowships are open to outstanding college graduates and career-changers who majored in mathematics or science and are willing to teach in those disciplines at high-need secondary schools for three years.

The two-year pilot program, announced last year, will train as many as 80 new math and science teachers annually, with a goal of creating a critical mass of fellows statewide in the crucial STEM fields (science, technology, engineering, mathematics). Building on what it learns in Indiana, the foundation plans to expand the program to other states.

"When we were considering possible locations to launch the pilot program, I talked with a number of people around the country and described the characteristics that we were looking for," explains Arthur E. Levine, president of the foundation. Indiana earned enthusiastic support from several national education leaders.

"Indiana has a governor who cares deeply about education and a legislature that has been active in that area," says Levine. "It's the right size—not too small, not too large—and it has an excellent university sector for us to work with."

With years of high-level experience behind him, Levine knows what to look for in all matters of education. He is a nationally known advocate for educational equity and excellence and for the improved preparation of teachers and principals. He came to

the foundation in 2006 after a 12-year term as president of Teachers College, Columbia University. He also chaired the Higher Education Program and the Institute for Educational Management at Harvard's Graduate School of Education, served as president of Bradford College and as a senior fellow at the Carnegie Foundation for the Advancement of Teaching. He is the author of dozens of reports and articles and several books.

He also knew what to look for in university "partners" for this new program: wholehearted endorsement of the program and a solid commitment to its success. Based on their willingness to serve as laboratories to test new models for teacher preparation, four universities emerged as campus partners in the pilot program. Purdue, Ball State, Indiana University-Purdue University Indianapolis (IUPUI) and the University of Indianapolis each will welcome groups of up to 20 fellows in the next couple of years. Each fellow will receive a \$30,000 stipend to complete a master's degree in education.

"The campuses are using this program as an opportunity to take risks," says James Fraser, senior vice president for programs at the foundation. "It's given people permission to rethink teacher preparation. The result is that each school is taking a different direction. We've tried very hard not to create a single Procrustean bed that everybody must be molded into."

For example, the University of Indianapolis is



Arthur E. Levine, president of the Woodrow Wilson National Fellowship Foundation, feels the urgency of educating teachers "to reflect all the new realities" of an information economy. The foundation's pilot program in Indiana targets career-changers who will teach science, technology, engineering and mathematics in high-need Indiana high schools.

moving away from traditional semester-long courses by developing learning modules. Engineers at IUPUI have assumed a major role in designing a program that will make the study of science and math more exciting for students. With guidance from faculty members in its College of Agriculture, Purdue is focusing on preparing and supporting teachers who accept assignments at rural schools.

“We also want to learn how to help prospective teachers become licensed in more than one STEM area,” explains Sidney Moon, associate dean of the College of Education at Purdue. “Dual licensure is very appealing to small, rural districts that may not be able to employ a full-time physics teacher but could employ a full-time teacher who can teach both math and physics.”

Reversing the brain drain

Although the first group of fellows won't be announced until May 2009, the applicant pool “looks very promising,” according to Connie Bond, the foundation's senior program officer who oversees the selection process. Of the 300 applications submitted by early December, 20 percent of the candidates held advanced degrees, including seven with doctorates.

The “career-changer” category included a molecular biologist, aerospace engineer, marketing executive and a research scientist. Ages ranged from 21 to 67, and the alma maters of the candidates included schools such as Stanford, Carnegie Mellon, Boston College and many Hoosier institutions.

In completing their applications, several candidates offered explanations as to why the fellowship opportunity appealed to them. Among their comments:

- “I have been blessed with a successful 25-year career in clinical laboratories and diagnostics. I have raised a son in our Indiana public school system and

Andy Seibert claims that, after all the training Teach for America provides, “There's no substitute for the real experience of working with kids every day.”



had many opportunities to share my skill set and knowledge base with students. It would be an honor in the latter half of my career to serve our community where I could contribute the most.”

- “The best teachers I've known did not lecture but rather engaged students, created relevance and supported possibilities. They showed me the value of an education.”

Although most of the respondents live in Indiana, some are based as far away as New York and New Mexico. All expressed a willingness to relocate—or in some cases, return—to the Hoosier state. “A number of applicants for this fellowship program grew up in Indiana, have a connection to the state and feel that this is an invitation to come home,” says Fraser. “At a time when the middle of the country is dealing with a constant brain drain because people are fleeing to the coasts for their careers, this opportunity is bringing some of those people back to Indiana.”

Advocates of the fellowship program hope that what happens in Indiana will touch off change throughout the country. Levine says the need for education reform is urgent. “We're living in a time of dramatic change. We've moved from an industrial to an information economy, and the consequence of that move is that good jobs require more education than any other time in history,” he claims. “Students need the highest skills and knowledge levels to function in society. We have to educate teachers for this new world. Teacher preparation has to reflect all the new realities.”



Summer of love-to-learn

Endowment leads effort to support and improve youth programs.

Concord Center has offered summer camp to children in the Southside Indianapolis neighborhood it has served since the 1950s. Back then a few-dozen kids came to the community center just to have fun. Today, fun is still part of the program, but so are academics and fitness programs aimed at reducing a high rate of childhood obesity. The pop and candy machines that kids used to raid are gone; in their place are healthy snacks and lunches. Tutors work one-on-one to raise reading levels and use math and science kits for hands-on educational activities.

Summer has taken on a different meaning, says Niki Girls, who has seen the program evolve during her 27-year tenure as director of Concord Center. In 2008 Concord Summer Day Camp served 185 children, many of whom would have had nowhere else to go on summer days when their parents were working or seeking work in the poor and working-poor neighborhood.

"We're taking on meatier issues like math, science and reading," Girls says. "We still try to make it fun, but without 'nagging.'"

Without day camp to structure their summer vacation, Girls knows that some kids would be unsupervised—and might even be providing care for younger siblings. There would be little learning and a lot of opportunities to engage in risky behavior.

Recent studies suggest that the summer hiatus explains as much as 50 to 60 percent of the widening of the achievement gap between low-income students and their higher-income peers. Summer learning opportunities can help bridge some of that gap. For example, Project SEED, a national nonprofit

organization with a branch in Marion County, has had success in helping students progress in math during the summer. It uses a highly interactive, question-based mathematics teaching method.

During the summer of 2008, a Lilly Endowment grant allowed Project SEED to employ 40 low-income Marion County high-school students who learn to teach mathematics to elementary-school students, master advanced topics in algebra and calculus, visit college campuses, and complete a personalized college preparation plan—all the while earning a small stipend.

Pre- and post-program testing reveals that Project SEED elementary students can improve their math knowledge by up to 75 percent, according to Tim Davidson, director of Project SEED of Indianapolis. “Many students spend a lot of time hanging out with friends doing a lot of things that will not get them ahead,” he says. “They can lose so much. Read a book with them, do some math, and the achievement gap is a lot less.”

Summer on a shoestring

Concord Center and Project SEED are just two among hundreds of summer youth programs serving Indianapolis-area youth that depend on the Endowment and other local philanthropic organizations to help fund their programs. Like Concord Center, some have a long history and a relatively stable funding base, and they may receive limited federal funds for lunch programs. Others, however, are run on a shoestring budget of donations and rely entirely on volunteers.

The Rev. Malachi Walker, for example, has no full-time paid staff working for the African American Male Summer Empowerment Camp at Great Commission Church of God in Indianapolis. The 10-week program provides 75 boys, ages 9-16, with scheduled academic-enrichment time and other activities to teach conflict resolution, personal development and problem-solving skills.

The biggest expenses are food and transportation. The church leases and maintains several vans to make sure the boys have a way to get to and from camp and field trips, Walker says. Teen counselors earn a stipend, too, to keep the young men involved and to provide role models for younger campers.

“Those three things alone take up the grant money we receive,” Walker explains. Although the budget may be small, the goal is big. “Our goal is to

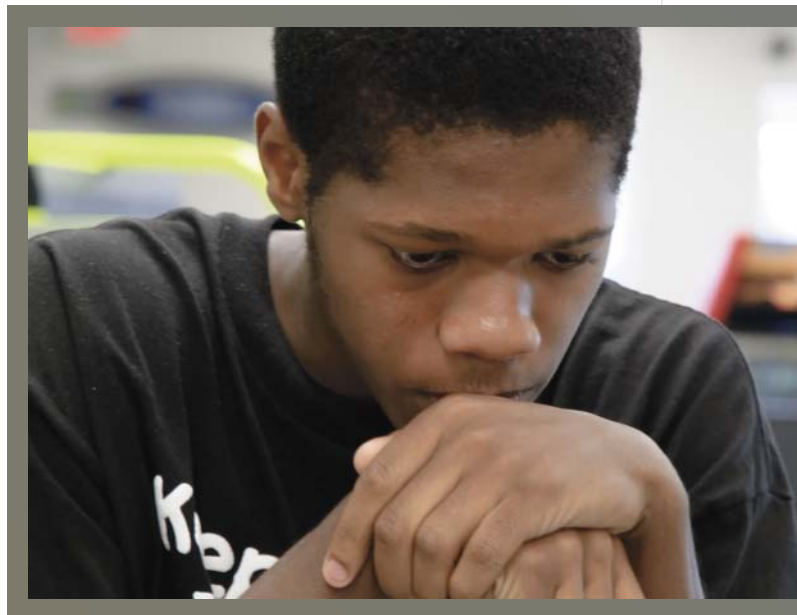
empower young African American males and help them cope with the issues they face to succeed in life. We’re basically trying to help them become men through a very structured and disciplined program.”

Recognizing that these youth-serving organizations fill an important need—especially for economically disadvantaged, high-risk and physically or emotionally challenged youth—Lilly Endowment has supported summer programs since 1982.

For 2008 the Endowment allocated \$1.7 million to 170 summer youth programs in Marion County—\$1.2 million to support programs and approximately \$400,000 for modest capital projects ranging from vans to computers and from a new gym floor to kitchen upgrades needed to provide meals for hungry campers.

A model of support

For the past several years, the Endowment’s support has been in the context of a collaborative project with 12 other funders in an effort called the Summer Youth Program Fund (SYPF). Through this collaboration, prospective grantees are offered a common orientation and application process to ease the difficulty of finding support. The fund provided



Thousands of Indianapolis-area young people benefit from the almost 200 summer youth programs supported by Lilly Endowment and other funders. Kids still enjoy the fun of summer like those at Speedway Baptist Church (*opposite*), but more attention is being paid to an injection of academics so students won’t lose so much knowledge over the summer. A young man (*above*) concentrates during a program at the Good News Mission.



a total of more than \$2.2 million to Marion County programs in 2008.

“What is distinctive about SYPF is its scope in terms of offering both operating support and capital funds in an effort to cultivate enriching opportunities for young people,” says Ron Fairchild, executive director of the Center for Summer Learning at Johns Hopkins University, the only university-based center in the United States dedicated just to summer learning. “The combination of shared leadership and collaboration with other funders is unique and special,” he adds.

The fund may not be unique for long if the Cen-

ter for Summer Learning is successful in its quest to help other communities throughout the United States adopt SYPF as a model.

In 2007 the Endowment awarded the center a grant to help further strengthen Indianapolis-area summer youth programs, as well as to document the success of SYPF and disseminate information about what makes it work.

During 2008 the center advanced toward several of the grant’s goals by collecting data on the public and private resources devoted to summer programming and working to further build relationships among key youth-serving institutions in Indianapolis. Plans are

under way, too, for the center’s 2010 national conference in Indianapolis for more than 400 professionals from around the nation.

The center also is providing intensive coaching through a “professional learning community” made up of six summer learning sites in Indianapolis to build on program strengths and address challenges, according to Brenda McLaughlin, director of research and evaluation for the center. “Our goal is to strengthen programs, strengthen collaborations across the public and private sector, and document those successes so we can help other communities, too,” she says.

Much work lies ahead, according to Fairchild. Very few communities offer summer learning programs that are consistent with research-based principles and characteristics of high-quality, out-of-school-time programs, he notes.

“Summer days still should mean a break from the traditional school formula, but learning can be simultaneously fun and instructive,” Fairchild says. “Summer is a great time to blur those lines and embrace the unique character of what a summer day camp is. There are challenges associated with that model, but we’re seeing people working in this field ready to embrace that ideal.”

Summer Youth Program Fund Partners

Besides Lilly Endowment, contributors to the Summer Youth Program Fund include:

Annie E. Casey Foundation
Christel DeHaan Family Foundation
City of Indianapolis
Clowes Fund
Efroymsen Fund
Hensel Fund
Hoover Family Foundation
Indianapolis Foundation
Indianapolis Foundation Library Fund
JP Morgan Chase Foundation
Lumina Foundation for Education
Nina Mason Pulliam Charitable Trust

Summer fun and summer learning characterize many programs, such as the one at Indianapolis’ Forest Manor Multi-Service Center (*above*). The one-of-a-kind Center for Summer Learning at Johns Hopkins University has found Indianapolis’ Summer Youth Program Fund “distinctive” and plans a national conference for youth-serving professionals in Indianapolis in 2010.

“This works.”

Creating opportunity for Indiana’s college grads

It has been more than a decade since Lilly Endowment-funded research first reported that Indiana ranked near the bottom of the 50 states in the percentage of its adult population with a bachelor’s degree and that the state was a net exporter of college grads. Now colleges and universities are working hard to graduate more students and stop the exodus of Indiana’s educated. They are making headway.

“Doing so is critical to the future viability of Indiana,” says Kevin Brinegar, president and CEO of the Indiana Chamber of Commerce, which in 1997 collaborated with the Indiana Higher Education Commission and the Indiana Fiscal Policy Institute on the research into the educational attainment levels of the Indiana workforce. “Our members tell us that the availability of an educated, skilled and trainable workforce is one of the key factors they consider when deciding where to locate or expand. Businesses will move where they can find the most capable people.”

Reversing a trend

In 2003 the Endowment announced the \$40 million Initiative to Promote Opportunity Through Educational Collaborations, which aimed at inspiring 37 Indiana colleges and universities to make plugging the brain drain a priority. A key objective was to encourage Indiana higher education institutions to



be more intentional about helping their students develop relationships with Indiana businesses.

Indiana’s institutions responded with new internships, collaborations with alumni and Indiana employers, improved career services, business-plan competitions to reward entrepreneurial thinking, and programs tailored to the demands of Indiana’s new knowledge-based economy.

Fast-forward five years and those initial grants are beginning to pay off, with plenty of positive anecdotal evidence and statistics showing more graduates employed within the state.

At Purdue University, for example, the initiative funded the creation of an Interns for Indiana (IfI) program to place students in internships with startup Indiana companies. So far, 338 interns have been placed with 145 companies. The result: While IfI students go on to pursue a mix of employment and advanced study, more of them choose to stay in Indiana (70 percent) than Purdue students who do not participate in the IfI program (56 percent). Of those IfI students who interned in their final year at Purdue, 75 percent remained in Indiana.

“This works,” says Victor L. Lechtenberg, vice provost for engagement and government. “If you can match bright, talented Purdue kids with good Indiana companies, they will stay in Indiana.”

In 2008 the Endowment offered an additional

\$20 million of sustaining grants to the original 37 colleges and universities that participated in the 2003 initiative. With funds from these grants—ranging from \$375,000 to \$2.75 million based on enrollment figures—colleges and universities will build on successful programs and create new opportunities.

Young entrepreneurs

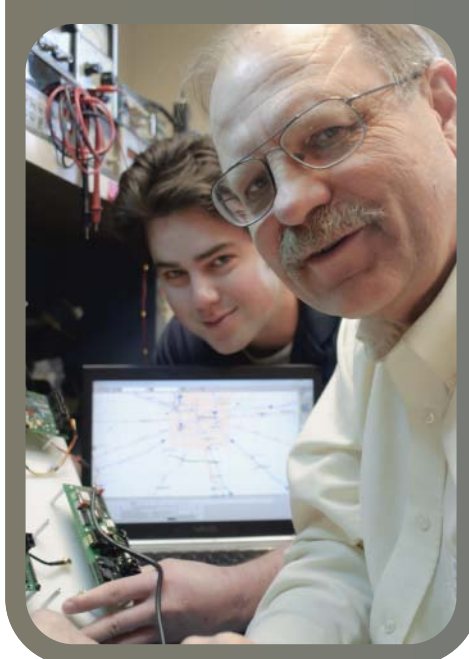
It's no surprise that Jason Krueger is an entrepreneur. He began shoveling sidewalks in his hometown of Glenview, Ill., at age 9 and started his own handyman enterprise in high school. In 2005, when his roommate at Taylor University decided to study overseas instead of pursuing a business idea being floated by a physics professor, Krueger jumped at the chance to pursue it.

What is surprising is where Krueger has launched his science-based company, StratoStar Systems—Upland, Ind. “Upland is not a technology epicenter,” Krueger wryly acknowledges.

But Upland is home to Taylor, which has identified entrepreneurship as a viable way to excite students about their prospects in Indiana. So when Krueger teamed up with physics professor Hank Voss, he didn't have to look far for assistance.

StratoStar Systems was incubated at Taylor's Center for Research and Innovation (CR&I), a program created with funds from the 2003 Endowment grant. StratoStar offers near-space satellite communications solutions using high-altitude balloons that can be launched up to 100,000 feet into the atmosphere for science and engineering education, satellite communications relay, surveillance, and environmental research for schools, colleges and universities, government and industry.

So far, higher education has been StratoStar's



(previous page) **It may not be Cape Canaveral**, but Taylor University in Upland has its own bragging rights as “the best baccalaureate college in the Midwest” (*U.S. News & World Report*). StratoStar Systems emerged from Taylor's Center for Research and Innovation where Prof. Henry “Hank” Voss (*opposite, left*) was the faculty adviser for Jason Krueger (*center*), StratoStar president. His first hire was Matthew Garver as systems engineer. (*this page*) Garver and Voss go over the StratoStar GPS system. The company offers near-space satellite communications solutions by using high-altitude balloons.

primary market. The fledgling company has demonstrated and sold turnkey high-altitude balloon flight system kits to DePauw University, the University of Minnesota, the University of California-San Diego and others.

The StratoStar system demonstrates scientific concepts, such as how atmosphere changes in relation to distance from the earth. Krueger hopes that more K-12 schools will purchase the flight system kits to excite kids about science and engineering.

He's also confident that businesses and government agencies will see the benefits of a low-cost, nonorbital satellite that can extend radio communications for up to 400 miles.

StratoStar is one of 12 new business ventures Taylor's CR&I has launched. CR&I also has developed experiential learning opportunities for students ranging from research partnerships with a local public high school to projects with several area businesses.

Like most small liberal-arts schools, Taylor focuses primarily on teaching, but the original grant helped broaden student and faculty experiences. Faculty-student collaborative research projects have increased dramatically. Faculty participation has increased 100 percent; the number of students participating has increased 700 percent.

Taylor will use its new sustaining grant to encourage more ventures and collaborations, according to Don Takehara, CR&I director. “We have developed an integrated research, entrepreneurship and business-assistance program that takes students from understanding how to do research to understanding how to commercialize that research to help an existing company or start a new one,” he says.

Taylor also will create an entrepreneurship minor for students who, like Krueger, are willing to take the risk of starting their own business.

Internship infrastructure

Research shows that students who work in internships are more likely to find employment after graduation, often with the companies where they've interned. The 2003 initiative allowed many Indiana colleges and universities to beef up internship

opportunities and create thousands of in-state work experiences for students.

At Wabash College in Crawfordsville, officials were especially eager to broaden students' experiential learning through formal internships and shorter, less formal externships with the original 2003 grant. The small liberal-arts college offers no business degree, yet many students hope to find a career in business, according to Nancy Doemel, senior advancement officer.

"Lilly Endowment funding has permitted us to build infrastructure for our internship programs," says Doemel, who notes that Wabash students participated in 147 new internships in the years following the initial grant and that student visits to the career-development center increased from 500 in 2003 to more than 1,500 in 2007.

Wabash has always relied on alumni to network with new graduates, but the 2003 grant helped create formal programs in which some 500 alumni have participated, including a mentoring network connecting students to alumni and a lecture series that brought 100 graduates in banking, law, medicine and other fields to Wabash to meet with students.

Alumni expertise also was tapped to help create an eight-week summer course on entrepreneurship in which 57 students have participated and a one-week marketing immersion program in which nearly 50 students have given up traditional spring-break destinations for a plunge into business education.

Lu Hamilton, a major-gifts administrator who coordinated many of the grant activities as alumni career officer, points to feedback from students as one measure of success. "The spring program whets their appetite for learning more about marketing and opens their eyes to the possibilities of careers in Indiana," he says.

"The guys are saying, 'This changes my view of Indiana.' Students often think only about the big marketing firms in New York, but we're introducing them to hugely successful marketing efforts in Indiana," Hamilton says.

The 2008 sustaining grant will help Wabash

Wabash College students take a spring-break "immersion" in marketing and meet with representatives of different companies in Indiana. Here they get the lowdown on worldwide motorsport marketing from Jon Flack, executive vice president of client services, and Wes Zirkel (*standing*) (Wabash '98), vice president and general counsel at Just Marketing International in Zionsville. Students are (*l to r*) Deborshi Seal, Maycdon Sprowl, Paul Liu and Adam Andrews.

continue these successful efforts through the new Wabash Business Leadership Program, a liberal arts-based approach to shape future leaders.

Brinegar of the Indiana Chamber of Commerce believes strongly in the role internships can play in keeping Indiana graduates in the state. Under his leadership, the Chamber in 2006 assumed responsibility for the operation of Indiana INTERNnet, a Web-based program funded by the Endowment that connects students interested in internships in Indiana with companies that offer them.

In 2008 the Endowment provided a \$500,000 grant to Indiana INTERNnet for continued support of the program, bringing total Endowment support since its inception at the University of Indianapolis in 2000 to nearly \$4.5 million. "Internships not only provide excellent educational opportunities for students, they also can enliven a business setting and forge a relationship between the business and intern that can ripen into a permanent position. Internships are essential to Indiana's efforts to retain its top graduates," Brinegar says.

New graduates to meet new demands

Wendy Carroll was working at General Electric in Bloomington in 2004 when the company announced that it would close the plant. At age 32, Carroll was out of the job she thought she'd retire from someday, just as her father and grandfather had. With only a high-school education, Carroll wasn't prepared to do anything else.

Carroll's prospects changed when she entered Ivy Tech Community College, which coincidentally



was mounting a biotechnology initiative with its 2003 grant. For Ivy Tech—Indiana’s largest postsecondary education system—the goal was to create meaningful career opportunities for its associate-degree graduates in Indiana’s growing life-sciences industry.

By 2008 Carroll had earned her associate’s degree and was a quality-control technician at Cook Pharmica, a contract biopharmaceutical manufacturing company in Bloomington. She is the beneficiary of a full biotechnology curriculum—developed in collaboration with employers in the field—resulting in enrollment of 741 students on six Ivy Tech campuses.

Ivy Tech campuses with large enrollments—like Ivy Tech-Bloomington—are meeting the big demand for biotech graduates and finding multiple ways to form partnerships in their communities, according to Marnia F. Kennon, Ivy Tech’s vice provost for academic affairs.

Not only do the biotech graduates stay in Indiana, about half the graduates of Ivy Tech’s biotechnology program say they want to continue their education beyond the associate’s degree. For other graduates, the biotechnology program means a fresh start.



Workers displaced from declining industries are finding a new future in the life sciences.

“We’ve been able to provide our graduates educational mobility as well as economic mobility,” Kennon says.

Carroll, who is continuing her studies and plans to earn a bachelor’s degree in biochemistry, says that the results of her Ivy Tech experience have been “amazing.”

“When I worked at GE, it was my body working from the neck down. My brain was not engaged, and it was boring,” she says. “Now I get to use my brain. I get to think and learn. It’s not just a job—it’s a career.”

Ivy Tech’s 2008 sustaining grant will help fund one of the original grant’s goals of reaching out to high-school students and informing them about life-science and biotechnology job opportunities and encouraging them to pursue math and science.

“The focus of our efforts has truly been on the production, or manufacturing, side of the life sciences,” Kennon says. “Indiana can say to prospective employers, ‘We have this pool of talent here.’”

That eye toward state economic development is in many cases a new way of thinking for many college administrators. The second wave of funding will continue to help Indiana colleges and universities think differently about how they can influence their graduates’ futures, according to Purdue’s Lechtenberg.

At Purdue, officials plan to strengthen the successful Interns for Indiana program and add academic offerings leading to a certificate in entrepreneurship and innovation. A new Collegiate Entrepreneurship Opportunities program will teach students not just how to “take” jobs but how to “make” jobs, Lechtenberg says.

“Over time, the initiative will influence thinking well beyond the university,” he predicts. “Purdue and the state of Indiana have bright young folks who are studying with some of the brightest people in the world. We need to make sure that they have the opportunities they need—and that we need—to succeed.”

Wendy Carroll, quality-control technician at Cook Pharmica in Bloomington, turned her life around from a “boring” job at a local plant to a “career position” with a company that has a global reach. Carroll, now working toward a bachelor’s degree in biochemistry, got her start by earning an associate’s degree from a new biotechnology program at Ivy Tech-Bloomington.

Putting more brains in the game

When Indianapolis-based Langham Logistics needed help developing a strategic plan, president Cathy Langham, a former chair of the Greater Indianapolis Chamber of Commerce, could have hired one of the big names in business consulting.

Instead, she went to an unexpected source: Butler University—not to go back to school but to consult with the Butler Business Accelerator, a resource of Butler's College of Business Administration designed to serve mature, middle-market companies poised for growth in central Indiana.

For Langham, the results were impressive. "They took our challenges very seriously and did a really nice job with the project," Langham says. "They under-promised and over-delivered."

Created with a \$22 million grant from Lilly Endowment in 2005, the Butler Business Accelerator taps into the expertise of the College of Business Administration faculty, the energy and intellectual curiosity of MBA and undergraduate students, and the experience of a small staff of business professionals.

Funding the Accelerator is part of a larger strategy that can be traced back to 1999 when the Endowment began inviting

The Langhams of Langham Logistics make their way through a huge warehouse on the west side of Indianapolis. Co-owners of the 20-year-old global freight management and logistics company, they are (*l to r*) John Langham, vice president of finance; Margaret Langham, vice president of operations, and Cathy Langham, president. The company, with more than 80 employees, sought strategic-planning advice from the Butler Business Accelerator.



selected Indiana colleges and universities to develop bold new programs that would help achieve a status of distinction and excellence for each institution and advance the common objective of building a stronger state.

On the leafy campus not far from downtown Indianapolis, Butler officials saw promise in the idea of a “business accelerator” that could be a model for innovative and experiential business education.

The Accelerator would create a laboratory for learning and research in keeping with the college’s philosophy of “real life, real business.” Butler students would gain real business experience, learn more about opportunities in Indiana, and come away with a better and more-positive understanding of job prospects in the state. Clients—drawn from Butler’s backyard in central Indiana—would benefit and raise productivity that in turn would positively affect economic development.

From its inception, the Accelerator was seen as something new and different from an incubator, which other Indiana colleges and universities have successfully created to encourage the transfer of knowledge to business, says executive director Lawrence A. O’Connor Jr., former CEO of Bank One Indiana and civic leader.

The Butler endeavor aims to be a true accelerator of established Central Indiana companies that are at least five years old, have annual sales of between \$5 million and \$50 million, and want to grow more rapidly. “We’re here to put more brains in the game,” O’Connor says.

The winners in the game are Butler students and faculty, the businesses they assist, and ultimately Central Indiana’s economy and quality of life.

Client and student success

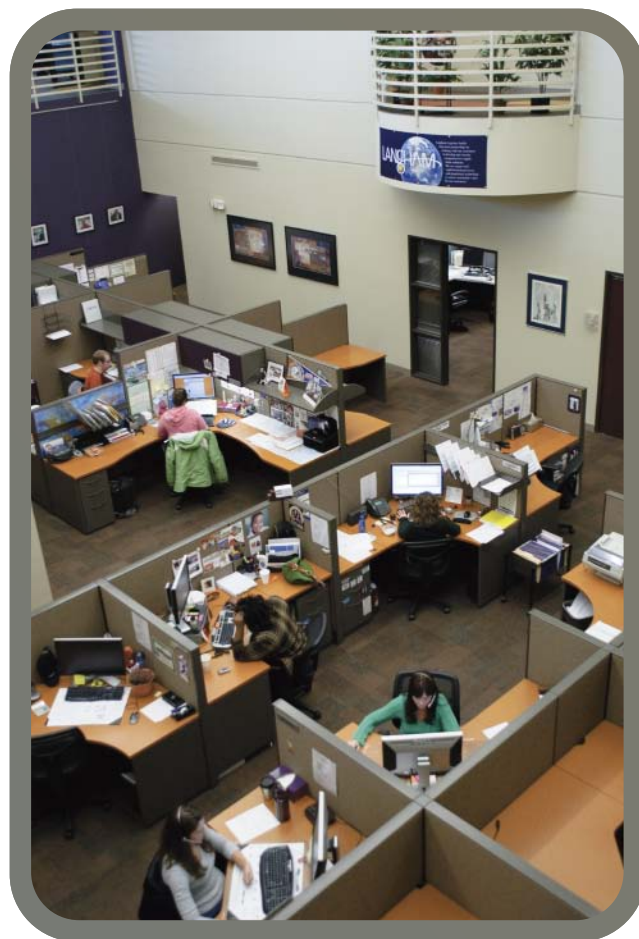
Since active work began at the Accelerator in 2007, more than 16 clients have been assisted and 26 specific projects for companies representing 11 different industries have been completed.

“The best companies in America use consultants all the time, not because they have a weakness but because midsize companies can never have all the talent they need on one staff,” O’Connor says. “They call in consultants because they want to grow faster.”

Langham Logistics is a good example of the kind of client that has been highly successful, yet still has

potential for tremendous growth, O’Connor says.

In 2008 the company celebrated 20 years in the domestic and international transportation, logistics, freight management, warehousing and distribution business. The company and its CEO have earned recognition in the industry and been cited as one of the “Indiana Companies to Watch” by the Indiana Economic Development Corp. The annual awards recognize promising, growth-oriented businesses in the state.



But Langham, like many companies, needed advice on its next steps toward growth. The experienced team at the Accelerator made the university-based consulting group appealing, says Langham.

O’Connor and Accelerator managing director Brian Landis, former partner of the global consulting firm Accenture, lead a permanent staff that includes three professionals from engineering,

Langham Logistics prides itself on its entrepreneurial spirit, flexibility and quality of service. Some 1,300 companies around the world use its services in domestic and international transportation, freight management, warehousing, and distribution.

marketing and finance, as well as fluctuating teams of faculty, subject experts, and students assigned to specific projects.

Accelerator services, Langham notes, were not cheap student labor, and their quality reflected the seriousness of the task. “The cost was worth it,” she says.

While Landis was the primary contact, she knows that there was significant student involvement too, an experience that Cathy Langham—herself a business school graduate—endorses.

“The Butler Business Accelerator is giving students real working knowledge of what the business world is like,” she says. “It’s not just a case study.”

In fact, students are the central focus of the Accelerator. The clients are chosen primarily on the basis of the educational opportunities they present for Butler students and faculty. Each year since 2006 business-school classes have worked with client services, including seven business classes during each semester of 2008. Fifty students have interned with the Accelerator since its inception, working 20 hours a week during the school year and 40 hours a week as full-time summer employees.

Amanda DiMaio is one of those students. As a senior studying international management and marketing at Butler, she was looking for practical experience to accompany the business degree she was earning. In 2007 the Accelerator was accepting its first clients, and DiMaio signed on as one of its first interns.

During her internship, she worked on projects for several organizations, including the Indiana Chamber of Commerce and a few mid-market companies. “It was a great experience,” says DiMaio, a native of Valparaiso in northwest Indiana. “They really push you, challenge you, and give you a lot of responsibility.”

After her internship and graduation, DiMaio accepted a job in Indianapolis with Accelerator client Gilchrist & Soames, a producer and distributor of cosmetic-grade toiletries to world-class hotels, spas and resorts.



As a customer-care representative, DiMaio handles accounts as far away as Hong Kong, fulfilling her goal of working with international clients. “I think my experience with the Accelerator gave me an edge,” she says.

DiMaio exemplifies one of the Accelerator’s original goals of keeping students in Indiana, and Butler officials hope more students follow that path from an Accelerator internship to employment in Central Indiana. Moreover, there is evidence that the Accelerator is fulfilling another of the original goals which was to raise Butler’s profile, according to Charles Williams, dean of Butler’s College of Business Administration.

The Accelerator was a major factor in Williams’ own decision to accept the position of dean—he joined Butler in 2008 from the Eberhardt School of Business at the University of the Pacific in Stockton, Calif.—and he believes Butler’s reputation will be enhanced because of the unique program.

During 2008, for example, more than a dozen Butler faculty and staff were engaged with Accelerator clients, which is “an exceptional teaching and professional experience,” Williams says. “The opportunity to be part of a business school that has a real impact on business was a very significant part of applying for the job. It’s an unparalleled opportunity for students and an unparalleled opportunity for faculty.”

Amanda DiMaio, customer-care representative at Gilchrist & Soames in Indianapolis, shows products to Larry O’Connor (*center*) and Brian Landis, executive director and managing director, respectively, of the Butler Business Accelerator. DiMaio is an alumna of the first class of Accelerator interns.

Indianapolis Collaborative learning is at the heart of a “grand experiment” that has expanded into a statewide resource for faith communities.

Center for Congregations

Faced with the annual task of preparing a Christmas sermon to deliver at Eastview Christian Church in Martinsville, Ind., senior pastor Rick Miller decided to try a bold approach. Rather than research and write the message by himself—his practice for more than a dozen years—he recruited a team of unlikely collaborators: the church youth group. They talked about the challenge of bringing freshness to the familiar nativity story, and then Miller invited the teens to help him come up with something different.

“We created a list of the best-known Christmas films, everything from the *Grinch* to *It’s a Wonderful Life*, and we took a teaching point from each of the movies,” explains Miller. The teens identified brief clips to integrate into the message, linked the visual illustrations to scriptural lessons, and then organized the material into a thoughtful package.

The joint effort earned rave reviews from the

congregation, including the youth. “I never saw kids pay so much attention to a sermon,” says Miller, who attributes their interest to the fact that “they had some skin in the game.”

The idea of soliciting input from his youthful parishioners came to Miller after attending a seminar called “Better Preaching & Better Listening: Clergy and Laity Explore Preaching Together,” sponsored by the Indianapolis Center for Congregations (ICC). The four-part learning series, led by two professors from Christian Theological Seminary, required each participating pastor to bring a delegation of lay members to the sessions. “That was the hook for me,” explains Miller. “I’ve been at Eastview Church for 13 years, and I’ve wondered from time to time if my preaching is still effective. I knew the seminar would be interactive and that my members would tell me the truth.”



The sessions proved beneficial to both the clergy and the lay leaders. "It pulled back the curtain to reveal what goes through preachers' minds when they prepare their messages," says Miller.

Side-by-side learning

The "Better Preaching" series is among hundreds of learning opportunities that ICC has sponsored since it was launched in 1996 by the Alban Institute with Lilly Endowment encouragement and support. Over the years the center has developed a distinctive way of helping local faith communities address pressing concerns and take advantage of new opportunities to strengthen their ministries.

Rather than telling congregations what to do, the center connects them with outside resources, engages them in consultations and educational events, and provides matching grants that, together, help them build their own capacities to practice their faith more imaginatively and serve their neighbors and surrounding communities more effectively.

The more than 300,000 congregations scattered across the country are resources of social and intellectual capital and often the spark of civic improvement efforts. The Indiana University Center on Philanthropy reports that persons who are active members of religious congregations give and volunteer more than others for charitable causes in their communities. Thus vibrant and effective congregations not only enrich the faith lives of their members, they also play an important role in fostering civic vitality.

Expanding connections

The center originally limited its services to congregations within an eight-county region in Central Indiana. Recent Endowment grants have enabled ICC to expand its reach, first to Fort Wayne in 2003 and this year to congregations in and around Evansville. "Now we plan to broaden the Central Indiana region to include 33 counties that stretch from Indiana's east to west boundaries," says Timothy Shapiro, ICC president. "In the next two or three years we hope to make our services available to any Indiana congregation that considers them helpful."

Shapiro and his staff have developed an expansion strategy that begins with exploratory meetings within a region and progresses to small workshops on topics that local congregations request. As interest

and awareness grow, ICC sponsors a large one-day conference called "Flourishing Congregations" that introduces clergy and lay leaders to activities and tools to strengthen their ministries. This year's Fort Wayne event attracted 252 registrants from 64 congregations; the Evansville conference drew 164 members from 42 congregations.

"I visited several ministerial associations and told our story," says Wendy McCormick, director of the center's satellite office in Evansville and former co-pastor of that city's First Presbyterian Church. "I explained how the center can help by identifying resources for clergy and congregations who are looking for solutions to their challenges. As a pastor myself, I remember how much time I used to spend putting out fires and dealing with what we called the 'crisis du jour.' I tell people that the center can do a lot of the legwork for pastoral staffs that are pressed for time."

Creating learning communities

A positive result of ICC's activities has been the formation of statewide learning communities. Congregations that previously had little interaction with each other find themselves working together as they attempt to achieve similar goals. The four major grant initiatives ICC has sponsored all have involved collaborative learning opportunities for the participating congregations and their leaders. Each initiative included at least 30 congregations.

Ministers and lay leaders attend seminars like this one on "Better Preaching & Better Listening" at the Center for Congregations in downtown Indianapolis. The Rev. Rick Miller (*opposite*), senior pastor at Eastview Christian Church in Martinsville, describes a new approach to a Christmas sermon. Congregation leaders like Diane Patton (*above*) from Horizons of Faith United Methodist Church in Indianapolis are active participants in the four-part seminar.



Two of these initiatives explored the use of computers in ministry; another initiative called "Sacred Spaces" centered on designing appropriate worship facilities; and the fourth one, "Life Together—Thinking and Acting Strategically," is helping congregations create and implement strategic plans.

Whereas major initiatives such as "Life Together" promote structured interaction, one-time workshops encourage informal networking. With offices in Indianapolis, Fort Wayne and Evansville in place, ICC can bring out-of-state experts to Indiana to lead the same workshop at different locations. Participants can enroll in whatever session fits their schedules. This flexibility results in a new mix of people at every event, according to Shapiro. "As an example, a pastor from Fort Wayne can talk with a colleague from Indianapolis about a workshop they both experienced, even though they didn't attend at the same place or on the same date."

Sharing the lessons

Among the key lessons that ICC has learned is that no two faith communities are the same. Just as their concerns vary, so do the solutions. Congregations may share similarities—location, size, denomination and traditions—but each is unique. "We have learned that 'best practices' often becomes a misnomer," says Shapiro. "The kind of resources that fit one congregation may not succeed in another environment." ICC believes that a congregation learns best when it blends outside expertise with its own creativity and designs a course of action tailored to its unique situation.

Many of these lessons have been captured and disseminated in a variety of forms. Alban Institute

has published books that ICC staff members wrote about two of the center's major grant initiatives—*40 Days @ 40 Bytes* (about computers and ministry) and *Holy Places: Matching Sacred with Mission* from the "Sacred Spaces" initiative.

Alban also produces the online Congregational Resource Guide (www.congregationalresources.org), which shares information gleaned from ICC research and consulting activities with a worldwide audience. Last year the site received over 750,000 visits from congregational leaders eager to find the best resources available, as well as advice on how to use them well. Also, the center's own newsletters, educational DVDs and the ICC Web site keep clergy and laity up to date on the center's work.

Serving God and neighbors

Increasingly congregations ask the center for advice on reaching out into their communities. "Several years ago we described our work as helping congregations with their pressing practical problems," says Shapiro. "Now more and more often congregations call about long-term strategic issues and ways to live out their most fundamental purposes—to love God and serve their neighbors."

As congregations learn, grow and flourish, so does their impact on their members and on the larger communities of which they are a part. Daniel F. Evans Jr. is a lifelong member of Meridian Street United Methodist Church in Indianapolis as well as the president and CEO of Clarian Health, Indiana's largest health-care system. A key local and national leader on many civic and health-care issues, Evans puts the matter this way: "My faith and my congregation are crucial anchors in my life. They shape who I am and are a key source of my most fundamental commitments. That's true for millions of people in our country. Congregations matter to a community's quality of life—and so do organizations like the Indianapolis Center for Congregations that help them thrive."



The Rev. Karen Powell, systems analyst turned minister, represents Muncie's Riverside United Methodist Church and makes a point during an ICC program. Besides good discussion, the seminars offer fellowship and friendship.

FINANCES & GRANTMAKING

These are no ordinary times. We are in the midst of what many are calling “the most severe economic condition since the Great Depression.”

This economic downturn, of course, affects foundations and nonprofit organizations, and Lilly Endowment is no exception. It has caused us to focus even more sharply on the most compelling needs and programs in the three priorities the Endowment’s founders established for its grantmaking.

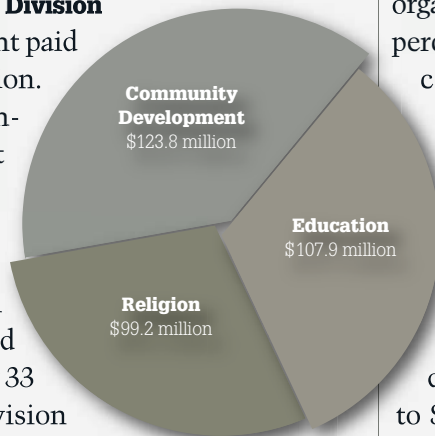
We are inspired, however, by the faith in the future J.K. Lilly Sr. and his sons—J.K. Jr. and Eli—showed by creating this foundation in the challenging economic environment of 1937. Their gifts of stock in their pharmaceutical business, Eli Lilly and Co., have made possible over the years more than \$7 billion in grants to 8,115 charitable organizations, most of them in Indiana. Of that \$7 billion, \$2.9 billion supported education (41 percent), \$2.4 billion supported community development (34 percent) and \$1.7 billion supported religion (25 percent). At the end of 2008, the Endowment’s assets totaled \$5.7 billion.

During 2008 the Endowment distributed grant payments of \$330.9 million and approved \$310.9 million in new grants.

Grants paid

Chart 1: Grants Paid by Division

In 2008 the Endowment paid grants of \$330.9 million. In this category Community Development Division grants accounted for \$123.8 million or 37 percent of the total; Education Division grants added up to \$107.9 million or 33 percent; Religion Division grants totaled \$99.2 million or 30 percent.



As in previous years, most grants were paid to organizations in Indiana—a total of \$250.1 million (76 percent). Of the payment total of \$330.9 million, \$181.9 million (55 percent) was paid to non-Marion County grantees in Indiana and \$68.2 million (21

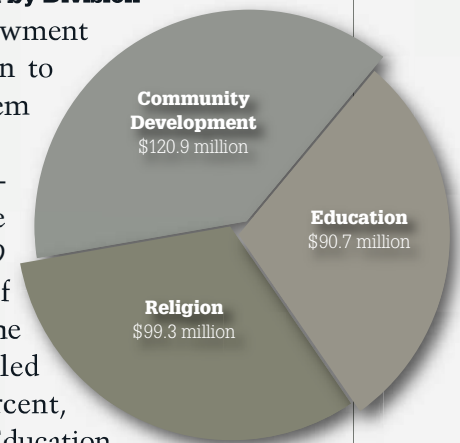
percent) to Marion County (Indianapolis) grantees. Organizations outside Indiana received \$80.8 million or 24 percent, mostly from the Religion Division.

Grants approved

Chart 2: Grants Approved by Division

During 2008 the Endowment approved \$310.9 million to 664 grantees, 239 of them new to the Endowment.

Community Development grants totaled the most dollars at \$120.9 million or 39 percent of the total. Approvals for the Religion Division totaled \$99.3 million or 32 percent, while approvals for the Education Division totaled \$90.7 million or 29 percent.



Similar to the geographic distribution of the grants paid in 2008, almost three-fourths (74 percent) of grants approved went to Indiana organizations. Of the \$310.9 million in grants approved, \$161.8 million (52 percent) was approved for non-Marion county grantees in Indiana and \$68.3 million (22 percent) to Marion County (Indianapolis) grantees. Indiana organizations thus were awarded \$230.1 million (74 percent) of grants approved. \$80.8 million (26 percent) in grants were approved for non-Indiana organizations.

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

The Endowment’s match for the charitable contributions of staff, retirees and Board members is reported as a single line item before the total of all grants approved. “Guidelines & Procedures” are outlined on pages 48-49.

Report of Independent Auditors

The Board of Directors
Lilly Endowment Inc.

We have audited the accompanying statements of financial position of Lilly Endowment Inc. (the Endowment) as of December 31, 2008 and 2007, and the related statements of activities and changes in unrestricted net assets and cash flows for the years then ended. These financial statements are the responsibility of the Endowment's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lilly Endowment Inc. as of December 31, 2008 and 2007, and the changes in its unrestricted net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

February 13, 2009

Ernst & Young LLP

Statements of Financial Position

<i>As of December 31</i>	2008	2007
Assets		
Cash and equivalents	\$ 26,662,815	\$ 56,708,974
Investments — at fair value:		
United States government and agency, bank and corporate interest-bearing obligations	—	18,943,105
Eli Lilly and Company common stock (cost — \$84,798,379 at December 31, 2008, and \$85,055,948 at December 31, 2007)	5,463,463,277	7,341,434,876
Diversified equity investments	228,683,724	317,773,200
Other assets	3,607,133	42,767
	\$ 5,722,416,949	\$ 7,734,902,922
Liabilities		
Amounts appropriated for future grants	\$ 3,969,750	\$ 23,946,950
Unrestricted net assets	5,718,447,199	7,710,955,972
	\$ 5,722,416,949	\$ 7,734,902,922

See accompanying notes.

Statements of Activities and Changes in Unrestricted Net Assets

<i>Year ended December 31</i>	2008	2007
Income:		
Dividends	\$ 264,894,950	\$ 241,701,475
Interest	3,286,921	14,365,858
Other	13,267,121	33,625,036
Total income	281,448,992	289,692,369
Deductions:		
Grants approved	314,850,416	335,146,768
Expenses:		
Program support	6,527,047	6,648,117
Operational support	11,720,543	6,131,616
Federal excise tax	3,491,275	8,282,198
Total grants approved and expenses	336,589,281	356,208,699
Gain on sale of Eli Lilly and Company common stock (shares — 1,835,000 in 2008 and 2,845,000 in 2007)	87,468,985	167,438,455
(Decrease) increase in unrealized appreciation of marketable securities	(2,024,837,469)	35,765,909
(Decrease) increase in unrestricted net assets	\$ (1,992,508,773)	\$ 136,688,034
Unrestricted net assets:		
Balance at beginning of year	\$ 7,710,955,972	\$ 7,574,267,938
(Decrease) increase in unrestricted net assets	(1,992,508,773)	136,688,034
Balance at end of year	\$ 5,718,447,199	\$ 7,710,955,972

See accompanying notes.

Statements of Cash Flows

Year ended December 31

2008

2007

Cash flows used for operating activities:

Dividends and interest received	\$ 268,181,871	\$ 256,067,333
Other income received	13,267,121	33,625,036
Grants paid	(336,551,359)	(341,863,979)
Grant refunds received	1,723,743	3,134,854
Program support	(6,527,047)	(6,648,117)
Operational support	(11,632,202)	(5,905,616)
Federal excise tax	(7,055,641)	(8,191,901)
Net cash used for operating activities	(78,593,514)	(69,782,390)

Cash flows provided by investing activities:

Sale of Eli Lilly and Company stock	87,726,554	167,837,792
Purchase of investments	(593,655,678)	(1,059,116,907)
Sale or maturity of investments	554,722,424	969,618,786
Investment-related expenses	(245,945)	(171,057)
Net cash provided by investing activities	48,547,355	78,168,614
Net (decrease) increase in cash	(30,046,159)	8,386,224
Cash and equivalents at beginning of year	56,708,974	48,322,750
Cash and equivalents at end of year	\$ 26,662,815	\$ 56,708,974

See accompanying notes.

NOTES to FINANCIAL STATEMENTS

December 31, 2008

1. Significant Accounting Policies

Description of Organization

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

Income and Deductions

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

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

Cash and Equivalents

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

Investments

Investments are stated at fair value in accordance with Statement of Financial Accounting Standards No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*.

As discussed fully in Note 3, the Endowment adopted Statement of Financial Accounting Standards No. 157, *Fair Value Meas-*

urements, which establishes a framework for measuring fair value in Generally Accepted Accounting Principles and expands disclosures about fair value measurements. The implementation of this statement was not material to the financial position or statement of activities and changes in unrestricted net assets.

Facilities and Equipment

Expenditures for facilities and equipment are expensed as paid.

Use of Estimates

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

New Accounting Pronouncements

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Tax*. The interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The adoption for nonpublic organizations will be effective for fiscal periods beginning after December 15, 2008. The Endowment believes the impact of the adoption will not be material.

2. Required Distributions

The Internal Revenue Code provides that the Endowment generally must distribute for charitable purposes 5% of the average market value of its assets. The Endowment must make additional qualifying distributions of approximately \$286,000,000, before January 1, 2010, to meet the 2008 minimum distribution requirements.

3. Fair Value of Financial Instruments

The Endowment determines fair values based on a market approach using quoted market values.

The following table summarizes fair value information at December 31, 2008.

Description	2008			2007	
	Cost	Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value (Carrying Value)	Cost	Fair Value (Carrying Value)
Cash equivalents	\$ 9,980,847	\$ 9,997,093	\$ 9,997,093	\$ 52,470,154	\$ 52,714,003
Fixed income securities	-	-	-	18,759,597	18,943,105
Marketable securities	449,563,732	5,692,147,001	5,692,147,001	392,128,449	7,659,208,076
	<u>\$459,544,579</u>	<u>\$5,702,144,094</u>	<u>\$5,702,144,094</u>	<u>\$463,358,200</u>	<u>\$7,730,865,184</u>



08 Grant Approvals

Carroll High School students Taylor Royce (right) and Eric Perrine were among the 2,000 Hoosier teens who competed in the Indiana Science Olympiad. The teens vied in some 20 events, from amphibians to physics. The “Carroll Craziest” assignment was to build an electric car so that it would go straight down the blue line. (It didn’t.)

Community Development Division Grants

Dollar amount approved in 2008

American Cabaret Theatre

Indianapolis, IN

Equipment and furniture replacement	250,000
General operating support	125,000

American Enterprise Institute for Public Policy Research

Washington, DC

General operating support	100,000
---------------------------	---------

American Pianists Association

Indianapolis, IN

Support for 2008 Indy Jazz Fest	190,000
---------------------------------	---------

Arts Council of Indianapolis

Indianapolis, IN

2009 Art & Soul at the Artsgarden	87,500
Arts audience development	187,500
General operating support	300,000
Creative Renewal Fellowship Program	530,000

Athenaeum Foundation

Indianapolis, IN

Fund-raising and development support	100,000
--------------------------------------	---------

Atlas Economic Research Foundation

Arlington, VA

Economic and public-policy education programs in Latin America	500,000
--	---------

Booth Tarkington Civic Theatre

Indianapolis, IN

Support for scene shop and rehearsal space	250,000
--	---------

CICP (Central Indiana Corporate Partnership) Foundation

Indianapolis, IN

BioCrossroads charitable, educational and scientific programs	2,800,000
Central Indiana community and economic development research and analysis	670,000
Indiana orthopedics sector research	50,000
Indianapolis/Marion County community and economic development research	125,000

Coalition for Homeless Intervention and Prevention

Indianapolis, IN

General operating support	260,000
---------------------------	---------

Community Organizations Legal Assistance Project

Indianapolis, IN

General operating support and special initiative	50,000
--	--------

Dance Kaleidoscope

Indianapolis, IN

General operating support	100,000
Transitional support	100,000

Domestic Violence Network of Greater Indianapolis

Indianapolis, IN

General operating support	225,000
---------------------------	---------

Eiteljorg Museum of American Indians and Western Art

Indianapolis, IN

Book about Native American contemporary art	50,000
General operating support	1,147,500
Eiteljorg Fellowship for Native American Fine Art	470,000

Encore Vocal Arts

Indianapolis, IN

Capacity building	40,000
-------------------	--------

Federalist Society for Law and Public Policy Studies

Washington, DC

General operating support	150,000
---------------------------	---------

Foundation for Research on Economics and the Environment

Bozeman, MT

General operating support	50,000
---------------------------	--------

Fraser Institute

Vancouver, BC

General operating support	300,000
---------------------------	---------

Freedom House

Washington, DC

General operating support	100,000
---------------------------	---------

George Mason University Foundation

Fairfax, VA

Law and Economics Center	100,000
--------------------------	---------

Gleaners Food Bank of Indiana

Indianapolis, IN

Capital campaign and campaign-related expenses	3,500,000
--	-----------

Grouseland Foundation*Vincennes, IN*

Strategic planning, organizational assessment and campaign feasibility study 40,000

Harrison Center for the Arts*Indianapolis, IN*

Technology audit and Web site enhancement 25,000

Heartland Truly Moving Pictures (formerly Heartland Film Festival)*Indianapolis, IN*

General operating support 300,000

Hoosier Heartland Resource Conservation & Development Council*Indianapolis, IN*

Hoosier Heartland Plant A Million project 49,921

Hoosier Salon Patrons Association*Indianapolis, IN*

Capacity building 35,000

Indiana Association for Community Economic Development*Indianapolis, IN*

General operating support 125,000

Indiana Association of United Ways*Indianapolis, IN*

General operating support 1,200,000

Indiana Grantmakers Alliance*Indianapolis, IN*

General operating support 272,500

Indiana Grantmakers Alliance Foundation*Indianapolis, IN*

GIFT technical assistance for 2009 667,000

Indiana Historical Society*Indianapolis, IN*

Host American Association for State and Local History annual meeting 30,000

Indiana Opera Society*Indianapolis, IN*

General operating support 123,750

Indiana Repertory Theatre*Indianapolis, IN*Capital campaign and campaign administrative costs 3,000,000
General operating support 300,000**Indiana Special Olympics***Indianapolis, IN*

Capacity-building initiative 199,928

Indiana Sports Corp.*Indianapolis, IN*

General operating support 500,000

Indiana State Chamber of Commerce Foundation*Indianapolis, IN*

Research on aging population in Indiana 150,000

Indiana Symphony Society*Indianapolis, IN*General operating support 1,237,500
Rhapsody on a Theme of Paganini and *Scheherazade* collaboration 30,000**Indiana University Foundation***Bloomington, IN*

General operating support for Center for Urban Policy and the Environment and its work with Indiana University Public Policy Institute 2,000,000

Indiana White River State Park Development Commission*Indianapolis, IN*

Family Arts Series 25,000

Indiana-World Skating Academy*Indianapolis, IN*

General support 125,000

Indianapolis Art Center*Indianapolis, IN*General operating support 200,000
75th anniversary history 50,000**Indianapolis Chamber Orchestra***Indianapolis, IN*

Technology updates 42,000

Indianapolis Children's Choir*Indianapolis, IN*

General support 300,000

Indianapolis Downtown Inc.*Indianapolis, IN*

Transitional operating support 50,000

Indianapolis Museum of Art*Indianapolis, IN*

General operating support 500,000

IMA Conservation Center lab and equipment 2,613,450

Indianapolis Museum of Contemporary Art*Indianapolis, IN*Production of *Hansel and Gretel* 50,000**Indianapolis Neighborhood Housing Partnership***Indianapolis, IN*

General support 6,300,000

Expansion of counseling and foreclosure-prevention programs 5,300,000

Indianapolis Neighborhood Resource Center*Indianapolis, IN*

General support 250,000

Indianapolis Zoological Society*Indianapolis, IN*

General operating support 1,116,720

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

General operating support 85,000

Intercollegiate Studies Institute*Wilmington, DE*

General operating support 125,000

International Center of Indianapolis*Indianapolis, IN*

General operating support 300,000

James Whitcomb Riley Memorial Association (dba Riley Children's Foundation)*Indianapolis, IN*

Capital improvements at Bradford Woods 1,750,000

Keep Indianapolis Beautiful*Indianapolis, IN*

General operating support 325,000

Local Initiatives Support Corp.*New York, NY*

Indianapolis LISC program 500,000

Madame Walker Urban Life Center*Indianapolis, IN*

General operating support 500,000

Support for lecture series 50,000

Manhattan Institute for Policy Research*New York, NY*

General operating support 200,000

National Alliance of Community Economic Development Associations*Arlington, VA*

2008 national census for community development corporations 15,000

National Center for Policy Analysis*Dallas, TX*

General operating support 150,000

New Harmony Project*Indianapolis, IN*

General operating support 50,000

NPower Indiana*Indianapolis, IN*

Support nonprofit Web site development 46,530

Property and Environment Research Center*Bozeman, MT*

General operating support 50,000

Purdue Research Foundation*West Lafayette, IN*

Project to strengthen support at Indiana colleges and universities for military service members and veterans 5,800,000

Richard L. Roudebush VA Medical Center*Indianapolis, IN*

Indiana Veterans Enhanced Services Initiative 476,681

Sagamore Institute for Policy Research*Indianapolis, IN*

General operating support 300,000

Salvation Army*Alexandria, VA*

Disaster-relief efforts for Hurricane Gustav and Hurricane Ike	10,000,000
Operation Compassion	25,000

Social Philosophy and Policy Foundation*Bowling Green, OH*

General operating support	100,000
---------------------------	---------

Tax Foundation*Washington, DC*

General support	75,000
Supplemental general operating support	250,000

United Way of Central Indiana*Indianapolis, IN*

2008 Campaign	3,750,000
Continuation of Human Service Professional Renewal Program	524,800
Economic Relief Fund	2,000,000
Facilities Maintenance Fund	1,400,000
SAVI database management and operation	200,000
Targeted Initiatives Fund	550,000

University of Southern Indiana*Evansville, IN*

General operating support for Historic New Harmony project	125,000
--	---------

Young Audiences of Indiana*Indianapolis, IN*

Constituent survey research	50,000
General operating support	200,000

Indiana Disaster Response

In 2008 Indiana was battered three times with devastating storms and floods. The state and federal governments declared more than 80 of Indiana's 92 counties disaster zones. The Endowment made grants to three organizations to help address the aftermath.

(3 grants)	50,000,000
------------	------------

American National Red Cross, Indianapolis Area Chapter*Indianapolis, IN*

Disaster-relief efforts (\$2,500,000)

Indiana Association of United Ways*Indianapolis, IN*

Establishment of the 2008 Indiana Natural Disaster Fund to aid recovery efforts in hundreds of Indiana communities (\$45,000,000)

Salvation Army*Indianapolis, IN*

Disaster-relief efforts (\$2,500,000)

Holiday Assistance Fund

(22 grants ranging from \$2,000 to \$135,000) 386,500

Catholic Charities Indianapolis
 Community Action of Greater Indianapolis
 Flanner House
 Greater Faith Apostolic Church
 Hall Temple Church of God in Christ
 Indiana Black Expo
 Indiana Department of Correction, Indianapolis Juvenile Correctional Facility
 Indianapolis Jaycee Charities
 Indianapolis Public Housing Agency
 Indianapolis Urban League
 Kingsley Terrace Church of Christ
 La Plaza
 Latino Community Development Corp.
 Life Line Community Center
 Lutheran Child & Family Services of Indiana
 New Covenant Church & Ministries
 Project Concern Indianapolis
 Rev. Richard Hunter Ministries
 Salvation Army
 Save the Youth Program
 United Way of Central Indiana
 Westminster Neighborhood Ministries

Indiana Community Foundation Program for Sustaining Resource Development**Benton Community Foundation***Fowler, IN*

80,131

Jennings County Community Foundation*North Vernon, IN*

222,700

Subtotal

Community Development Division Grants 120,777,611

Subtotal

Community Development Division Discretionary Grants 117,800

Total

Community Development Division Grants 120,895,411

Education Division and Youth Programming Grants

Dollar amount approved in 2008

Ball State University Foundation

Muncie, IN

Bowen Center for Public Affairs 1,000,000

Butler University

Indianapolis, IN

Feasibility study for an Asian Learning Center 47,000

Center Grove Education Foundation

Greenwood, IN

Host 2010 National Association of Student Councils Convention 50,000

Hear Indiana

Zionsville, IN

"Hear from the Start, Talk for a Lifetime" campaign 50,000

Independent Colleges of Indiana

Indianapolis, IN

Administration of Lilly Endowment Community Scholarship Program 1,200,000

Lilly Endowment Community Scholarship Program for 2009 21,223,997

Indiana INTERNnet

Indianapolis, IN

Annual operating support 500,000

Indiana State University

Terre Haute, IN

Extending Teacher Creativity 2009: A Summer Workshop and Teaching Academy for Teacher Creativity fellows 173,810

Indiana Student Financial Aid Association

Bloomington, IN

College Goal Sunday 2009 50,000

Indiana University Foundation

Bloomington, IN

Indiana Pervasive Computer Research Initiative, Phase II 15,000,000

Indianapolis Public Schools

Indianapolis, IN

Startup funding for Shortridge Magnet High School for Law and Public Policy 750,000

Indy Reads

Indianapolis, IN

Enhance volunteer management capacity 50,000

National Association of College and University Business Officers

Washington, DC

National Campus Safety and Security Project 50,000

Rose-Hulman Institute of Technology

Terre Haute, IN

Continuation of Homework Hotline 2,773,572

PRISM Web Portal for Indiana's middle-school science, mathematics and technology teachers 950,000

United Negro College Fund

Fairfax, VA

2009 Indianapolis television special and fund-raising program 85,000

University of Evansville

Evansville, IN

Institute for Global Enterprise in Indiana, Phase II 7,859,360

Middle Grades Reading Network 649,343

University of Indianapolis

Indianapolis, IN

Transitional support for Center of Excellence in Leadership of Learning 1,500,000

Wishard Memorial Foundation

Indianapolis, IN

Rawls Scholarship Fund endowment 2,000,000

Sustaining Grants for the Initiative to Promote Opportunities Through Educational Collaboration

Program to support development of experiential education programs for students at Indiana higher education institutions

(35 grants ranging from \$280,000 to \$2,750,000) 18,638,335

Ancilla College
Anderson University
Ball State University Foundation
Bethel College
Butler University
Calumet College of St. Joseph
DePauw University
Franklin College
Goshen College
Grace College

Hanover College
 Holy Cross College
 Huntington University
 Indiana Institute of Technology
 Indiana State University Foundation
 Indiana University Foundation
 Indiana Wesleyan University
 Ivy Tech Foundation
 Manchester College
 Marian College
 Oakland City University
 Purdue Research Foundation
 Rose-Hulman Institute of Technology
 St. Joseph's College
 St. Mary-of-the-Woods College
 St. Mary's College
 Taylor University
 Trine University (formerly Tri-State University)
 University of Evansville
 University of Indianapolis
 University of Notre Dame
 University of St. Francis
 University of Southern Indiana Foundation
 Vincennes University Foundation
 Wabash College

Teacher Creativity Fellowship Program

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

(121 grants ranging from \$5,000 to \$8,000) 953,000

Teacher Creativity Distinguished Fellows Program

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

(7 grants ranging from \$24,730 to \$25,000 for distinguished fellows) 174,730

(5 grants ranging from \$2,557 to \$25,811 for teacher-replacement costs) 75,218

YOUTH PROGRAMMING

American Camping Association

Martinsville, IN
 Nature-based leadership program 490,000

American Humanics

Kansas City, MO
 Management/Leadership Institute for nonprofits in Indianapolis 250,000

Asante Children's Theatre

Indianapolis, IN
 Capacity building 50,000

Boy Scouts of America

Indianapolis, IN
 More Scouts, More Ways, More Impact campaign 5,000,000
 Urban scouting program 250,000

Boys & Girls Clubs of Indianapolis

Indianapolis, IN
 Expansion and enhancement of teen programs 165,000

Center for Leadership Development

Indianapolis, IN
 2008 operating support 275,000
 2009 operating support 275,000

Child Advocates

Indianapolis, IN
 Capacity building for the Guardian Ad Litem Program 409,800

Fathers and Families Resource/Research Center

Indianapolis, IN
 Operating support 250,000

Girl Scouts of Central Indiana

Indianapolis, IN
 Support of National Convention and Leadership Institute in Indianapolis 450,000

Girls Inc.

Indianapolis, IN
 Outreach expansion services 300,000

Indiana Black Expo

Indianapolis, IN
 Operating support 625,000

Indiana Grantmakers Alliance Foundation*Indianapolis, IN*

Youth Philanthropy Initiative of Indiana 459,167

Indianapolis Art Center*Indianapolis, IN*

Beyond Perceptions and SMART (Supportive Mentoring through ART) 35,000

Jameson Camp*Indianapolis, IN*

Camp program development and organizational capacity building 279,000

Kids Voice of Indiana*Indianapolis, IN*

Support for Children's Law Center 545,000

Marion County Commission on Youth*Indianapolis, IN*

2008 operating support 210,000

2009 operating support 210,000

National Center for Youth Issues*Chattanooga, TN*

Midwest Healthy Choices for Youth conferences in Indianapolis 50,000

National FFA Foundation*Indianapolis, IN*

National FFA conferences in Indianapolis 500,000

National Urban Fellows*New York, NY*

Support for fellowships in Indianapolis, recruitment activities in Indiana and funds to increase NUF alumni giving 103,000

Planned Parenthood of Indiana*Indianapolis, IN*

Peer education and Indiana youth workers assessment 50,000

Ruth Lilly Center for Health Education*Indianapolis, IN*

Health Education for the 21st Century Project, Phase III 1,500,000

Search Institute*Minneapolis, MN*

2008 Healthy Communities-Healthy Youth conference 50,000

Stopover*Indianapolis, IN*

Transitional living program 50,000

Y-Press*Indianapolis, IN*

Partial operating support and program expansion 285,000

Summer Youth Program Fund

Grants for organizations to provide summer activities for youth

(146 competitive grants to support 170 programs ranging from \$2,000 to \$74,780) 1,300,000

Academy of Greater Works
 Adult & Child Center
 African Community International
 Agape Therapeutic Riding Center
 American Diabetes Association, Indiana Affiliate
 Anglican Church of Resurrection
 Antioch Neighborhood Restoration & Outreach Ministry
 Area Youth Ministry
 Art With a Heart
 Asante Children's Theatre
 At-Your-School (AYS) Child Services
 Auntie Mame's Child Development Center
 Booth Tarkington Civic Theatre
 Boys & Girls Clubs of Indianapolis (6)
 Brebeuf Preparatory School
 Broadway United Methodist Church
 Brookside Community Youth Program
 Butler University
 Calvary Temple of Indianapolis
 Camptown
 Camp Kesem
 Care for Kids Foundation
 Catholic Charities Indianapolis (2)
 Catholic Youth Organization
 Children's Bureau
 Christamore House
 Circle City Frontiers Club
 Claude McNeal's Musical Theatre Training Program
 Coburn Place Safe Haven
 Community Action of Greater Indianapolis
 Community Alliance of the Far Eastside (CAFE)
 Concord Center Association

Coppin Chapel African Methodist
Episcopal Church
Cosmo Knights Scholarship Fund
Crossroads Rehabilitation Center
Damar Services
Day Nursery Association of Indianapolis
Dayspring Center
Diabetic Youth Foundation of Indiana
Dirty Dozen Hunting and Fishing Club
DREAM Alive
Dyslexia Institute of Indiana
East 10th United Methodist Children
and Youth Center
Ebenezer Missionary Baptist Church
Edna Martin Christian Center
Englishton Park Presbyterian Ministries
Fay Biccard Glick Neighborhood Center
at Crooked Creek
Felege Hiywot Ethiopian Orthodox
Tewahido Church Children Welfare
and Development Center
First-Meridian Heights Presbyterian Church (2)
Flanner House
Forest Manor Multi-Service Center
Freetown Village
Garden City Christian Church
Girl Scouts of Central Indiana
Girls Inc. (2)
Good News Mission
Great Commission Church of God
Happy Hollow Children's Camp
Harrison Center for the Arts
Hawthorne Social Service Association

Heart of Sailing
Heavenly Inter-Vention Ministries Inc.
Horizons Urban Student Enrichment Program
Indiana Deaf Camps Foundation
Indiana Golf Foundation
Indiana Interfaith Hospitality Network
Indiana INTERNnet
Indiana Juvenile Justice Task Force
Indiana Minority Health Coalition
Indiana School for the Deaf
Indiana Sports Corp.
Indiana State Museum Foundation
Indiana University Foundation
Indianapolis Algebra Project
Indianapolis Art Center
Indianapolis-Marion County Public
Library Foundation
Indianapolis Junior Golf Foundation
Indianapolis Museum of Art
Indianapolis Parks Foundation (5)
Indianapolis Public Housing Agency
James Whitcomb Riley Memorial Association
(dba Riley Children's Foundation)
Jameson Camp
Jireh Sports Club
John H. Boner Community Center
Joy of the Lord Christian Church
Kaleidoscope Church and Community Partnership
Keep Indianapolis Beautiful
La Plaza
Life Line Community Center
Little Bethel Missionary Baptist Church



Lutheran Child & Family Services of Indiana
 Marian College
 Marion County Commission on Youth (2)
 Mary Rigg Neighborhood Center
 Messiah Missionary Baptist Church
 Metro Ministries (2)
 Metropolitan School District of Perry Township
 Metropolitan School District of Pike Township
 Metropolitan School District of
 Washington Township
 Mission Indy
 Montessori Educational Charity
 Muscular Dystrophy Association
 National Junior Tennis League of Indianapolis
 National Society of Hispanic MBAs
 New Covenant Church & Ministries
 New Light Christian Church
 Noble of Indiana
 Northside New Era Community Outreach
 Nu Corinthian Baptist Church
 Oasis Christian Community Development Corp.
 100 Black Men of Indianapolis
 Pathway to the Future Learning Center
 Peace Learning Center
 People's Burn Foundation
 Philharmonic Orchestra of Indianapolis
 Phillips Temple CME Church
 Project SEED
 Promise Land Christian Community Church
 Purdue University
 Redeemer Hospitality Mission
 Ruth Lilly Center for Health Education
 St. Florian Center
 St. John's Community Care Services
 Salvation Army (2)
 Save the Youth Program
 Say Yes
 Scott United Methodist Church
 Second Baptist Church
 Senior Connects Corp. (dba Net Literacy Corp.)
 Shepherd Community
 Social Health Association of Indiana
 Southeast Community Services
 Speedway Baptist Church
 Speedway United Methodist Church
 Transitional Assistance Services
 University of Notre Dame
 Urban Arts Consortium of Indianapolis
 VSA Arts of Indiana
 Visions Ministries
 Vista Care Hospice Foundation
 Westminster Neighborhood Ministries
 Witherspoon Performing Arts Center

YMCA of Indianapolis (10)
 Young Audiences of Indiana
 Youth Job Preparedness Program
 Zion Hill Missionary Baptist Church

Summer Youth Program Fund

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

(24 competitive grants ranging from \$2,058 to \$25,000) 400,000

Butler University
 East 10th United Methodist Children and Youth Center
 Ebenezer Missionary Baptist Church
 Fay Biccard Glick Neighborhood Center at Crooked Creek
 Flanner House
 Forest Manor Multi-Service Center
 Good News Mission
 Happy Hollow Children's Camp
 Hawthorne Social Service Association
 Indiana State Museum Foundation
 Indianapolis-Marion County Public Library Foundation
 Indianapolis Parks Foundation
 Jameson Camp
 Keep Indianapolis Beautiful
 Life Line Community Center
 Mary Rigg Neighborhood Center
 New Covenant Church & Ministries
 Redeemer Hospitality Mission
 Save the Youth Program
 Shepherd Community
 Speedway Baptist Church
 VSA Arts of Indiana
 Young Audiences of Indiana
 Zion Hill Missionary Baptist Church

Subtotal
Education Division Grants 75,803,365

Subtotal
Youth Programming Grants 14,815,967
Education Division Discretionary Grants 114,400

Total
Education Division and Youth Programming Grants 90,733,732

Religion Division and Philanthropic Leadership Education Grants

Dollar amount approved in 2008

Alban Institute

Herndon, VA

Continuation of Transition-into-Ministry dissemination project	158,700
Strategic partnering with Indianapolis Center for Congregations	2,498,757

Association of Theological Schools

Pittsburgh, PA

Leadership Education for Theological Educators project	4,033,000
Continued support for meetings among leaders of agencies that support theological education	50,000
Theological-school faculty research grants program	1,993,950

Catholic University of America

Washington, DC

Study of young adult participation in religious programs	449,609
--	---------

Church Federation of Greater Indianapolis

Indianapolis, IN

Benevolence Fund and Congregational Mentoring Program	150,000
---	---------

Cooperative Baptist Fellowship

Atlanta, GA

Calling a new generation of leaders project	1,000,000
---	-----------

Council of Independent Colleges

Washington, DC

National conference to extend the goals of the Endowment's Program for Theological Exploration of Vocation at colleges and universities	441,961
Planning a national conference for colleges and universities to continue and expand efforts to engage students in theological exploration of vocation activities	34,500

Educational Broadcasting Corp.

New York, NY

Support for the 12th season of <i>Religion & Ethics NewsWeekly</i>	6,250,000
--	-----------

Emory University

Atlanta, GA

Continuing support for doctoral program in practical theology and religious practices	4,555,000
---	-----------

Fund for Theological Education

Atlanta, GA

Continued support for the Calling Congregations Initiative	6,354,450
--	-----------

George Fox University

Newberg, OR

Continuation of congregational decision-making project	159,800
--	---------

In Trust

Wilmington, DE

General operating support	250,000
---------------------------	---------

Indiana Leadership Prayer Breakfast

Indianapolis, IN

Archival history project	15,000
--------------------------	--------

Indianapolis Center for Congregations

Indianapolis, IN

General operating support	9,587,525
---------------------------	-----------

Indianapolis Symphonic Choir

Indianapolis, IN

Sacred Masterworks Series VI: The Spirit's Voice	256,930
--	---------

Interdenominational Theological Center

Atlanta, GA

Study of youth ministry leaders in African American congregations	591,107
---	---------

Louisville Presbyterian Theological Seminary

Louisville, KY

Continuing support for the Louisville Institute project	8,000,000
---	-----------

Luther Seminary

St. Paul, MN

Learning Ministry Project	1,165,026
The Christian's Calling in the World project	1,499,750

Macalester College

St. Paul, MN

Theological portraits of vibrant college chaplaincies	286,107
---	---------

National Black Catholic Congress*Baltimore, MD*

General operating support 300,000

Partners for Sacred Places*Philadelphia, PA*Continuing support for New Dollars/
New Partners program for congregations 800,000**Princeton Theological Seminary***Princeton, NJ*

Support for the Connections Project 666,687

Religion Communicators Council*New York, NY*Support for Religion Communication
Congress 2010 200,000**St. John's Abbey***Collegeville, MN*Continuation of the Ecclesial
Literature Project 1,561,452**St. Matthews Baptist Church***Louisville, KY*

Academy of Preachers project 395,000

Search Institute*Minneapolis, MN*Building capacity for communicating
research to religious practitioners 750,000**Seminary Consortium for Urban
Pastoral Education***Chicago, IL*Support for programs of theological
study for African American pastors 750,000**Union Theological Seminary
& Presbyterian School of Christian
Education***Richmond, VA*Continuing support of "Resourcing-
Christianity" and Web site consultations 1,494,344**University of Virginia***Charlottesville, VA*

Continuation of Project on Lived Theology 2,113,551

Wabash College*Crawfordsville, IN*Continuing support for Wabash Center
for Teaching and Learning in Theology
and Religion 8,149,856**Clergy Renewal Program for
Indiana Congregations**Program to strengthen Indiana congregations
by supporting renewal and reflection
periods for pastors

(22 grants ranging from \$31,100 to \$45,000) 932,733

Central Christian Church (Disciples of Christ),
IndianapolisChrist Church (United Church of Christ [UCC]),
Evansville

Church of the Nativity (Episcopal), Indianapolis

Cornerstone of Hope Church (nondenominational),
IndianapolisDowney Avenue Christian Church (Disciples of Christ),
IndianapolisEnglewood Christian Church (Christian
Churches/Churches of Christ), IndianapolisFirst Baptist Church (American Baptist Churches/USA),
Terre Haute

First Christian Church (Disciples of Christ), Kokomo

First Congregational Church (UCC), Indianapolis

Good Shepherd United Methodist Church, Fort Wayne

Kern Road Chapel (Mennonite), South Bend

King of Glory Lutheran Church (Evangelical Lutheran
Church in America), CarmelMaple Ridge Community Church (Christian and
Missionary Alliance), West LafayetteOpen Gate Praise and Deliverance Ministries
(nondenominational), ElkhartOur Lady of Greenwood Catholic Church
(Roman Catholic)

Redeemer Lutheran Church

(Lutheran Church-Missouri Synod), Fort Wayne

Reformed Presbyterian Church (Reformed Presbyterian
Church of North America), Lafayette

St. Joseph United Methodist Church, Fort Wayne

St. Stephen's Episcopal Church, New Harmony

Southport Christian Church (Disciples of Christ),
Indianapolis

Speedway United Methodist Church

Union Christian Church (Independent Christian),
Terre Haute**National Clergy Renewal Grants Program**Program to strengthen congregations by
supporting renewal and reflection periods
for pastors

(133 grants ranging from \$19,415 to \$45,000) 5,556,392

Alleluia! Lutheran Church (Evangelical Lutheran Church
in America [ELCA]), Naperville, Ill.

All Saints Episcopal Church (ELCA), Appleton, Wis.

Asbury United Methodist Church, Birmingham, Ala.

Barre (Vt.) Congregational Church
(United Church of Christ [UCC])

Bemidji (Minn.) Evangelical Covenant Church

Bethany Church (UCC), Randolph, Vt.
 Bethany United Church of Christ, Seattle
 Bethel Christian Reformed Church
 (Christian Reformed Church in North America),
 Shiprock, N.M.
 Bethlehem Baptist Church (Baptist General Conference
 [BGC]), Minneapolis
 Bethlehem Lutheran Church (ELCA),
 Grand Marais, Minn.
 Bethlehem Lutheran Church (ELCA), St. Cloud, Minn.
 Bloomington (Ill.) Alliance Church
 (Christian and Missionary Alliance)
 Broadmoor Community Church (UCC),
 Colorado Springs, Colo.
 Carlisle (Pa.) Brethren in Christ Church
 Cathedral of Praise Community Church
 (American Baptist Churches/USA
 [ABC/USA]), Philadelphia
 Central Presbyterian Church (Presbyterian Church USA
 [PCUSA]), Atlanta
 Christ Church (Episcopal), Austin, Minn.
 Christ Church Cathedral (Episcopal), Hartford, Conn.
 Christ Church Episcopal, Sheffield, Mass.
 Christ Episcopal Church, Ponte Vedra Beach, Fla.
 Christ Presbyterian Church (PCUSA), Edina, Minn.
 Church at Severn Run (Southern Baptist Convention
 [SBC]), Severn, Md.
 Church of Pax Christi (Catholic), Eden Prairie, Minn.
 Church of Reconciliation (Episcopal), San Antonio
 Church of St. Mary the Virgin (Episcopal), New York
 Church of the Ascension (Episcopal), Denver
 Church of the Good Shepherd (UCC), Boyertown, Pa.
 Church of the Holy Spirit (Episcopal), Wayland, Mass.
 Church of the Palms (UCC), Sun City, Ariz.
 Church of the Transfiguration (Episcopal), Derry, N.H.
 Cross+Road Lutheran Church (ELCA), Orange Park, Fla.
 Deering (N.H.) Community Church (UCC)
 Dennis (Mass.) Union Church (UCC)
 Edgewood Community Church (Evangelical Free
 Church), Waupun, Wis.
 Emmanuel Lutheran Church (ELCA), Walla Walla, Wash.
 Fairfax (Va.) Presbyterian Church (PCUSA)
 Fairlington Presbyterian Church (PCUSA),
 Alexandria, Va.
 Feast of Victory Lutheran Church (ELCA), Acme, Mich.
 Findlay (Ohio) Evangelical Presbyterian Church
 First Baptist Church (SBC), Beaverton, Ore.
 First Baptist Church (SBC), Effingham, Ill.
 First Baptist Church (Christian Baptist Fellowship
 [CBF]), Goldsboro, N.C.
 First Baptist Church (ABC/USA), Moorestown, N.J.
 First Baptist Church (CBF/SBC), Radford, Va.
 First Baptist Church (CBF), Savannah, Ga.
 First Christian Church (Disciples of Christ),
 Coralville, Iowa

First Christian Church (nondenominational), Decatur, Ill.
 First Christian Reformed Church
 (Christian Reformed Church in North America),
 Pella, Iowa
 First Community Church (interdenominational),
 Columbus, Ohio
 First Congregational Church (UCC), St. Louis
 First Congregational Church and Society (UCC),
 Windsor, Vt.
 First Congregational United Church of Christ,
 Eugene, Ore.
 First Lutheran Church (ELCA), Sioux Falls, S.D.
 First Plymouth Congregational Church (UCC),
 Englewood, Colo.
 First Presbyterian Church (PCUSA), Burlington, N.C.
 First Presbyterian Church (PCUSA), Conklin, N.Y.
 First Presbyterian Church (PCUSA),
 Farmington Hills, Mich.
 First Presbyterian Church (PCUSA), Jackson, Mich.
 First Presbyterian Church (PCUSA), Jacksonville, Fla.
 First Presbyterian Church (PCUSA), Philipsburg, Pa.
 First Presbyterian Church (PCUSA), Spring Lake, Mich.
 First United Methodist Church, Mason, Mich.
 Florence Church of the Brethren (Mennonite),
 Constantine, Mich.
 Grant Chapel African Methodist Episcopal Church,
 Trenton, N.J.
 Greater Mount Nebo AME Church (African Methodist
 Episcopal), Bowie, Md.
 Green Street United Methodist Church,
 Winston-Salem, N.C.
 Harrisburg (N.C.) United Methodist Church
 Hennepin Avenue United Methodist Church,
 Minneapolis
 Hopwood Memorial Christian Church (Christian
 Churches/Churches of Christ), Milligan College, Tenn.
 House of Hope Presbyterian Church (PCUSA),
 St. Paul, Minn.
 Korean Presbyterian Church (PCUSA), Orlando, Fla.
 Lake View Presbyterian Church (PCUSA), Chicago
 Lawron Presbyterian Church (PCUSA), Bovey, Minn.
 Lord of Life Lutheran Church (ELCA), Kenosha, Wis.
 Lutheran Church of the Good Shepherd (ELCA),
 Duluth, Minn.
 Lutheran Church of the Nativity (ELCA), Arden, N.C.
 Lutheran Church of the Nativity (ELCA),
 North Conway, N.H.
 Macalester Plymouth United Church (PCUSA/UCC),
 St. Paul, Minn.
 Maple Valley (Wash.) Presbyterian Church (PCUSA)
 Military Street Baptist Church (ABC/USA),
 Houlton, Maine
 Northside Baptist Church (CBF and SBC), Clinton, Miss.
 Olivet Lutheran Church (ELCA), Fargo, N.D.
 Our Savior Lutheran Church (ELCA), Hanover, N.H.
 Our Savior's Lutheran Church (ELCA),
 Circle Pines, Minn.

Palms Presbyterian Church (PCUSA), Jacksonville Beach, Fla.
 Parish of Christ Church (Episcopal), Andover, Mass.
 Park Road Baptist Church (Alliance of Baptists), Charlotte, N.C.
 Plymouth Congregational Church (UCC), Minneapolis
 Plymouth Congregational Church (UCC), Seattle
 Plymouth Congregational United Church of Christ, Louisville, Ky.
 Presbyterian Church (PCUSA), Chestertown, Md.
 Queen Anne Presbyterian Church (PCUSA), Seattle
 Ravensworth Baptist Church (ABC/USA), Annandale, Va.
 Reformation Evangelical Lutheran Church (ELCA), Chicago
 Rincon Mountain Presbyterian Church (Presbyterian Church in America), Tucson, Ariz.
 Romeo (Mich.) United Methodist Church
 St. Andrew Evangelical Lutheran Church (ELCA), West Chicago, Ill.
 St. Andrew's On-the-Sound (Episcopal), Wilmington, N.C.
 St. Brendan Roman Catholic Church, Youngstown, Ohio
 St. Catherine Greek Orthodox Church, Greenwood Village, Colo.
 St. Elizabeth's Episcopal Church, Whiterocks, Utah
 St. Francis of Assisi Catholic Church, Cartersville, Ga.
 St. Francis of Assisi Catholic Church, Raleigh, N.C.
 St. Gregory's Episcopal Church, Deerfield, Ill.
 St. John's Episcopal and Trinity Lutheran Church (Episcopal and ELCA), Sutton, Mass.
 St. John's Evangelical Lutheran Church (ELCA), Baltimore, Md.
 St. John's Westminster Union Church (PCUSA/UCC), Cincinnati
 St. Luke's Episcopal Church, Trenton, N.J.
 St. Mark's Lutheran Church (ELCA), Madison, Wis.
 St. Matthew's Cathedral (Episcopal), Laramie, Wyo.
 St. Paul's Episcopal Church, Franklin, Tenn.
 St. Paul's Episcopal Church, Georgetown, Del.
 St. Paul's United Methodist Church, Albuquerque, N.M.
 St. Peter's Episcopal Church, Arlington, Va.
 St. Peter's Episcopal Church, Bettendorf, Iowa
 St. Peter's Episcopal Church, Oxford, Miss.
 St. Peter's United Methodist Church, Ocean City, N.J.
 St. Simon the Cyrenian Episcopal Church, New Rochelle, N.Y.
 St. Stephen's Episcopal Church, Boston
 St. Thomas' Episcopal Church, Hamilton, N.Y.
 Second Congregational Church (UCC), Rockford, Ill.
 Shawnee Park Christian Reformed Church (Christian Reformed Church in North America), Grand Rapids, Mich.
 Shiloh Baptist Church (Missionary Baptist), Henderson, N.C.
 SouthPointe Christian Church (Disciples of Christ), Lincoln, Neb.
 Trinity Baptist Church (BGC), New York

Trinity Lutheran Church (ELCA), Battle Creek, Mich.
 Trinity Lutheran Congregation (ELCA), Minneapolis
 Umstead Park United Church of Christ, Raleigh, N.C.
 Vestry of St. Michael's (Md.) Parish (Episcopal)
 Wayzata (Minn.) Community Church (UCC)
 West Houston Chinese Church (nondenominational), Houston
 White Bear Lake (Minn.) United Methodist Church
 Wildwood Presbyterian Church (PCUSA), Grayslake, Ill.

Initiative to Address Economic Challenges Facing Indiana Pastors

Program to enable regional denominational judicatories serving Indiana congregations to address economic challenges faced by pastors

(16 grants ranging from \$225,000 to \$3,900,000) 10,791,420

Indiana Annual Conference of the African Methodist Episcopal Church
 Indiana Area Foundation of the United Methodist Church
 Indiana Baptist Convention
 Indiana Central District of the Wesleyan Church
 Indiana Church of God State Office
 Indiana Ministries of the Church of God
 Indiana-Kentucky Synod Evangelical Lutheran Church in America
 Indiana Yearly Meeting of the Religious Society of Friends
 Lutheran Church-Missouri Synod
 Missionary Church, Central District
 Missionary Church, North Central District
 Northern Indiana District Church of the Brethren
 Presbytery of Ohio Valley
 Southwest Indiana District Church of the Nazarene
 Synod of Lincoln Trails
 Western Yearly Meeting of Friends

Sustaining Pastoral Excellence Renewal Grants Program

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

(17 grants ranging from \$200,000 to \$1,000,000) 10,749,111

Akron (Ohio) Area Association of Churches
 American Baptist College, Nashville, Tenn.
 Christian Church (Disciples of Christ), Lincoln, Neb.
 Columbia Theological Seminary, Decatur, Ga.
 Covenant Theological Seminary, St. Louis

Emmanuel Gospel Center, Boston
 Evangelical Covenant Church, Chicago
 Loyola University of Chicago
 Nebraska Conference of the United Church of Christ,
 Lincoln, Neb.
 Oblate School of Theology, San Antonio
 Reformed Church in America, New York
 St. Francis Retreat Center, DeWitt, Mich.
 Samaritan Counseling Center, Albuquerque, N.M.
 TMF Institute for Clergy and Congregational Excellence,
 Austin, Texas
 Upper Room, Nashville, Tenn.
 Wesley Theological Seminary, Washington
 Western Theological Seminary of the Reformed Church
 in America, Holland, Mich.

Transition-into-Ministry Program

Programs for selected churches and organizations to help new pastors make the transition from seminary student to pastoral leader
 (4 grants ranging from \$500,000 to \$1,089,859) 3,625,852

Hinton Rural Life Center, Hayesville, N.C.
 Massachusetts Conference of the United Church of Christ, Framingham, Mass.
 Presbyterian Church (USA), Louisville, Ky.
 Protestant Episcopal Theological Seminary, Alexandria, Va.

PHILANTHROPIC LEADERSHIP EDUCATION

Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA)
Indianapolis, IN

General operating support 250,460

Council on Foundations
Arlington, VA

2008 membership dues 55,000

Foundation Center
New York, NY

General operating support 125,000

GuideStar USA
Williamsburg, VA

General operating support 50,000
 Adapt GuideStar systems for federal regulations 25,000

Independent Sector

Washington, DC
 2008 membership dues 17,500

Indiana Grantmakers Alliance Foundation

Indianapolis, IN
 Recognition program for nonprofit organizations 10,000

National Center for Black Philanthropy

Washington, DC
 Support for a national conference on African American philanthropy 45,000

Philanthropy Roundtable

Washington, DC
 General operating support 50,000

Subtotal

Religion Division Grants 98,617,570

Subtotal

Philanthropic Leadership Education Grants 627,960
 Religion Division Discretionary Grants 39,000

Total

Religion Division and Philanthropic Leadership Education Grants 99,284,530

Grand Total—All Divisions 310,913,673

Incentive Grants for Employee Giving 5,697,686
 Total—All Grants Approved* 316,611,359

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

Adjustments for decommitments 37,200
 Adjustments for refunds 1,723,743

Net Total—Grant Approvals 314,850,416

Grant Guidelines & Procedures

Lilly Endowment receives several thousand grant requests each year, but we can fund only a small percentage of many worthwhile proposals. These guidelines, formulated over the years by our founders and the Endowment's Board of Directors, govern our grantmaking decisions.

Areas of interest

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



Community Development

Our community development grantmaking focuses primarily on enhancing the quality of life in Indianapolis and Indiana. We grant funds for human and social needs, central-city and neighborhood revitalization, low-income housing, and arts and culture in Indianapolis.

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

Education

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

We also support programs that increase access to higher education by African Americans, Native Americans and Hispanic Americans.

Religion

Our primary aim in this field is to deepen and enrich the religious lives of American Christians, principally by supporting efforts to encourage, support and educate a new generation of talented pastors and to strengthen current pastors in their capacities for excellence in ministry.

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

Youth, Philanthropic Leadership Education, and Fund-raising and Philanthropy

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

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

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

On a limited basis, we also support programs (nationally and in Indiana) to increase charitable giving among Americans. We fund efforts to create a body of reliable



knowledge about giving and fund-raising and to encourage the scholarly pursuit of the subject.

Geographic priorities

In keeping with the founders' wishes, the Endowment gives priority to efforts that improve the quality of life in Indianapolis and Indiana.

This priority applies to grants for community development and elementary/secondary education (exceptions include occasional funding for national programs that complement or relate to our work in Indiana).

The Endowment's interest in higher education extends to Indiana colleges and universities and nationwide to historically black colleges, Native American colleges and programs to increase access to college by Hispanic Americans. Grants to institutions of higher learning outside Indiana generally are restricted to programs offered by the Endowment on an invitational basis.

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

Limitations

The Endowment generally does not support the following:

- ☛ Loans or cash grants to private individuals.

Most grant money is awarded to charitable entities.

We do not assist individuals with personal or business-related finances.

- ☛ Requests to discharge preexisting debts of individuals or organizations.

- ☛ Health-care projects.

☛ Mass media projects. The Endowment does not typically fund mass media projects and limits consideration to projects that fall squarely within our specific program areas.

☛ Endowments or endowed chairs. The Endowment targets its grants for specific purposes. Except in unusual cases involving long-standing grantees or special initiatives, we do not contribute to endowments or endowed chairs.

☛ Libraries. Except for special initiatives, the Endowment regularly declines grants to public libraries outside Marion County, Ind. Library grants to universities generally are confined to the state of Indiana and to invitees under certain Endowment grant initiatives.

- ☛ Outside Indianapolis. Requests usually are



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

Application process

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

Approval process

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

Please direct correspondence to:

Program Office
Lilly Endowment Inc.
2801 N. Meridian St.
Post Office Box 88068
Indianapolis, IN 46208-0068



Telephone 317 | 924-5471
Fax 317 | 926-4431
Web site: lillyendowment.org



Acknowledgments

Design & Production

David Stahl | Intrinsic Choice

Photography

Chris Minnick

Page 12, photo courtesy of Woodrow Wilson Foundation

Page 20, photo courtesy of Cook Pharmica

Printing

Mossberg & Company Inc.

Writing

Holly G. Miller

Alicia Dean Carlson

Editing

Jean B. Rose

Contributing Editor

Gordon Englehart

Copy Editor

To the rescue: Youngster at Good News Mission in Indianapolis rushes to save her friend from drowning in a sea of colored balls. The girls obviously enjoy their new playground equipment provided through a Summer Youth Program capital grant. Lilly Endowment and 12 other area funders contributed \$2.2 million in 2008 to support summer programs in Marion County. Through these programs, thousands of Indianapolis youth learn new skills, keep up with academics, make new friends, take field trips, and enjoy the summertime.



Please direct
correspondence to:

Program Office
Lilly Endowment Inc.
2801 N. Meridian St.
P.O. Box 88068
Indianapolis, IN 46208-0068
Telephone 317 | 924-5471
Fax 317 | 926-4431
Web site: lillyendowment.org