

**Rochester Area Foundation - News & Publications****Quote of the Moment...**

A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty

~Sir Winston Churchill ~

**Foundation for future 'First Steps' funding drive a worthy charity**

Sat, Aug 20, 2005

The Rochester Area Foundation wants to build a \$4 million bank roll to fund early childhood education programs for Rochester area families. It's called "First Steps." It will take a bundle of money, and nearly all of it needs to come from local donations. It's to be expected that before people make a donation to an organization they want to know whether the people in charge know what they are doing. The Rochester Area Foundation does indeed know how to manage money.

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First off, think of the RAF as the community's charitable savings account. In its most basic description, the foundation will manage people's financial gifts today and into the future. In total, the foundation has \$22 million in assets, or \$32.7 million if its successful "First Homes" program is included. First Homes helps working families buy homes.

The foundation invests donated dollars and uses the income to fund its operation and provide grants to community programs such as recreation efforts and food banks. Last year the foundation invested, again, excluding First Homes, just under \$1 million, with \$273,000 spent to run the in-house operation.

According to Steve Thornton, the foundation's executive director, an outside firm evaluated the performance of the foundation's investments and found that the foundation outperformed the median of all community foundations across the country. The national figure was a 10.8 percent return on investment with Rochester coming in at 12.4 percent. The foundation manages money conservatively. "We have an obligation to preserve the principal," said Thornton.

The foundation has built its record over 60 years. It began in 1944 and it took 40 years to gain a \$1 million asset base. By 1990 it had \$3 million. The next 15 years went well. Generous gifts, wise investments. This fall the foundation will be asking the community to invest in early childhood education. There can hardly be a more worthy cause.

Whatever level the donation, people can feel comfortable that the Rochester Area Foundation will be prudent managers of the money.

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