



Lilly Endowment Annual Report **2017**



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About Lilly Endowment

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

The gifts of stock remain a financial bedrock of the Endowment. The Endowment, however, is a separate entity from the company, with a distinct governing board, staff and location.

In keeping with the founders' wishes, the Endowment supports the causes of community development, education and religion. The Endowment affords special emphasis to projects that benefit young people and that strengthen financial self-sufficiency in the charitable sector.

The Endowment funds programs throughout the United States, especially in the field of religion. A key priority of its founders, however, was to help the people of their city and state build better lives. Accordingly, the Endowment maintains a special commitment to its hometown, Indianapolis, and home state, Indiana.

Toward a Meaningful Future



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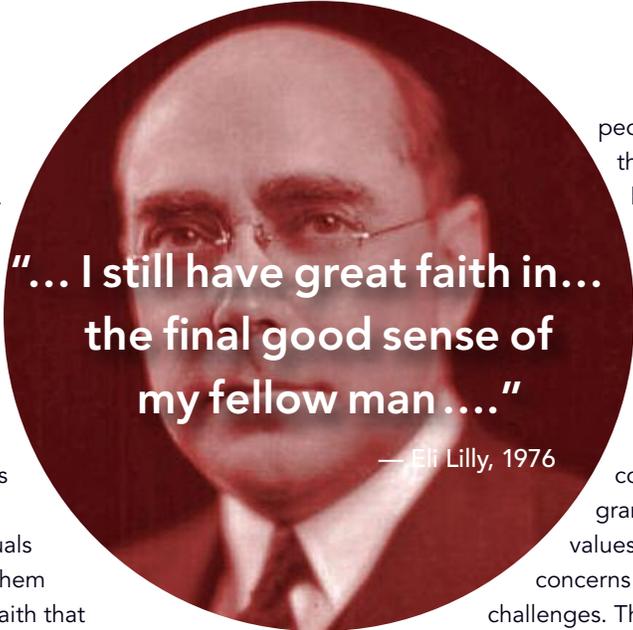
In Spite of the Difficulties

When they founded Lilly Endowment 80 years ago, J.K. Lilly Sr. and his sons, Eli and J.K. Jr., established three primary causes for the Endowment to pursue: religion, education and community development. By advancing these causes, individually and together, the Endowment furthers our founders' belief that philanthropy should help individuals live lives of meaning by helping them develop self-reliance and a vital faith that encourages them to care about and serve others and their communities.

In the Endowment's 1957 annual report, our founders noted: "What is the most valuable thing a student can gain from his education? Our answer is a vital faith, a framework of fundamental belief, that gives meaning to life – good and evil, joy and suffering, death, history, God – a faith that will stand the test of time." They state in its 25-year annual report in 1962 that its emphasis on education "necessarily derives from a belief that philanthropy should encourage self-help and independence."

Our founders also believed that living a life of meaning involved caring for and serving others. Eli Lilly wrote in a 1947 newsletter to Eli Lilly and Company employees: "Owing everything we are to past and present generations, each of us certainly must be willing to discharge this great debt by giving unstinted help to others."

In his 1976 message to Lilly shareholders, Eli Lilly wrote: "The future, for both business and other parts of our society as well, seems less predictable than ever before. Indeed, America seems to have lost faith in its own most basic institutions. Religion no longer holds a central place in



"... I still have great faith in...
the final good sense of
my fellow man"

— Eli Lilly, 1976

people's lives. The universities, once the conduit for our cultural heritage, have now largely declined into mere training of specialists for career roles The result is that today people have few firm or easy answers and must, in a sense, generate their own values out of the chaos around them."

The Endowment remains committed to ensuring that our grantmaking furthers our founders' values and beliefs and addresses their concerns about individual and societal challenges. These values, beliefs and concerns may become even more relevant and important in the future as people search for meaning in the complex, ever-evolving contexts in which they undoubtedly will live. The stories in this annual report reflect that commitment.

The Endowment supports in many ways efforts of a variety of organizations to prepare youth to lead meaningful lives as engaged and thoughtful citizens and contributors to society. Although we affirm Eli Lilly's belief that a university should do more than train someone for a career and have provided substantial support toward the broader purposes of a college education, it seems increasingly clear to us that the fast-moving and disruptive changes currently affecting employment in the global economy will likely intensify in the future. We, therefore, are more and more concerned about whether young people are obtaining the guidance and assistance they need to identify and prepare for future rewarding careers, which will be critical to their ability to flourish and be self-reliant adults. This report includes stories that highlight several Endowment-funded education programs that address these challenges.

One story explores the work of Junior Achievement of Central Indiana, Employ Indy and Conexus to help middle and high school students learn about and begin preparing for potential careers that fit their interests and talents. It also describes the strategic efforts of the Ascend Indiana

initiative, which helps identify the workforce needs of central Indiana businesses and assists interns and job seekers in filling those needs.

The Endowment's Comprehensive Counseling Initiative for Indiana's K-12 Students is the subject of another story. It is designed to help improve Indiana schools' efforts to address the social and emotional, academic, college and career counseling needs of the state's K-12 students. In 2017, the Endowment received 254 applications for implementation grants from Indiana school corporations and charter schools, and it approved \$26.4 million in implementation grants for 57 applicants under this competitive initiative. Because the first round was highly competitive and the need is so great, the Endowment offered a second round of implementation grants totaling up to \$10 million, which will be adjudicated in 2018.

A third education story details efforts of Purdue University, the University of Indianapolis and Hanover College funded under Round III of the Endowment's Initiative to Promote Opportunities Through Educational Collaborations. Since the first round of the initiative began in 2003, the Endowment has provided more than \$122 million to Indiana's 39 colleges and universities to enhance the overall educational experiences of their students by helping them better identify and prepare for meaningful, self-sustaining careers, especially in Indiana.

To help individuals develop a "vital faith," the Endowment launched its Initiative to Strengthen the Quality of Preaching. A 2017 Gallup poll indicates that worshippers place a high value on sermons that help them make a connection between their faith and daily lives. A story in this report highlights the programs of a few of the 18 theological schools around the country that have received funding.

A second religion story describes Endowment-funded efforts to explore the role of religion in the African American experience through exhibits in the new International African American Museum to be built at Gadsen's Wharf in Charleston, S.C., where nearly half of all enslaved Africans brought to America entered the country. The grant furthers the Endowment's aim to help improve public understanding of how religion shapes American life.

To help individuals facing compelling challenges become as self-reliant as possible, in 2017 the Endowment approved \$80 million in sustainability grants to 10 human services agencies that serve persons with disabilities and the most vulnerable children in central Indiana. These community

development grants largely will be used to establish or grow endowments to help ensure the long-term viability of the organizations, which are critical to the future life prospects of the individuals and families they serve. The sustainability efforts of two agencies, The Villages and Easterseals Crossroads, are featured in this report.

A second community development story describes the Indianapolis-Marion County Public Library's new Center for Black Literature and Culture, which opened with Endowment support in 2017. The Center will display and highlight the rich literature, culture and history of African Americans for all to see.

After expressing his concerns in his 1976 message to Lilly shareholders, Eli Lilly nonetheless went on to say: "Today, in spite of the difficulties, I still have great faith in ... the final good sense of my fellow man"

We share his optimism for the future because of the passion, creativity, good faith and perseverance of the many people who work for the organizations the Endowment is privileged to support. They work tirelessly on behalf of those they serve, and they inspire us to redouble our efforts to further the causes our founders set forth for the Endowment to pursue.

I N C L O S I N G, it is important to note that two long-tenured Endowment employees retired in 2017: David Biber and Susie DeHart. David was the first employee to serve the Endowment for more than 40 years. During a nearly 42-year career, he served as controller, treasurer, corporate secretary and director of youth programming. For nearly 33 years, Susie DeHart served in the Endowment's education division, retiring as a program director for K-12 education and youth programming. We are most grateful for their faithful service.



N. Clay Robbins
Chairman, President & Chief Executive Officer



Investing in the Future

Judy Offutt credits former Indianapolis Colts' head coach Tony Dungy with her decision to become a foster mom 12 years ago. Dungy, a foster dad himself, had filmed a public service announcement on behalf of The Villages of Indiana, a child and family services agency based in Indianapolis. The message barely registered the first time Offutt saw it on TV, but when she caught it a second and third time, she considered it a nudge, not a coincidence. Offutt jotted down the website address and within a week was reviewing a packet

The Villages of Indiana and Easterseals Crossroads are among 10 central Indiana agencies that received grants in 2017 to help them build long-term financial sustainability.

of information that described the training and licensing requirements of foster parent candidates. "I come from a family of nine," she explains. "I love kids and always wanted to have five of my own."

Instead, Offutt has welcomed more than 200 into her home.

What began with sisters Michelle and Jeanette, soon grew to include Veronica, Jay, Kiki, Taylor ... and the list goes on and on. Some have been toddlers; most have been teenagers. Some have stayed a week, others have been with her for months, or even years. She remembers all their names and recalls the stories, often painful, that brought

them to her. "Initially, a lot of the kids don't trust anyone," says Offutt. "They don't know who is going to hurt or neglect them. They have a problem believing that you really care about them."

The need for foster parents like Offutt has become more acute in recent years because of the growing problems of addiction in Indiana, most notably the increased dependency on opioids. The number of children in the state's welfare system has doubled in the past five years. According to the Indiana Youth Institute, more than 50 percent of children removed from homes by the Department of Child Services in 2016 were removed because of parental drug or alcohol abuse. That number jumped to almost 60 percent in 2017. Whereas a child's average stay in foster care used to be nine months, it now is closer to a year. Due to these increases, more youth are "aging out" of the child welfare system and are in need of assistance as they make the transition to living independently as adults.

"This is Indiana's hurricane or tsunami; it's our natural disaster," says Sharon Pierce, president and CEO of The Villages for the past 25 years. "People tend to look for a silver bullet, but there is no single solution."

Instead, she believes a range of strategies, relationships and opportunities – many of which The Villages provides – work together to create positive results for the at-risk families the agency serves. "We're very outcome oriented," she says. "We're always looking with a microscope at what we're doing, how we're doing it, and how we can improve the services we provide."

Building financial stability

The Villages is one of 10 central Indiana human services agencies to receive Lilly Endowment grants in 2017 aimed at building sustainability. Seven of the organizations reach out to persons with disabilities, and three meet the complex needs of Indiana's most vulnerable children and youth. Several address specific issues within specific populations; others provide a range of services to a range of clients. The grants totaling \$80 million make up the third round of grants in as many years designed to strengthen the financial sustainability of organizations that play important roles in improving the quality of life for Hoosiers.

In 2016, the Endowment made grants totaling \$100 million to 15 agencies – many were community centers – that provide services to residents of low-income Indianapolis neighborhoods. In 2015, 14 arts and cultural institutions received grants totaling \$100 million to grow their endowments and take strategic steps to ensure their futures. The amount of each grant in all three rounds has varied depending on the annual operating budget and scale of impact of the agency. Whereas the bulk of the funds have been earmarked to establish or grow endowments, portions also have helped make capital improvements and upgrade technology for the purpose of increasing revenues and decreasing expenses to promote fiscal stability.

Eight of this year's grantees are partner



Judy Offutt (above) is a foster parent who has worked with The Villages of Indiana, which received a financial sustainability grant in 2017. Easterseals Crossroads, which supports persons with disabilities and their families (right), also received a financial sustainability grant.

agencies of United Way of Central Indiana. A few had existing, but inadequate, endowments, but most had no endowment. As an example, The Villages serves 11,000 children annually, employs a staff of 300, supports the work of 300 foster families and operates two childcare centers. With an annual budget of \$23 million, its endowment before receiving the 2017 grant was a modest \$153,055. While the infusion of Endowment funds – the largest gift in the agency’s history – does not eliminate or even reduce the need for private donations and public support, it will provide a buffer and ease tensions during times when income dips and needs surge.

“Many nonprofit organizations live from hand to mouth,” says Pierce, crediting sister agencies with the determination to “stretch every dollar” as they deal with employee turnover, cuts in government funding and a limited pool of volunteers. The Villages’ governing board will direct \$8 million of the Endowment’s grant to the organization’s permanent endowment and use the remaining \$2 million to expand programming, support the recruitment of foster families and enhance staff development, training and compensation – investments that will promote future financial sustainability.



Fitting in and standing out

At The Villages’ childcare facilities in Bloomington and Indianapolis, posters that amplify the wisdom of Dr. Seuss decorate the walls. One adage – “A person is a person no matter how small” – articulates the mission of many of this year’s grantees as they serve the state’s youngest and most vulnerable residents. A second saying – “Why fit in when you were born to stand out?” – captures the challenge that some of these same agencies face in achieving visibility in a landscape populated by scores of organizations doing exemplary work.

“There are so many good causes out there,” says Patrick Sandy, president and chief executive officer of Easterseals Crossroads, a multi-purpose agency with programs serving persons of all ages who have intellectual, psychiatric or physical disabilities. “People have a lot of choices when it comes to deciding how to invest their philanthropic dollars. The situation is competitive, and there is only so much to go around.”

Easterseals Crossroads will use its \$10 million grant to establish a permanent endowment and will direct a portion of that endowment’s earnings to bolster its fundraising and marketing efforts. An ongoing aim of the organization is to correct misperceptions about disabilities and demonstrate how persons with disabilities make excellent employees. Among Easterseals Crossroads’ signature programs are those that train clients for well-paying positions in the marketplace. Examples include the digitization project undertaken by employees at Easterseals Crossroads Document Services and internship program, Project Search, which prepares high school students with disabilities for jobs in the healthcare industry.



Sharon Pierce (above) is president of The Villages of Indiana, which helps foster children and their families.

"The students report to one of our two Project Search sites in Indianapolis – one at Community Hospital North and the other at Community Hospital East," explains Sandy. "The first part of their day is dedicated to life-skills training; the rest of the time is spent immersed in specific rotations at the hospital. They might work for several weeks in the environmental services area or in the gift shop or in the transportation department. They learn a variety of skills and gain an understanding of employer expectations." The benefits of Project Search are twofold. First, 80 percent of program participants are successfully placed in fulltime jobs at the program's conclusion; second, "patients and visitors to the hospitals see that disabled persons can be active and effective members of the workforce," says Sandy.

Other Easterseals Crossroads programs support persons with autism spectrum disorder, help stroke victims learn to drive again, reach out to clients in need of outpatient medical rehabilitation, and provide comprehensive vocational evaluation. "One of the things that makes us unique is that we serve people with disabilities of all types," says Sandy, "and we've been doing it for 81 years."

Leveling the playing field

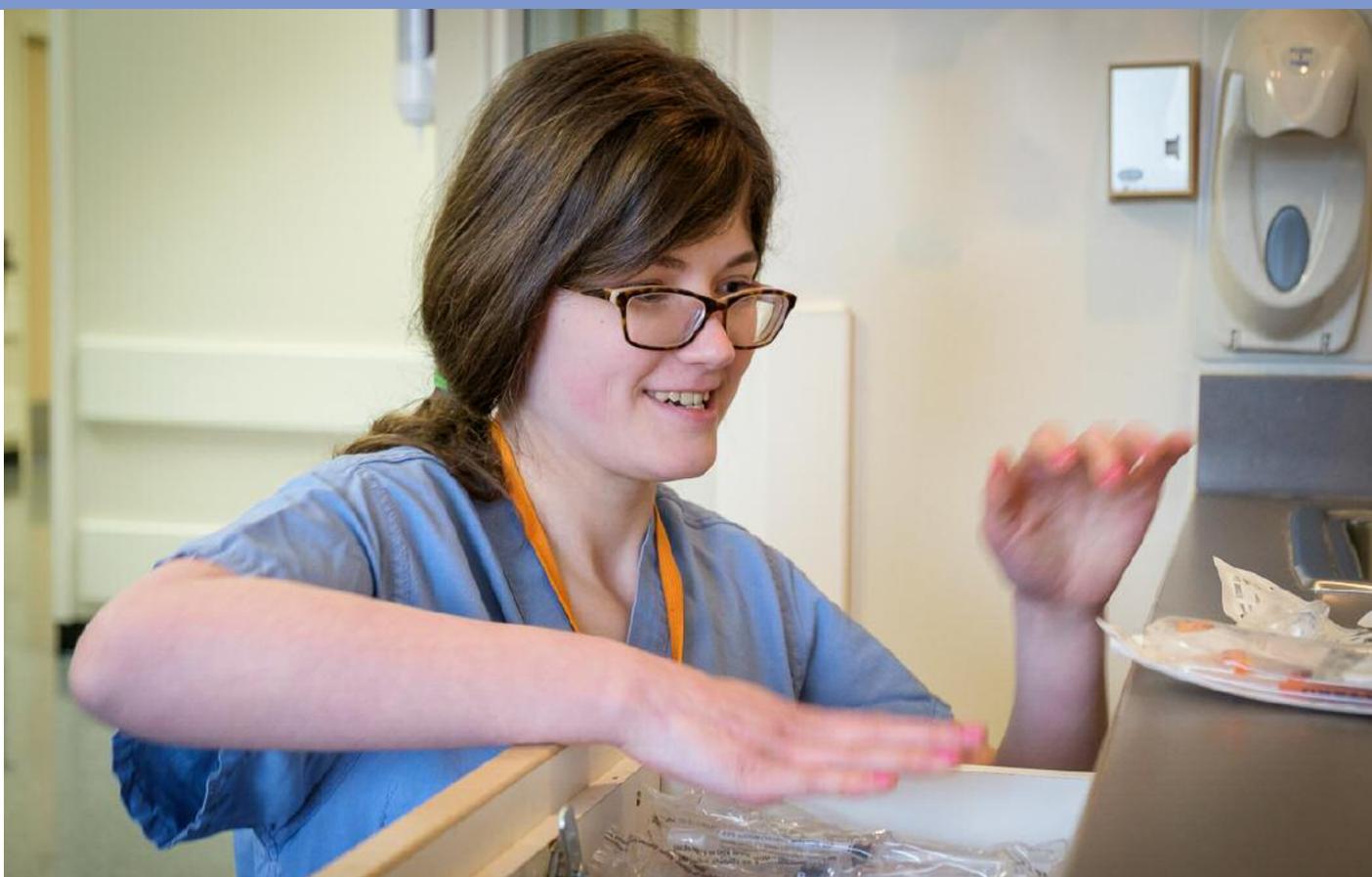
A goal shared by many of this year's grantees is to reduce barriers that hinder their clients from reaching their full

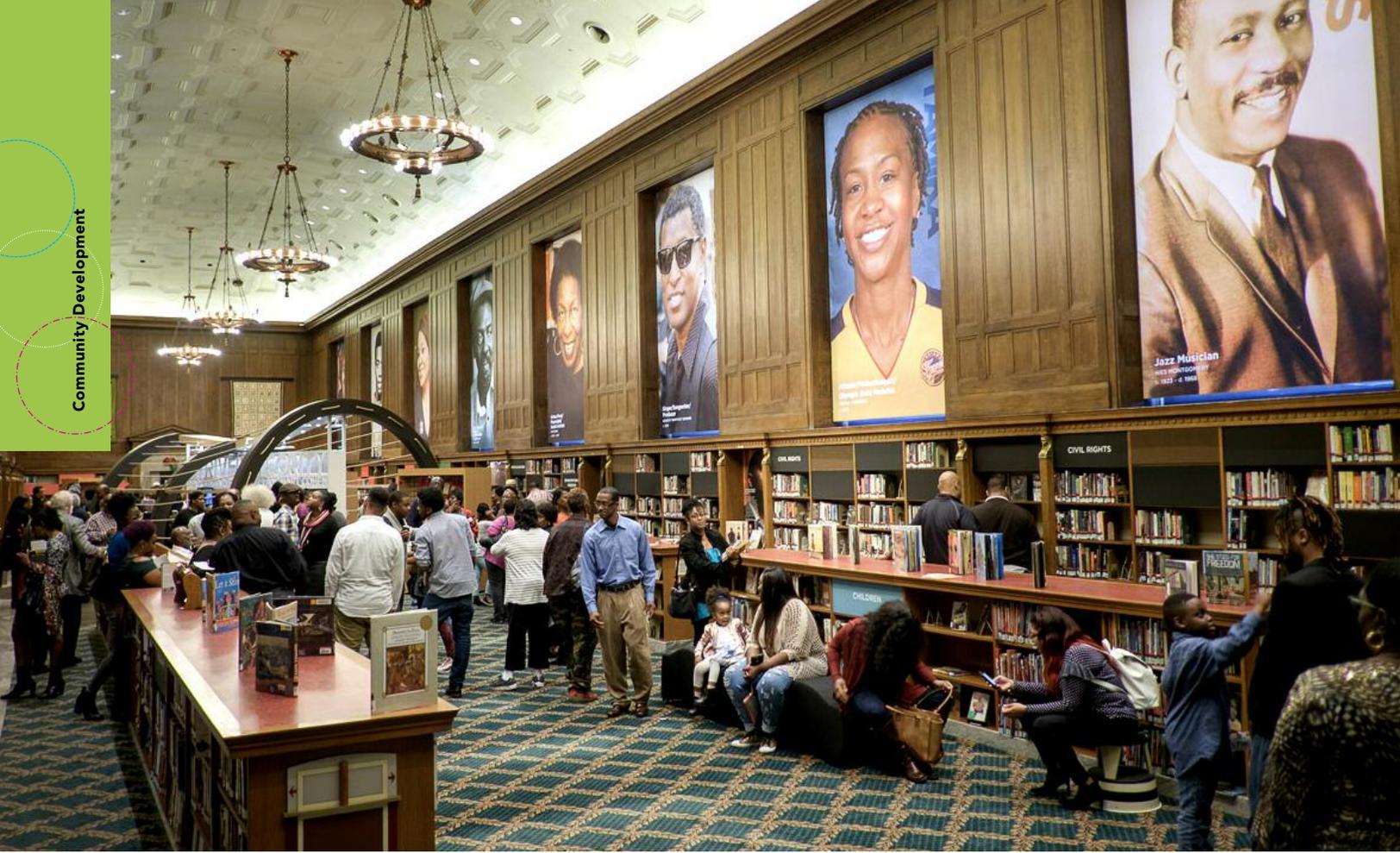
potential. At The Villages' childcare centers, educators create learning experiences designed to help preschoolers from across the socio-economic spectrum become kindergarten-ready. At Easterseals Crossroads, clients are introduced to accommodations that diminish the negative effects of their disabilities and open up a world of possibilities. "There's such a disparity between persons who have a great deal of opportunity and those who have very little," says Sharon Pierce. "We try to level the playing field."

As important as programs are, success for program participants often depends on the relationships that form within the programs between client and service provider. For that reason, The Villages has adopted "The Power of One" as its motto. It's a mantra that foster parents, such as Judy Offutt, understand and see unfold daily. Regardless of how long children are in her care, "I want to mentor them and show them that things can be better in the future than they have been in the past," she explains. "I say to them, 'See these four walls? The world out there is way bigger than these four walls in here. I'm trying to get you ready in here, for all that's out there because not everybody out there is going to care the way I care.'"



Kylee Korous works as an intern at Community North Hospital in Indianapolis as part of Project Search, an internship program of Easterseals Crossroads.





The Center for Black Literature and Culture

Reading, Writing & Relevance

As one of a handful of African American kids attending Pike Township's Lincoln Middle School in Indianapolis in the 1980s, Adrian Matejka read his favorite book, *Roots* by Alex Haley, at least a dozen times. He was more interested in sports than in writing back then – “Our track team was undefeated in ‘86,” he boasts – but he also was an avid reader who visited Central Library in downtown Indianapolis almost every weekend to borrow books.

Now poet laureate of Indiana, a professor of English at Indiana University, and a finalist for a National Book Award and Pulitzer Prize, Matejka was an early proponent of the library's plan to create the Center for Black Literature and Culture (CBLC) at its downtown facility. With the support of a \$1.4 million Lilly Endowment grant, the Center opened its doors to a standing-room-only crowd of 3,000 on October 21.

“The goal is to shine a light on the brilliant works of black icons who have influenced not only American culture but world culture as well.”

“Adrian gets a lot of credit for teaching me about the need for the Center,” says Jackie Nytes, CEO of the Indianapolis-Marion County Public Library. “I can’t forget his telling me that as a student he would hang out in our stacks looking for books by black authors. When I heard that story, I thought, ‘It shouldn’t be that hard. Our job as a library is to make it easier for people to access the information they want.’”

The Center is located in the highly visible R.B. Annis West Reading Room, a 4,000-square-foot space that has been repurposed to accommodate the library’s collection of 10,000 items related to black literature and culture. Nichelle Hayes, the special collections librarian who oversees the Center, estimates that new acquisitions – audiobooks, ebooks, DVDs, music CDs and print volumes – eventually will boost the number of materials to 40,000. To promote accessibility, the collection is “non-floating,” which means all items are permanently shelved at the Center, but are available “to travel” on request to patrons of the library’s many branches.

An invitation to explore

“One of the ideas behind the Center is to create a central resource for people so they don’t have to ‘piecemeal’ the stacks like I did,” says Matejka. “A librarian can say, ‘If you like James Baldwin, here’s something you might like by Alice Walker,’ which could lead a reader to a novel by Gloria Naylor or by Toni Morrison. The CBLC allows for that kind of discovery. It’s like the center of a wheel with spokes reaching out to all kinds of literary possibilities.”

Jackie Nytes saw this process of discovery unfold shortly after the Center’s grand opening. During a brief visit to the reading room, Nytes was approached by two school-age sisters who asked for her help. They recently had been to the Children’s Museum of Indianapolis and had seen a presentation about Ruby Bridges, one of the first African American children to attend a previously all-white Louisiana elementary school in the 1960s. They wanted to know more about the civil rights activist but weren’t sure where to look. Because the Center’s collection is arranged by subject matter – African American studies, arts and entertainment, civil rights, sports, music, young adult literature – the search proved to be easy and successful.

“We were able to find a video and a children’s book about Ruby Bridges,” says Nytes, who quickly guided the

girls to the right shelf. Nytes acknowledges that the collection’s organization may be nontraditional but it is efficient, easy to navigate and contributes to the ambiance of the room. “We wanted to give the Center a ‘bookstore feel’ that invites roaming and browsing,” she says.

A place of windows and mirrors

Decisions about the Center’s look and feel were influenced by Nichelle Hayes’ visits to several institutions including the Schomburg Center for Research in Black Culture at the New York Public Library and the Smithsonian’s National Museum of African American History and Culture in Washington, D.C. The design that emerged for the CBLC is a blend of the old and the new. Left intact are the easy chairs and fireplace on the north end, the rich paneling throughout, blocks of stained

Jan Clark (below) took part in the opening of the Center for Black Literature and Culture at Central Library in Indianapolis (opposite).



glass and the bank of nine tall windows. New to the space is an epicenter inspired by the talking drum from West Africa, larger-than-life images of African American leaders with Indiana connections, interactive displays, sculptures and tapestries.

“We want this to be a place for everyone, not just for people of color,” says Hayes. “The goal is to shine a light on the brilliant works of black icons who have influenced not only

American culture but world culture as well. So many of the accomplishments of African Americans have been hidden and not properly highlighted in history books. This center will be one step toward telling those stories.”

In articulating her hopes for the Center, Hayes describes it as a place of windows and mirrors. “We want this to be a window for people who are not of African descent and may not know about that rich culture and history,” she says. “They can learn about it and soak it up.” Simultaneously, “we also want it to have a mirror aspect for people who are of African American descent to see themselves reflected in so many different ways.”

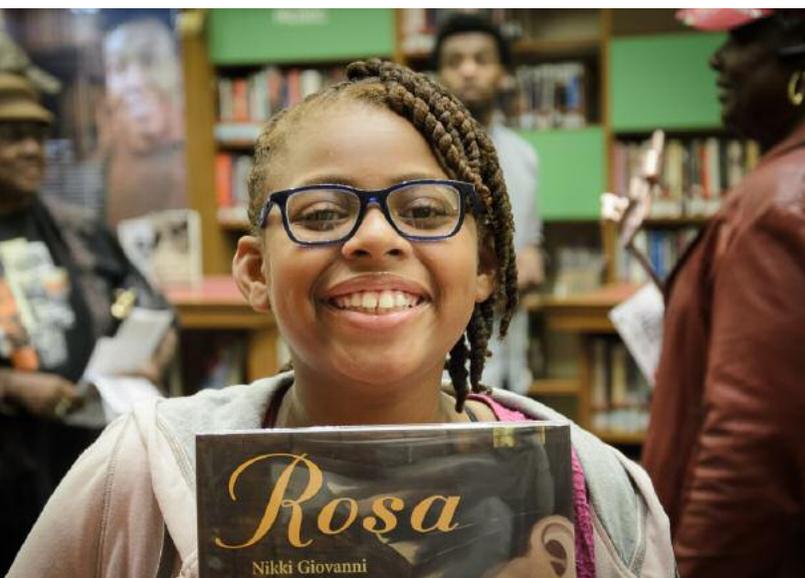
She jokes that her BHAG – “that’s my Big Hairy Audacious Goal” – is to help the Center earn the reputation as the best Center for Black Literature and Culture in the country. “I want it to be on the lips of everyone as a destination space where people gather to bring about positive action in the community.”

Waves of approval

The official opening of the Center indicated Hayes’ goal may be ambitious but it’s not audacious. Guest speaker Roland Martin issued a challenge. “You must make sure that this Center comes to life,” said the Washington, D.C., journalist. “You must make sure the stories are told. Every single one of you should make it your mission to bring one new person here every month.”

A full schedule of 2018 events is likely to result in a positive response to his challenge. Activities related to the Indiana Repertory Theatre’s production of “A Raisin in the Sun” were on the agenda as well as concerts, poetry readings, open mic sessions and book discussions. School fieldtrips now include a stopover at the Center where students participate in a scavenger hunt designed to familiarize them with the collection and its organization.

“The other way the Center is being used is in its purest form,” says Jackie Nytes. “I make a point of poking my head into the room whenever I have a few minutes. I typically see people in easy chairs, talking intensely in front of the fireplace, while other people may be sitting at the tables reading or studying. So, in a sense, it’s still that kind of place that the library provides to all of its visitors – simply a beautiful place to spend time.”



A multi-generational crowd packed Central Library in 2017 for the opening of the Center for Black Literature and Culture.

Brianna Keeton was excited when the engineering teacher at her high school handed out packets of information about the Conexus Indiana internship program in advanced manufacturing and logistics.

“This is a way to get my foot in the door at a company and see if this is what I want to do before I spend a lot of money to go to college to be ready to do it,” she said. “It’s like a trial run.”

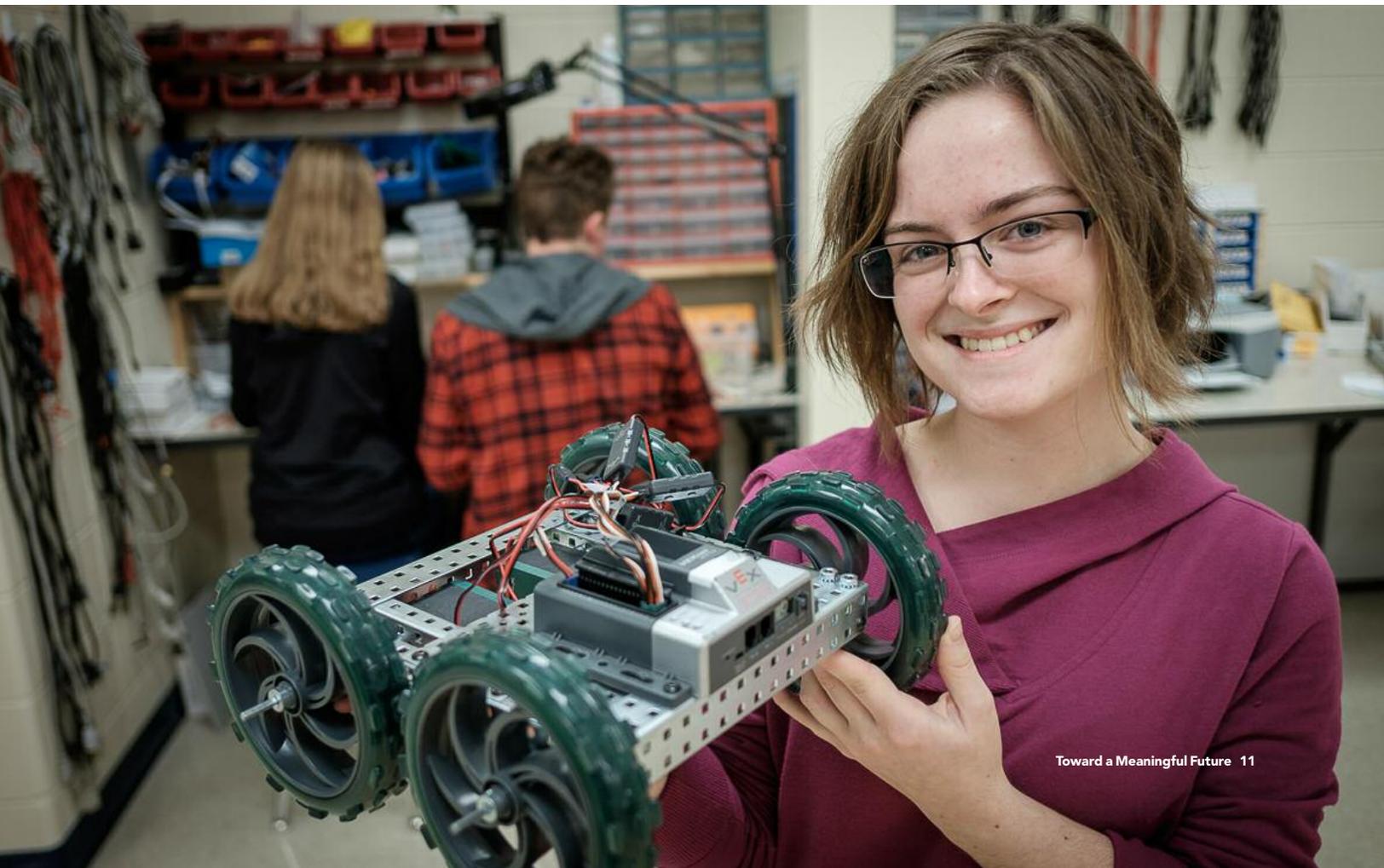
For six weeks in summer 2017, Keeton, a rising senior at Tri-West High School in Lizton, Ind., worked as a paid intern at Allison Transmission in Speedway, Ind. She got to see “the ins and outs of everywhere” – the materials lab, data analysis and more.

The materials lab – the place where engineers test products when they break to figure out why they broke – intrigued her. Ultimately, the internship cemented her decision

to attend Rose-Hulman Institute of Technology in fall 2018, with plans to major in chemical engineering and possibly double-major in chemistry. Her goal: work in a materials lab at a manufacturing plant making sure products are safe and conform to codes and regulations.

“Students are more likely to pursue a career in advanced manufacturing and logistics if they have early, hands-on exposure to work in the field,” said J. Mark Howell, president and CEO of Conexus Indiana. “We are thrilled to offer high school students across Indiana the chance to learn more about careers in advanced manufacturing and logistics while earning a paycheck for meaningful summer work.”

Cultivating and Connecting the Next Generation of Indiana’s Workforce



Conexus launched its high school internship program in 2015 as a pilot project in a couple of regions of Indiana. By 2016, more than 200 interns were participating statewide. The goal for 2018 is to have more than 300 interns working for approximately 90 companies.

Companies commit to having a high school intern for six weeks. Students are paid at least \$9 an hour and given tasks related to manufacturing or logistics. Manufacturing accounts for one in five jobs in Indiana, and 77 percent of advanced manufacturing employers in the state anticipate a moderate to severe shortage of skilled production employees in the next three to five years. The idea behind the internship program is to excite potential future employees and keep them in the state.

“They’re so excited. They come back talking and telling people, ‘I’m going to do this.’”

“We want students to understand what it might mean to work in the field for real and what they could expect out of a career in advanced manufacturing,” said Jennifer Mann, Conexus’ director of communications. “We are focused on how we can do that in a way that will truly result in their thinking seriously about this field.”

The Conexus internship initiative is one of several efforts Lilly Endowment supports to help prepare future employees for high-quality job options and provide employers with a workforce that can fulfill their needs. Endowment-supported programs reach across the age spectrum, starting with students as young as eighth grade (JA JobSpark) and continuing to high school (Conexus) and into young adulthood (Employ Indy and Ascend Indiana).

David Johnson, president and CEO of the Central Indiana Corporate Partnership (CICP), a collaboration of central Indiana’s prominent corporations, private foundations and universities to advance the region’s continued prosperity and growth, said Indiana needs talent to drive its companies’ growth. If Indiana wants to keep high-wage jobs and high-performing companies in the state, it needs to create a pipeline of talented, educated workers.

“Increasingly, companies are expecting to hire new employees who bring more of the specialized knowledge and technical skills that can make them successful early on the job,” Johnson said. “For new hires, fewer businesses today have formal or extensive in-house training programs, so young people need to approach their first jobs even more prepared to do them.”



Lilly Endowment grants are helping Conexus Indiana and Junior Achievement of Central Indiana engage high school students through internships (previous page) and middle school students through career exploration programs (below and opposite).





Sparking interest early

The Endowment recognizes the benefits of starting early with students. Grants totaling nearly \$1.3 million to Junior Achievement of Central Indiana are helping the organization engage middle school students throughout Marion County.

Launched in 2016 and continued in 2017, JA JobSpark is a career-exploration event that brings eighth graders from across Indianapolis to the Indiana State Fairgrounds in September. By visiting interactive exhibitions, students get hands-on experiences with more than 125 companies in eight fields as disparate as agriculture, healthcare and technology. Students might experience what it's like to be in a hospital operating room suite or see how food is grown and makes it to dining room tables.

Jennifer Burk, president and CEO of Junior Achievement of Central Indiana, said JA JobSpark provides a foundation for its young participants to plan high school coursework that is in line with a career path they find exciting and worthwhile. They also can build on their experience through the JA JobSpark smart phone app that was created with Endowment funding.

"When students are immersed in these experiences, they find out how they might pursue an area that interests them, what kind of education is required, what kind of experiences are useful," Burk said.

Christel House Academy brought its eighth graders to JA JobSpark in both 2016 and 2017, and Kara Moreland, the college and careers administrator for the Indianapolis charter school, describes it as "an amazing experience." The students'

typical reaction: "I didn't know I could do that" as a job.

"This gets them so involved and you can see their brains working," she said. "They're so excited. They come back talking and telling people, 'I'm going to do this.'"

Talent pipeline is critical

JA JobSpark is just the beginning of addressing Indianapolis' workforce development needs. In Jason Kloth's previous job as the city's deputy mayor for education, he learned about companies interested in expanding in Indiana. But in order to do so, they needed skilled workers. The challenge intrigued Kloth and inspired him to join CICP to help it create Ascend Indiana, an initiative that helps identify the workforce needs of businesses and helps interns and job seekers fill those jobs.

"Think of match.com for jobs," said Kloth, Ascend's president and CEO.

Through a \$5 million Endowment grant to the CICP Foundation in 2016, Ascend launched with the vision that employers will have access to the talent they need to thrive and grow their businesses, and Indiana residents will be able to pursue meaningful career paths.

The staff at Ascend:

- Meets with employers to discuss their talent needs;
- Partners with Ivy Tech and four-year institutions to identify candidates who might fill those internships or jobs;
- Serves as an intermediary between employers and higher-education institutions to build a talent pipeline when there's not a sufficient supply of existing talent available;
- Educates Indiana public-policy makers by sharing the latest research about jobs and the skills workers need to be successful in the workforce.

Since its launch, Ascend has developed relationships with 67 employers across Indiana. It has signed formal working agreements with 14 Indiana colleges and universities.

Working with those academic institutions, Ascend has connected 6,000 students with its services, engaged one-on-one with 1,500 students and entered more than 700 students seeking jobs into its job placement network.

In 2018, Ascend anticipates helping 250 students land



training, internship or job opportunities because of their involvement with that network.

“We are looking for ways to support the growth of good jobs that pay self-sustaining wages,” Kloth said. “So we need to increase the number of people who have the education and specific skills that will help them be successful in those jobs. When we achieve this, communities across Indiana will be more attractive to large life-science companies and to tech companies like Salesforce and Amazon.”

Jack Phillips, president and CEO of Roche Diagnostics North America and CICP board chair, said his company has partnered with Ascend to help stem a shortage of field engineers and personnel who support Roche’s products. Roche expects to lose a number of these employees to retirement by 2022. But business is growing, and the company needs more engineers. Also, innovation and technological advances have added to

the complexity of those jobs. So the challenge, Phillips said, is to recruit, hire, train and deploy the next generation of talented workers who can become part of a strong and dedicated Roche team to meet the needs of our customers.

To help meet this challenge, Ascend created a partnership between Roche and the University of Indianapolis to develop a software and engineering curriculum. Students will be introduced to Roche through internship programs and courses that intersect with Roche at the company’s Learning and Development Center in Indianapolis. The goal: hire 30 to 40 graduating students annually who will already know Roche, be trained to meet Roche’s needs and be willing to build their careers with the company.

Ascend also has partnered with Roche to continue to strengthen its internship program by helping the company cast a wider net to other universities.

“It would simply not be possible for us to try to do this ourselves,” Phillips said. “Ascend brings broad thinking and valuable insight and relationships that are outside of our typical way of doing things.”

Offering essential support

While companies like Roche are always looking for highly skilled workers, many businesses need hourly workers – and hourly workers often need work. That’s



Braving a New World: Preparing Students for Meaningful Work in Future Economy

Purdue University junior Amanda Long has been working for nearly a year while earning her degree, but her part-time job is not just a way to earn extra spending money. There's a higher purpose for Long, her employer, Purdue and, ultimately, for Indiana.

Three mornings each week, Long reports to work at Concordance Health Solutions, a small healthcare start-up



located within Purdue Research Park in West Lafayette, Ind. Although she is an intern, Long

is included in the daily "stand-up" meeting, where the dozen or so employees outline their goals for the day. Besides assisting with marketing presentations and a project related to Concordance's mobile app, Long spent last summer developing a sales prospect list that resulted in a meeting for Concordance executives with a potential customer in Chicago.

It has been eye-opening for Long, who came to Purdue to study in the College of Agriculture from tiny Waveland, Ind. (population 410).

"When I got to Purdue, I didn't know anything about healthcare or how complex it is," says Long. "I was not expecting to ever work for a start-up, but I am really glad I did."

Long is part of Purdue's Interns for Indiana, a signature program of the Purdue Office of Professional Practice that connects entrepreneurially minded students to Indiana start-up and second-stage companies in order to promote economic development, enhance student success and provide professional opportunities that could keep graduates in Indiana.

The program is one of several efforts underway at Purdue to transform Indiana into a magnet for high-technology jobs. Among them: strengthening business and industry, connecting companies and students, developing data resources and tools for career mapping, and enabling students to earn valuable work experience.

Purdue's effort is one example of what is happening on Indiana college and university campuses as a result of Round III of Lilly Endowment's Initiative to Promote Opportunities Through Educational Collaborations.

Since 2003 and through three rounds of grants totaling more than \$122 million, the Endowment has encouraged Indiana's higher education institutions to develop programs to



Gardening Project. The project has helped 12 companies create a total of 109 jobs and increase revenue by \$30 million.

Purdue also has used grant funds to help undergraduate students like Long find internships and co-ops with Indiana companies. Some 300 students participated in such internships and co-ops during 2016-17.

During the 2016-17 academic year, also with Endowment grant support, Purdue convened two statewide conferences to help further engage Indiana business leaders, as well as leaders in government and higher

“Prior to the Round III grant, we were contemplating some of these things, and we might have done them anyway, but the grant ... gave us focus and a timeline that helped us accomplish our goals.”

universities are strengthening career placement efforts by establishing new relationships with employers, developing innovative curricula and credential and certificate programs, creating and expanding internship programs, and helping faculty become more engaged in helping students be ready for success in an ever-changing, global economy.

Leveraging the power of a large university

Purdue is using its Round III grant to support a university-wide effort to connect its students and faculty with Indiana companies who can benefit from their talents, according to Suresh Garimella, Purdue’s executive vice president for research and partnerships and the R. Eugene and Susie E. Goodson Distinguished Professor in the School of Mechanical Engineering. Since 2013, as part of their academic efforts, professors and students have provided technical assistance in engineering, management and marketing to nearly 400 small Indiana companies, helping the companies strengthen their presence in the state. This work has included engagement with a subset of Indiana companies through the Purdue Economic

identify and develop activities and opportunities that will improve the employment prospects of college graduates in the state.

The latest round of grants in 2013 provided a total of \$62.7 million to Indiana’s 39 accredited colleges and universities, in amounts ranging from \$1 million at smaller institutions to up to \$5 million at Purdue. The colleges and

education across the state, in strengthening the pipeline of talent from colleges and universities to Indiana companies. More than 300 people participated in these conferences.

“Prior to the Round III grant, we were contemplating some of these things, and we might have done them anyway, but the grant not only helped with funding, it also gave us focus and a timeline that helped us accomplish our goals,” Garimella says.

“It has catalyzed a transformation at Purdue,” he says. “It’s unleashed a new way of collaborative thinking, leading to coordinated action among the many programs and efforts at Purdue that seek to bolster growth and job opportunities in Indiana companies while more effectively connecting our students to these Indiana opportunities.”

Change and opportunity

With each successive round of the initiative’s grants, there has been a greater sense of urgency to help Indiana’s graduates find meaningful work, preferably in Indiana. Indiana still exports too many of its talented college graduates who find rewarding work in other states. The state ranks 43rd among all U.S. states for the number of adults, age 25 and older, who have bachelor’s degrees, according to 2016 data from Stats Indiana, a statistical data resource developed and maintained by Indiana University’s Kelley



Purdue University junior Amanda Long (opposite, above) completed an internship with a company based at Purdue Research Park (opposite, below). The internship program is one of several efforts at the West Lafayette, Ind., campus (above) designed to strengthen students’ career readiness.



School of Business. On the other hand, there are many Indiana employers who cannot find employees in Indiana who are prepared to meet their job requirements.

As Indiana colleges and universities work to prepare their students for meaningful lives and careers and to do their part to help retain talent in the state, they need to adapt to changes – in technology, in the economy, and in employer and student expectations, according to Mark Muro, senior fellow and policy director at the Brookings Institution in Washington, D.C. He was one of several speakers to address representatives of the 39 Indiana colleges and universities participating in Round III during a 2017 conference that the Endowment convened in Indianapolis.

Muro brought a sobering yet hopeful vision of how higher education can prepare students for the future as he challenged the colleges and universities to work creatively to advance economic growth that includes everyone. He noted that the largest gains in new jobs throughout the U.S. are in advanced industries that are research-and-development intensive and demand a strong STEM workforce.

“Indiana continues to punch above its weight,” Muro said. The state benefits from its relatively large share of jobs in advanced industries, such as computer systems design, pharmaceuticals, motor vehicle manufacturing, architecture, and engineering and management consulting, according to Muro. “With that said, many jobs across the state – even in some advanced industries – are in relatively low-skill, low-wage occupations,” he added. The state needs to pursue strategies that will result in more middle- and high-skill jobs that can

support sustainable lives for more Hoosiers. Those strategies will have to address the ongoing effects of globalization and automation, such as the rapid development of artificial intelligence technology, which will continue to change the nature and availability of work.

Muro advised colleges and universities to engage with advanced industries in research and development, expand the IT talent pipeline to include students studying liberal arts disciplines, and expand work-based learning through internships and co-ops. While scaling up digital literacy, colleges and universities need to emphasize adaptability, creativity and social skills over rote information processing, he said.

Higher education institutions, Muro concluded, need to “help people become what machines are not.”

The liberal arts challenge

Founded in 1827 on a bluff overlooking the Ohio River in Jefferson County, Hanover College is the oldest private college in Indiana. Today, it is preparing students to meet 21st century workforce challenges. It is striving to do so without compromising its commitment to the liberal arts tradition of



University of Indianapolis students (right, above) are taking part in improved career preparation programs spearheaded by the university's Professional Edge Center.

developing well-rounded, intellectually curious individuals who can write well and think critically, according to Diane Magary, vice president for career development and assistant professor of Hanover's Business Scholars Program.

The Endowment's Round III initiative helped Hanover expand the scope of its popular Business Scholars Program. Hanover launched the program in 2005 to improve business course offerings so that they would be more relevant to the skills students need as they prepare for success in the workplace.

"Every year it seemed that parents were concerned with their kids getting jobs. By developing the Business Scholars

in Indianapolis – to develop a network to cultivate jobs and internships for Hanover students throughout the state.

For example, with the tech sector growing in Indianapolis, Brant works to connect Hanover students to jobs in that field, showing English majors – and convincing prospective employers – how a liberal arts background and strong communication skills can translate into marketing and public relations jobs in the industry.

"Traditionally, our students might have thought the tech sector is for the computer science person, not the liberal arts person," Brant says. "We're changing that."

Another new initiative, Hire Hanovarians, introduces soon-to-be graduates to prospective employers using 60-second video clips.

"We've always had bright, strong students," Magary says. "Now we are building relationships with potential employers and hand-matching students who might be a good fit. That's the small liberal arts college advantage. We work with each individual student and understand their needs and aspirations."



Diane Magary is vice president for career development at Hanover College, a campus of 1,100 students located in Jefferson County, Ind.



Program we responded to the concern," according to the program's founder, Gerald R. Johnson, a former bank CEO who led Hanover's Levett Career Center for nine years.

The Business Scholars Program combines a liberal arts degree in the major of the student's choice with practical skill preparation through internships, workshops and consulting projects with business leaders. The program also relies heavily on experienced Hanover alumni who understand the value of a liberal arts degree and are willing to teach and mentor students, Johnson says.

The program has been so successful that between 25 and 30 percent of Hanover's 1,100 students participate each year, and more than 90 percent of students who enroll in the Business Scholars Program complete it.

Round III enabled Hanover to extend many of the program offerings to the 70 to 75 percent of students not in the program. It also allowed Hanover to hire Kim Brant, director of business external relationships – who is based 100 miles from campus



Faculty engagement

In a classroom at the University of Indianapolis, associate professor Amanda Miller is teaching Principles of Sociology 101, a class in which students work in teams, whether they are forming hypotheses about worldwide public health or creating service-learning projects for a local nonprofit.



University of Indianapolis sociology professor Amanda Miller (above) is part of efforts to help faculty support their students with career advising and mentoring.

The point of such classroom work is not just to learn principles of sociology but also to develop soft skills, such as knowing how to plan and execute a project, communication, and teamwork – all attributes that employer surveys show are needed in the modern workforce, according to Miller, director of faculty development at UIndy.

“I think these are very important skills for students to have, and it’s equally important for them to be able to name these skills,” she says. “We are lucky here that most faculty share that opinion.”

In 2013, UIndy President Robert L. Manuel gathered a team of faculty and other professionals to respond to the Round III grant challenge with a plan to rethink career development. In UIndy’s new approach, faculty play a key role in helping the university’s 4,300 undergraduate students develop career plans, take part in experiential learning, and build support networks, Manuel says.

“What really inspires me is the very seamless way in which a student learns in the classroom and also develops professional capital,” Manuel says. “It’s something more than just trying to get a student a job.”

As a result of Round III, the university strengthened its career services offerings and renamed its career center the Professional Edge Center. To improve visibility of the enhanced services, UIndy renovated part of the student center to create a new space next to the campus dining hall for career development interactions. In addition to meeting one-on-one with students – nearly 1,500 students during the 2016-17 academic year – in the Professional Edge Center, its staff offers career development sessions in the new, more informal space. Students also can easily get résumé help or internship and job advice in this new space.

Frequently it feels like “accidental learning,” according to Corey Wilson, associate vice president at UIndy, who leads the Professional Edge Center. Bringing those conversations to a public space seems to benefit both students and faculty, he says.

“This kind of outreach – making our career development activities more visible – is helping more students become aware of these opportunities,” Wilson says. “Significantly, it has increased our visibility with faculty, as well. They’re seeing the work we’re doing with students, and we build on that awareness by partnering with faculty in their relationships with students.”

At UIndy, many faculty are receptive to this emphasis because of their commitment to students. They know that incorporating elements like service- or project-based learning into courses reinforces lessons taught in the classroom and helps students develop the transferrable skills that employers value.

As Miller is leaving her classroom and entering an elevator, she spies a student she knows and asks, “How’s the internship going?”

The student gives her a positive report. It’s a short exchange, but illustrates what Miller believes about faculty engagement at UIndy.

“We’re at a cultural moment in which all the threads at UIndy are coming together,” she says. “We know our students and, as faculty, we want to help them, even if we don’t see the real results for five or more years down the road as our students progress in their careers.”



Counseling Initiative Aims to Help More Students Succeed in School, Life

Educators across Indiana are collaborating with partners in their communities to improve students' prospects for a brighter future through Lilly Endowment's Comprehensive Counseling Initiative for Indiana's K-12 Students.

In September 2017, the Endowment awarded implementation grants totaling \$26.4 million to help 57 Indiana school corporations and charter schools implement plans to strengthen their counseling programs. The schools are in 30 of Indiana's 92 counties, and an estimated 250,000 students will benefit from these efforts to strengthen counseling.



K-12 Counseling Initiative Implementation Grants

Lilly Endowment made implementation grants to help 57 school corporations and charter schools working in 30 of Indiana's 92 counties.

In January 2017, the Endowment made 284 planning grants to help leaders in school corporations and charter schools statewide explore the concept of comprehensive school counseling, learn about best practices in counseling and assess their schools' greatest counseling needs.



Representatives from many school corporations and charter schools noted that they are overwhelmed by the social and emotional challenges their students face, which they indicated have worsened in recent years because of the opioid addiction crisis affecting Indiana communities. They report that too often counselors don't have the time they need for academic and college and career advising because they must address their students' urgent social and emotional challenges.

The competitive implementation grants, which range from \$68,312 to \$2.87 million based on the student population of each school corporation or charter school, will help the schools launch a variety of efforts that include, among other strategies:

- Collaborating with mental health care providers to address their students' social and emotional challenges;
- Pursuing novel ways to engage local businesses in preparing students for a range of employment opportunities, including developing mentoring and internship programs and planning industry information sessions and site visits to local companies;
- Implementing a comprehensive counseling model developed by the American School Counselor Association;
- Making better use of digital tools and adding and integrating curricula for college and career exploration and preparation;
- Providing professional development to teachers, counselors and administrators so they can identify and address the social and emotional needs of students to improve overall student well-being;
- Partnering with colleges and universities to offer college counseling, financial aid assistance, campus visits and related programs.



Moreover, too many counselors are assigned non-counseling work in their schools, such as administering state tests, assessments and Advanced Placement exams, which takes away time from the performance of their counseling responsibilities.

The aim of the counseling initiative is to increase significantly the number of K-12 students in Indiana who are emotionally healthy, realize academic success, graduate from high school, obtain valuable postsecondary credentials, certifications and degrees necessary for meaningful employment, and are prepared to compete and prosper in the global society in which they will live and work.

The five-year initiative is designed to help schools respond to challenges facing Indiana's young people. Too many students face limited opportunities for career success after high school. Many schools do not have enough counselors and lack counseling programs that address effectively students' social and emotional needs while also providing support with strong academic and college and career advising.

Round two of funding available

Informed by data and insights about their own students and about best practices in school counseling, 254 school corporations and charter schools applied for implementation grants. Due to the significant number of implementation grant proposals the Endowment received, the adjudication process became very competitive and several proposals with many positive aspects therefore were not approved. Because of the compelling need for enhanced and expanded counseling programs across Indiana and the potential impact represented by several proposals that were not approved, the Endowment announced a second competitive round of implementation grants.

The Endowment is making available a total of up to \$10 million in grants in this second round. Any Indiana school corporation or charter school that did not receive a first round Counseling Initiative implementation grant was eligible to apply, regardless of whether they applied the first time.

Universities to strengthen training for counselors, principals

Through the Comprehensive Counseling Initiative for Indiana K-12 Students, the Endowment is recognizing the important role that Indiana colleges and universities can play in improving school counseling efforts through their counselor and principal preparation programs. In 2017, the Endowment made 19 planning grants to help colleges and universities in Indiana explore potential improvements to their programs and to help them prepare implementation grant proposals. In the competitive implementation grant phase, the Endowment approved seven grants.

Four universities each received \$200,000 grants to enhance counselor preparation programs:

- **Ball State University, Muncie**
- **Indiana State University, Terre Haute**
- **Indiana University-Southeast, New Albany**
- **Indiana Wesleyan University, Marion**

Three universities each received \$150,000 to enhance principal preparation programs:

- **Ball State University, Muncie**
- **University of Indianapolis, Indianapolis**
- **Oakland City University, Oakland City**

Lend me your ear ...

Strengthening the Quality of Preaching

Sermons are cited by three out of four worshippers as the major factor in attracting them to religious services, according to a Gallup poll in 2017. Responders to the survey said they place a high value on pulpit messages that teach about scripture and they long for messages from the pulpit that help them make a connection between faith and their daily lives.



"This doesn't surprise me," says Alyce McKenzie, director of the Perkins Center for Preaching Excellence, located on the campus of Southern Methodist University. "My sense is that people are hard-wired to try to make a coherent narrative out of the disparate events in their lives. They yearn to have the stories of their own lives placed in a larger context. They hunger for a story that has better preface and a much better ending – a story that helps them understand more fully their own journey."

Delivering sermons that tell the Christian story in ways that engage parishioners "has never been more important or perhaps more difficult," notes McKenzie. "Worshippers today want the reality of careful preparation and at the same time the appearance of total spontaneity. They want a conversational message filled with memorable visual images. They don't want a pastor to read to them. They want eye contact and a sense of interaction."

Adding to this challenge is the fact that preachers in 2017 can't assume that members of their congregations are familiar with the scriptural passages at the heart of their sermons. Attention spans are shorter; competing information can be deafening; and technology, while it can reinforce a message, can also dilute or even overwhelm a message. Feedback from worshippers tends to be perfunctory rather than substantive and often takes the form of casual comments – "I enjoyed your message" – that accompany handshakes at the end of the service. McKenzie frequently preaches at a large United Methodist Church near Dallas, has a coaching relationship with another congregation and is the author of numerous preaching textbooks. Still, she comments that "Every time I preach, I learn something new. Preaching is the work of a lifetime."

Pursuing pulpit excellence

In an effort to strengthen the quality of preaching in Christian congregations, Lilly Endowment in 2013 launched a multifaceted program – the Initiative to Strengthen the Quality of Preaching. Since then, 18 theological schools have received grants to address the challenges that current and future pastors face as they research, prepare and deliver sermons. In 2017, the Endowment began making sustainability grants to the theological schools to help them continue their efforts as they seek additional support to sustain the programs for the long run. Each program has aspects unique to its context, but all share the initiative's overarching goals to:

- help preachers enhance their skills through peer learning groups
- improve preaching instruction for seminary students
- boost the availability and quality of online sermon resources



The preaching initiative builds on lessons learned in the Endowment's successful Sustaining Pastoral Excellence Initiative of more than a decade ago. That initiative confirmed the value of forming small peer groups of pastors and giving them opportunities to experience professional and personal growth through sustained interaction with colleagues. Feedback from participants in the preaching initiative has been overwhelmingly positive.

"Being a pastor is isolating," says Marjorie Hamilton Scott, senior pastor at Armstrong African Methodist Episcopal Church in Arlington, Texas, and a member of a Perkins Center for Preaching Excellence peer learning group. "It was wonderful to have someone to talk to. This was a way to hear other people preach, which I don't normally get to do. We were empowered to find (our) own voices."

Building on the momentum, the Perkins program will use its \$250,000 sustainability grant to form groups of denominationally diverse pastors who have similar characteristics. As an example, African American preaching will be the topic of discussion for members of a North Texas



"Preaching is the work of a lifetime," says Alyce McKenzie (above) of the Perkins Center for Preaching Excellence. The Rev. Mike Mather preaches at Broadway United Methodist Church in Indianapolis (opposite and below).



group. In Louisiana, “we’re starting a group for young clergy women who need guidance on addressing crucial issues in a way that is pastoral as well as prophetic,” says McKenzie. “We’ll help them navigate some of the difficult issues in a way that engages rather than alienates their congregations.”

To address the need to strengthen preaching instruction for current seminarians, McKenzie and her team will continue to assign a preaching mentor to each student coming into the theological school. These mentors are seasoned pastors from the community who walk alongside students, participate in class discussions and offer feedback about student sermons.

More than peer learning and support

The Protestant Episcopal Theological Seminary, better known as Virginia Theological Seminary (VTS), is building its preaching program on the concept of peer mentoring and support. But it focuses on the spiritual well-being of preachers, as well as practices for effective sermon preparation and delivery. VTS launched its program, Deep Calls to Deep, with a 2014 Endowment grant. In 2017, a \$250,000 sustainability grant is helping the seminary continue the program. Through a five-day summer residency on the VTS campus, groups of pastors gather as cohorts for worship, spiritual direction, time for private prayer and reflection, as well as workshops on preaching. Then, throughout the coming year they meet monthly as a cohort for continued reflection, shared learning and support. A final retreat at VTS bookends the experience.

Most Deep Calls to Deep participants are Episcopal clergy, which reflects the denominational affiliation of VTS. But Presbyterian, Baptist and other Protestant clergy are taking part, too. The cohorts are formed by geographical regions, which enables the seminary to broaden the program’s reach. The first cohort was from the mid-Atlantic region and included clergy from Maryland, Delaware, Virginia and Washington D.C. Additional cohorts formed with clergy in New York and Massachusetts and in Arizona and Texas. The program’s vision is to support clergy so they can develop lifelong spiritual practices that foster good preaching, said the Rev. Ruthanna Hooke, who directs Deep Calls to Deep.

“This approach was something that our team felt very strongly about,” she says. “Renewing preaching is not principally a matter of techniques and tips. Nor is it about bringing extraordinary preachers who are amazing and everyone can look up to. It is more about nurturing the spirit, the mind and the body and doing so in peer groups.”

Sharing insights, fears and deepest hopes

Overseeing the many moving parts of the preaching initiative is the responsibility of the Calvin Institute of Christian Worship (CICW), located at Calvin College in Grand Rapids, Mich. The Institute hosts annual learning events and invites program leaders to share insights and offer updates about their work. Director John Witvliet and his staff make site visits to the participating schools and track progress as grant recipients launch, expand and fine-tune programs to strengthen the skills of current and future preachers. Since 2013, 18 seminaries have received grants to enable them to develop preaching programs. They are:

- **Asbury Theological Seminary, Wilmore, Ky.**
- **Aquinas Institute of Theology, St. Louis, Mo.**
- **Baylor University’s George W. Truett Theological Seminary, Waco, Texas**
- **Calvin Theological Seminary, Grand Rapids, Mich.**
- **Denver Seminary, Denver, Colo.**
- **Duke University, Durham, N.C.**
- **Fuller Theological Seminary, Pasadena, Calif.**
- **Garrett-Evangelical Theological Seminary, Evanston, Ill.**
- **Gordon-Conwell Theological Seminary, South Hamilton, Mass.**
- **Luther Seminary, St. Paul, Minn.**
- **Northern Baptist Theological Seminary, Lisle, Ill.**
- **Princeton Theological Seminary, Princeton, N.J.**
- **Protestant Episcopal Theological Seminary, Alexandria, Va.**
- **Samford University’s Beeson Divinity School, Homewood, Ala.**
- **Southern Methodist University’s Perkins School of Theology, Dallas, Texas**
- **University of Notre Dame, Notre Dame, Ind.**
- **Vanderbilt University, Nashville, Tenn.**
- **Western Theological Seminary, Holland, Mich.**



Witvliet applauds the diversity of these programs and praises the efforts of professors “who prepare inexperienced public speakers for the challenge of standing in front of intergenerational congregations with messages of comfort and hope.” He sees the work of the classrooms continuing in the peer learning groups. “That component does more than polish rhetorical skills,” he says. “It’s all about the growth of healthy, deeply reflective, virtuous people. Often preaching improves when pastors have the opportunity of being in a ‘safe space’ to talk candidly with some vulnerability about their greatest weaknesses, fears and deepest hopes.”

As important as preaching is, Witvliet believes it is only one of several indispensable elements of healthy congregational life. The interplay of these elements – the sermon, the fellowship, the reading of scripture and the music – are essential to creating meaningful worship experiences.

Beyond the ‘pre-packaged’ model

To assist clergy in planning cohesive services, CICW has developed a website, preachingandworship.org, that provides pastors with resources suitable for a range of denominations and traditions. Supported by Endowment grants in 2013 and 2017 to Calvin College, the website is a collaborative project of CICW and the 18 seminaries in the preaching initiative. In conjunction with another site – hymnody.org – preachingandworship.org has become a valuable portal that invites church leaders to tap into a growing repository of contemporary and historic Christian literature and music.

The website serves as a curator, offering sermon starters, outlines, devotionals, reflections, podcasts, blogs and artwork, often arranged around themes and in keeping with the Christian calendar. The goal isn’t to hand a pastor a generic prepackaged service that might be duplicated in dozens of sanctuaries on any given Sunday. Instead, its purpose is to spark ideas that users can develop and tailor to the unique needs of their congregations.

“Often, preaching improves when pastors have a safe space to talk candidly.”

“Whether a preacher has a staff of 10 or is the only pastor in a small church, clergy are enormously busy people, and sermon preparation requires a great deal of time,” says

Witvliet. “This is a site that presents excellent resources but still suggests how important it is for pastors to absorb the material and then work it into a contextually appropriate message.”

Still in test mode, the new preaching and worship website provides links to 62,059 pages of web content and already is attracting a steady stream of visitors.

CICW is verifying the traffic, and Witvliet notes, “It does seem telling that we’re seeing usage of the site surge noticeably on Saturdays.”



Helping pastors craft sermons that reach worshippers (opposite) begins when those pastors nurture their own spirits, minds and bodies, says the Rev. Ruthanna Hooke (right) of Virginia Theological Seminary.



Faith Connects Past and Present in Plans for African American Museum

Charleston, South Carolina, long celebrated for its antebellum architecture and Southern heritage, once played a significant role in the African slave trade.

Historians estimate that nearly half of all enslaved Africans brought to America arrived in Charleston, and many disembarked at Gadsden's Wharf on the Cooper River. Many were warehoused at the wharf for months, in miserable – and sometimes deadly – conditions, before being sold at auction.

The wharf is about to be transformed into the site of a museum and memorial to those who endured one of the most painful chapters in American history. The International African American Museum (IAAM), slated for opening in 2020, will commemorate and celebrate the foundational role that Africans and their descendants played in the making of America and

highlight their diasporic connections around the world.

"It is a sacred space because it is the place where human beings, in chains, malnourished, near death, and after experiencing the most horrific experience imaginable as part of the transatlantic slave trade, arrived here to be sold," says Joseph P. Riley Jr., who served as the city's mayor from 1975 to 2016.

The \$100 million project will include immersive, interactive exhibits for all ages, calling attention to the music, language, foods, art and other contributions of the Africans who landed there and their descendants. The two-story, 42,000-square-foot building will overlook the waterfront, with panoramic views of Fort Sumter, where the first battle of the Civil War was fought. Landscaped gardens will offer a place for reflection.

The museum also will draw people interested in

Charleston is a kind of Ellis Island for African Americans, although it is not widely recognized as such. The IAAM can change that.

connecting with lost ancestors at the Center for Family History, a genealogy archive that will help visitors identify how their individual stories may fit in the larger narrative of history.

Supported thus far by private contributions and public funding from the city of Charleston, Charleston County and the state of South Carolina, the museum received additional support from a \$10 million grant from Lilly Endowment in 2017. At the heart of the grant is support for incorporating the central role that religion and spirituality have played throughout African American history. The grant will fortify the museum in the following ways: \$5 million will support the IAAM's design and construction; \$4 million will be used to create an endowment that will support ongoing research and programming related to religion and spirituality; \$1 million will fund the museum's inaugural temporary exhibit, which will explore African American faith and music, and help the museum develop programs to engage congregations and other faith-based communities.

The Endowment grant signifies the museum's national and international importance, according to Michael Boulware Moore, IAAM president and CEO.

"We are incredibly grateful for the Endowment's support," Moore says. "There is so much of American history that remains to be revealed. With the help of Lilly Endowment, we will have a much more complete telling of the story of the tapestry of our nation."

Origins

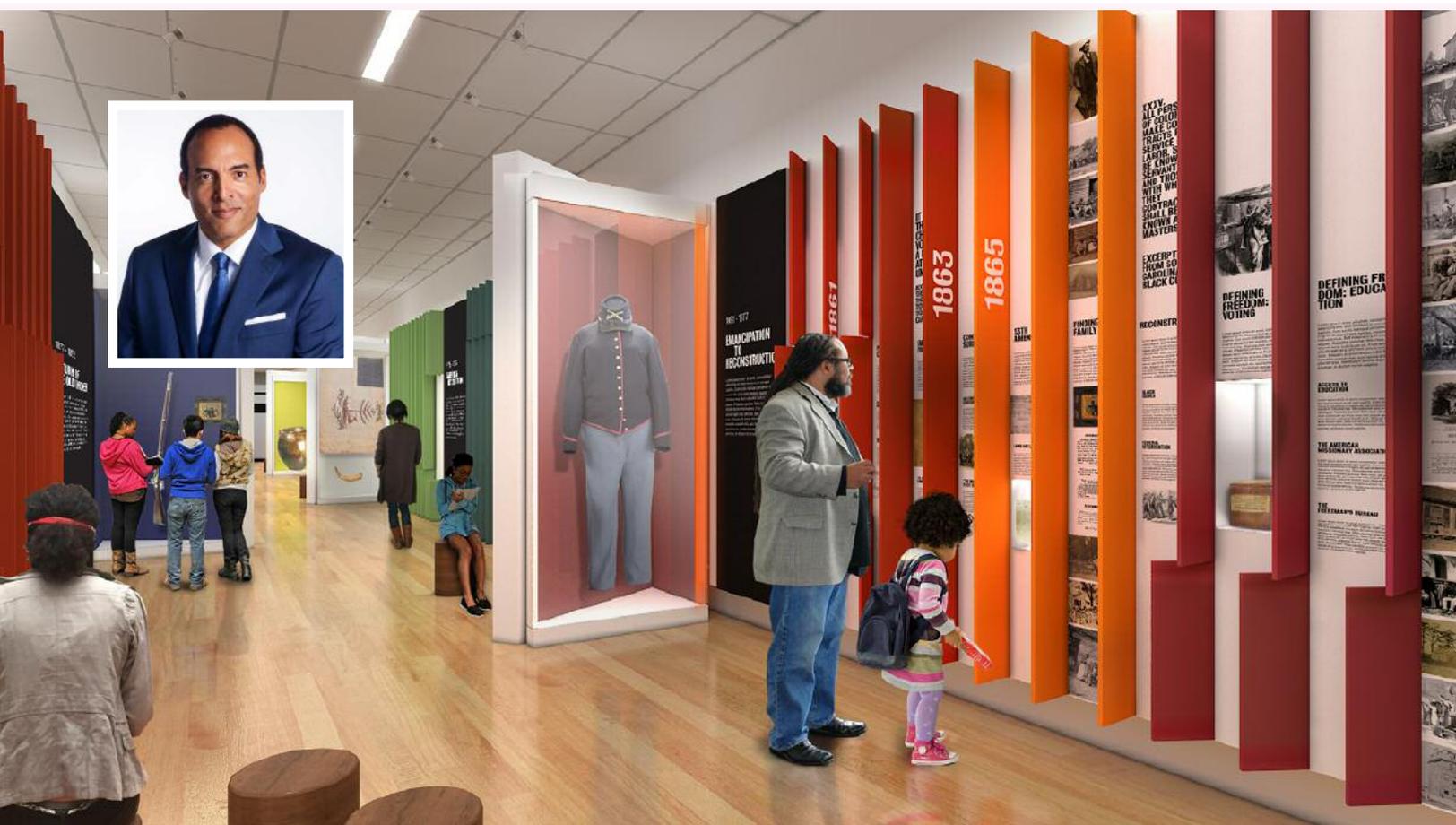
In Charleston, a city that values historic preservation, history is alive in public and personal ways. Moore, a former executive at Coca-Cola who led a boutique marketing firm before taking the helm of the museum, can trace his own genealogy to Gadsden's Wharf, where one of his ancestors arrived in North America. Also, Moore's great-great-great-grandfather, a slave named Robert Smalls, played a role in the Civil War when he commandeered a Confederate ship in Charleston Harbor and delivered it to Union troops, winning the freedom of his family.

Although it is an imperfect comparison, Charleston is a kind of Ellis Island for African Americans, Moore says, although it is not widely recognized as such. The IAAM can change that, he says.

"Working for the museum is a great professional challenge, but it's also a remarkable personal challenge, as well. It's my North Star. We're creating a museum in memory of those ancestors, but also it's for our children and their children, so they can know the stories of achievement and perseverance."

Renderings of the IAAM (opposite and below) to be built in Charleston, S.C.

Joseph P. Riley is a former Charleston mayor (opposite inset) who helped launch the museum. Michael Moore is IAAM president and CEO (below inset).



A native of Charleston, Riley ran for mayor as part of a coalition effort to heal division among the city's African American and white residents.

"Charleston is a deeply Southern city," Riley says. "When I first ran for mayor, I did so because there were those of us who knew we needed to make Charleston a place where everyone could feel like it was their city. I ran for that very reason."

Although passionate about civil rights, Riley never gave much thought to the prominent role Charleston played in bringing enslaved Africans to America in the first place. His interest was piqued after reading journalist Edward Ball's 1998

Recognizing the important role that religion plays and has played in American life, the Endowment has supported efforts to strengthen the public understanding of religion. Among these efforts are two grants to museums of the Smithsonian Institution located in Washington, D.C. In 2015, the Endowment provided a \$5 million grant to the National Museum of American History to establish an endowed curator of American religious history in order to support the work done there. Grants totaling \$20 million in 2010 and in 2015 to the National Museum of African American History and Culture at the Smithsonian helped to establish the museum itself and



book, *Slaves in the Family*, which detailed the deep roots of the slave trade in Charleston. In 2000, as he prepared to enter his seventh term as mayor, Riley proposed the idea of the museum.

"I knew then that Charleston had a duty to help present this history to our country, and that if there is a place of pilgrimage, or a place to go to understand this history, it should be Charleston," Riley says.

Lifting up the role of religion

As Riley's idea gathered steam, the role of religion and spirituality emerged as a key theme. Those concepts – along with an introduction by friend and former Indianapolis Mayor Greg Ballard – helped forge a connection with the Endowment.

create the museum's Center for the Study of African American Religious Life.

The IAAM will integrate the role that religion and spirituality has played throughout the museum, according to Bernard Powers, professor of history at the College of Charleston and chairman of the IAAM Board Program Subcommittee.

"Religion and spirituality are going to be woven through the whole of the story told here," Powers says. The deep spirituality and diverse religious practices of African people will be represented, and exhibits will demonstrate how those traditions survived transfer to North America, the

"Religion and spirituality are going to be woven through the whole of the story told here."

Caribbean, and South America and adapted in ways that produced new religious practices and worldviews. In some places, for example, religious beliefs affected slave insurrections. And in the United States, the lived faith of African Americans and the emergence of black theology influenced the civil rights movement.

“The belief in the promises of Christianity was one of the ways African Americans were able to sustain activism in the face of everything they were confronted with in slavery, and later in places like Selma and Montgomery, and come out on the other side,” Powers says.

Tragedy connects past and present

Emanuel African Methodist Episcopal Church exemplifies the role that African American Christianity has played in the lives of black Americans, but also in American history as a whole. Affectionately known as Mother Emanuel, the church was founded 200 years ago. It was a time when local laws prohibited black people from learning to read and write and restricted their ability to worship freely. Mother Emanuel defied those laws and became one of the most culturally significant African American churches in the South. IAAM leaders are preparing to include the

Mother Emanuel story in the museum. It is a story of struggle, pain, resilience and hope.

In 1822, an angry white mob burned the original structure, and, for decades after, the congregation worshiped in secret. After the Civil War, the congregation rebuilt the church, but it was badly damaged in an earthquake in 1886. The current brick and stucco building was constructed in 1891. While Mother Emanuel survived to celebrate landmark status, it has become a national symbol of faith and civil rights through a recent tragedy.

On June 17, 2015, a self-proclaimed white nationalist entered the church and joined a Bible study. According to eyewitnesses, after an hour and as the participants began praying, the 21-year-old man opened fire, killing eight members of the congregation and its pastor, the Rev. Clementa C. Pinckney.

The man was arrested and charged with nine counts of murder, as well as 33 counts of federal hate crimes. He was found guilty of the charges in 2016.

Nearly three years after the church shooting, Mother

Emanuel and its members continue to work through grief, according to the Rev. Eric S.C. Manning, who has led the congregation since June 2016. Recently, Manning and members of his congregation and other area A.M.E. churches, embarked on a Founder's Day walk from the site of the planned IAAM to Mother Emanuel. Manning finds symbolism in the short walk of a few blocks between Gadsden's Wharf and Mother Emanuel. During more than 300 years of history in North America, African Americans have come a long way. But, as the tragic recent events at the church show, there's still a long way to go.

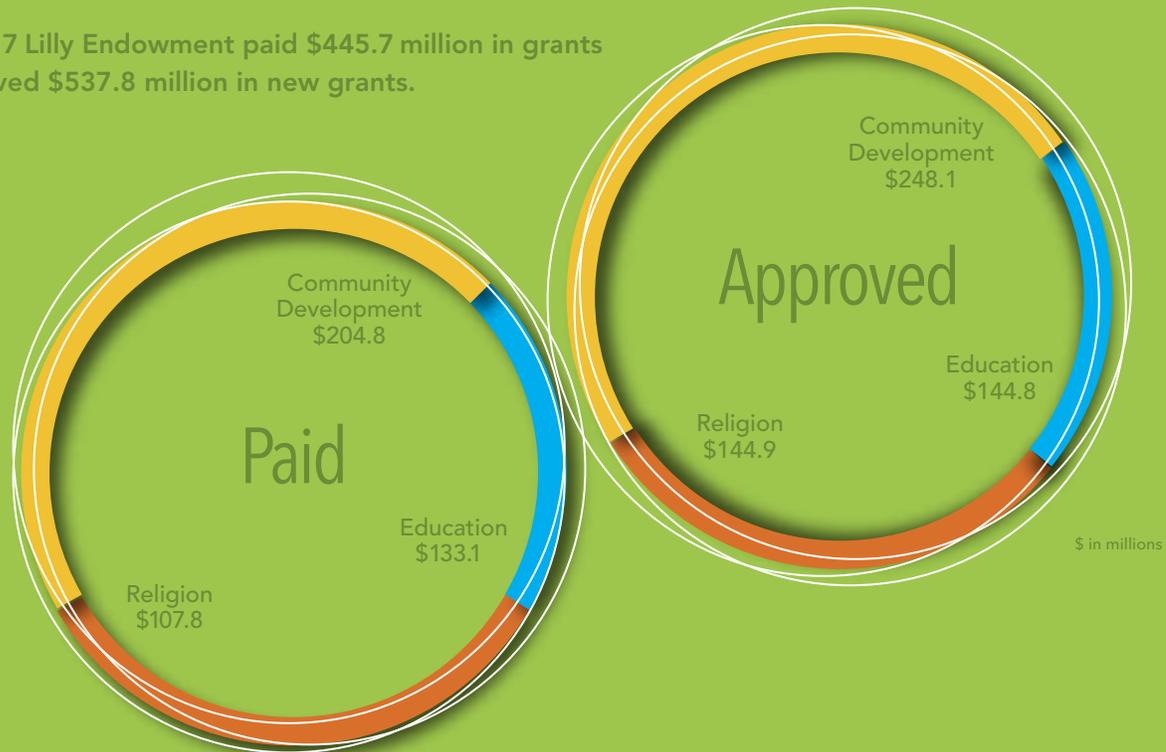


The New York firm of Pei Cobb Freed & Partners is designing the IAAM in Charleston, S.C. (artist renderings opposite and above).

“I hope and pray that the museum will help people to understand our history. I don't know how much education can do to eradicate evil, but it does play a part in helping people understand,” Manning says. “If we can share this history and all people are willing to embrace it, we may yet see change.”

2017 Finances & Grantmaking

During 2017 Lilly Endowment paid \$445.7 million in grants and approved \$537.8 million in new grants.



Cumulative figures

The generosity of the Endowment’s founders has enabled it to disburse since 1937 nearly \$9.9 billion in grants to 9,792 charitable organizations, most of them in Indiana. Of that \$9.9 billion, \$3.9 billion supported education (39 percent), \$3.4 billion supported community development (35 percent), and \$2.6 billion supported religion (26 percent). At the end of 2017 the Endowment’s assets totaled \$11.7 billion.

Grants paid

In 2017 the Endowment paid grants of \$445.7 million. In this category, community development grants accounted for \$204.8 million or 46 percent of the total; education grants totaled \$133.1 million or 30 percent; religion grants added up to \$107.8 million or 24 percent.

As in previous years, most grants were paid to organizations in Indiana – a total of \$311.2 million (70 percent). Of the payment total of \$445.7 million, \$156.8 million (35 percent) was paid to non-Marion County grantees in Indiana and \$154.4 million (35 percent) to Marion County (Indianapolis) grantees. Organizations outside Indiana received \$134.5 million or 30 percent, mostly from religion grants.

Grants approved

During 2017 the Endowment approved 1,062 grants for a total of \$537.8 million to 788 grantees, 301 new to the Endowment.

Community development grants totaled the most dollars at \$248.1 million or 46 percent of the total. Approvals for religion grants totaled \$144.9 million or 27 percent, while approvals for education grants totaled \$144.8 million or 27 percent.

Sixty-eight percent of grants approved in 2017 went to Indiana organizations. Of the \$537.8 million in grants approved, \$184.4 million (34 percent) was approved for non-Marion County grantees in Indiana and \$181.4 million (34 percent) to Marion County (Indianapolis) grantees. Indiana organizations thus were awarded \$365.8 million (68 percent) of grants approved. \$172.0 million (32 percent) in grants was approved for non-Indiana organizations.

Board-approved and officers’ grants are listed in the back of this report and are divided into community development and philanthropy, education and youth, and religion. 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. “Grant Guidelines & Procedures” are outlined on pages 58-59 of this report.



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Report of Independent Auditors

The Board of Directors
Lilly Endowment Inc.

We have audited the accompanying financial statements of Lilly Endowment Inc., which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in unrestricted net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

March 15, 2018

Ernst & Young LLP

Statements of Financial Position

As of December 31	2017	2016
Assets		
Cash and cash equivalents	\$ 50,036,320	\$ 49,831,314
Other receivables	12,636,994	14,361,093
Investments — at fair value:		
Eli Lilly and Company common stock (cost — \$83,030,487 at December 31, 2017, and \$83,381,398 at December 31, 2016)	10,394,982,406	9,236,100,384
Diversified equity investments	1,218,414,958	989,139,724
Other assets	2,504,674	4,398,884
	<u>\$ 11,678,575,352</u>	<u>\$ 10,293,831,399</u>
Liabilities		
Amounts appropriated for future grants	\$ 103,094,623	\$ 46,167,500
Deferred tax liability	207,651,053	180,331,317
	<u>310,745,676</u>	<u>226,498,817</u>
Unrestricted net assets	11,367,829,676	10,067,332,582
	<u>\$ 11,678,575,352</u>	<u>\$ 10,293,831,399</u>

See accompanying notes.

Statements of Activities and Changes in Unrestricted Net Assets

Year Ended December 31	2017	2016
Income:		
Dividends	\$ 283,576,525	\$ 281,043,970
Interest	1,621,017	644,970
Total income	285,197,542	281,688,940
Deductions:		
Grants approved	508,389,321	359,678,504
Expenses:		
Program support	7,888,730	7,028,602
Operational support	6,567,994	6,424,563
Federal excise tax related to realized gains	4,895,326	4,530,116
Federal excise tax related to unrealized gains	27,319,736	(29,274,911)
Total grants approved and expenses	555,061,107	348,386,874
Realized gain on sale of investments	213,004,449	179,240,996
Unrealized gain (loss) on investments	1,358,287,720	(1,473,400,413)
Other deductions	(931,510)	(2,531,580)
Increase (decrease) in unrestricted net assets	1,300,497,094	(1,363,388,931)
Unrestricted net assets:		
Balance at beginning of year	10,067,332,582	11,430,721,513
Increase (decrease) in unrestricted net assets	1,300,497,094	(1,363,388,931)
Balance at end of year	<u>\$ 11,367,829,676</u>	<u>\$ 10,067,332,582</u>

See accompanying notes.

Statements of Cash Flows

Year Ended December 31	2017	2016
Operating activities		
Increase (decrease) in unrestricted net assets	\$ 1,300,497,094	\$(1,363,388,931)
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities:		
Investment expenses	303,483	279,517
Unrealized (gain) loss on investments	(1,358,287,720)	1,473,400,413
Realized gain on sale of investments	(213,004,449)	(179,240,996)
Changes in assets and liabilities:		
Other receivables	1,724,099	4,512,233
Other assets	1,894,210	814,585
Amounts appropriated for future grants	56,927,123	(98,453,569)
Deferred tax liability	27,319,736	(29,274,911)
Net cash used in operating activities	(182,626,424)	(191,351,659)
Investing activities		
Purchases of investments	(222,043,217)	(254,985,868)
Proceeds from sale and maturity of investments	405,178,130	443,294,590
Investment expenses	(303,483)	(279,517)
Net cash provided by investing activities	182,831,430	188,029,205
Net increase (decrease) in cash and cash equivalents	205,006	(3,322,454)
Cash and cash equivalents at beginning of year	49,831,314	53,153,768
Cash and cash equivalents at end of year	\$ 50,036,320	\$ 49,831,314

See accompanying notes.

Notes to Financial Statements

December 31, 2017

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.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). 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. Subsequent events have been evaluated through March 15, 2018, the date these financial statements were issued. There were no subsequent events that required recognition or disclosure in the financial statements.

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not for Profit Entities*. Investments comprise equity and fixed income securities, which are recorded at market-quoted fair values. Changes in fair value are recorded in the statement of activities and changes in unrestricted net assets. There are no restrictions on investments.

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.

Facilities and Equipment

Expenditures for facilities and equipment are expensed as incurred. The amounts expensed during 2017 and 2016 are not material to the financial statements.

Grants

The Endowment primarily makes grants to organizations that qualify as public charities under the Internal Revenue Code (the Code). When distributions are made to organizations other than public charities, the Endowment assumes expenditure responsibility as required under applicable federal law. All grants are approved by the Board of Directors or its authorized representatives and are accrued when approved. Amounts appropriated for future grants at December 31, 2017, are expected to be paid to grantees as follows: \$95,894,623 in 2018, \$3,200,000 in 2019 and \$4,000,000 in 2020.

Income Recognition

Income is recognized when amounts are realizable and earned. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

New Accounting Pronouncement

In August 2016, the FASB issued Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This new standard on presentation of financial statements for not-for-profit entities makes targeted improvements to the current financial reporting model for not-for-profit entities. The standard imposes changes to net asset classification requirements and information about liquidity, financial performance and cash flows. The standard is effective for fiscal years beginning after December 15, 2017, and early adoption is permitted. The Endowment does not believe the new standard will have a material impact on the financial statement amounts.

2. Required Distributions

The Code provides that the Endowment generally must distribute for charitable purposes 5% of the average market value of its investment assets. The Endowment must make additional qualifying distributions of approximately \$490,000,000, before January 1, 2019, to meet the 2017 minimum distribution requirements.

3. Other Receivables

Other receivables represent the fair value of future cash flows to be received from the Endowment's split-interest agreement held by third parties. Amounts recorded are subject to subsequent changes in fair value, which are recorded in the statements of activities and changes in unrestricted net assets as other deductions and were \$931,510 and \$2,531,580 during 2017 and 2016, respectively.

4. Fair Value of Financial Instruments

The Endowment determines fair values based on the framework for measuring fair value under ASC Topic 820, *Fair Value Measurements*. The following table summarizes fair value information at December 31, 2017 and 2016.

Description	Cost	Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Fair Value (Carrying Value)
December 31, 2017					
Cash equivalents	\$ 46,907,395	\$ 46,942,512	\$ –	\$ –	\$ 46,942,512
Marketable securities	913,539,102	11,613,397,364	–	–	11,613,397,364
	<u>960,446,497</u>	<u>11,660,339,876</u>	<u>–</u>	<u>–</u>	<u>11,660,339,876</u>
Other receivables	–	–	–	12,636,994	12,636,994
	<u>\$ 960,446,497</u>	<u>\$ 11,660,339,876</u>	<u>\$ –</u>	<u>\$ 12,636,994</u>	<u>\$ 11,672,976,870</u>
December 31, 2016					
Cash equivalents	\$ 40,966,757	\$ 40,974,552	\$ –	\$ –	\$ 40,974,552
Marketable securities	883,669,565	10,225,240,108	–	–	10,225,240,108
	<u>924,636,322</u>	<u>10,266,214,660</u>	<u>–</u>	<u>–</u>	<u>10,266,214,660</u>
Other receivables	–	–	–	14,361,093	14,361,093
	<u>\$ 924,636,322</u>	<u>\$ 10,266,214,660</u>	<u>\$ –</u>	<u>\$ 14,361,093</u>	<u>\$ 10,280,575,753</u>

Transfers between levels, if any, are recorded at the beginning of the reporting period. There were no transfers between Levels 1, 2, and 3 during the years ended December 31, 2017 and 2016.

The fair value for marketable securities is determined based on the regular trading session closing price on the exchange or market in which such securities are principally traded on the last business day of each period presented (Level 1).

For fixed income securities that are not based on quoted prices in active markets (Level 2), the fair value is determined by pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Fair values for these fixed income securities are obtained primarily from third-party pricing services.

Other receivables, which is a split-interest agreement, are valued using significant unobservable inputs (Level 3). The need to use unobservable inputs generally results from the lack of an active market or marketplace with respect to the split-interest agreement. The split-interest agreement is recorded at the estimated fair value based on the present value of the Endowment's future cash flows from the related trust. Future cash flows are based on an income approach (present value techniques), the inputs of which include the fair value of the underlying trust assets, the Endowment's interest percentage in the split-interest agreement, annuity percentage per the split-interest agreement, estimated rate of return and discount rate.

5. Federal Excise Taxes

The Endowment is subject to federal excise taxes imposed on private foundations at 2%, or at 1% if certain conditions are met. The excise tax is imposed on net investment income, as defined under federal law, which includes interest, dividends, and net realized gains on the sale of investments. The Endowment qualified for a 1% excise tax rate for the years ended December 31, 2017 and 2016. Federal excise tax expense on realized amounts was \$4,895,326 and \$4,530,116 for the years ended December 31, 2017 and 2016, respectively. The Endowment made estimated excise tax payments totaling \$7,400,000 and \$8,929,000 during 2017 and 2016, respectively. Due to estimated tax overpayments during these years, the Endowment recorded a receivable of \$2,504,674 and \$4,398,884 at December 31, 2017 and 2016, respectively.

The deferred tax liability recorded on the statements of financial position is for deferred federal excise taxes related to unrealized gains on investments. The Endowment recorded an increase in the deferred tax liability of \$27,319,736 for the year ended December 31, 2017, and a decrease of \$29,274,911 for the year ended December 31, 2016.

The Endowment is subject to routine audits by taxing jurisdictions. The Endowment believes it is no longer subject to income tax examinations for years prior to 2014 due to three-year statute of limitations.

If incurred, any interest and penalties would be recorded as a component of federal excise tax.

2017 Grant Approvals



Community Development and Philanthropy

Dollar amount approved in 2017

American Cabaret Theatre

Indianapolis, IN

Capital campaign	250,000
General operating support	100,000

American Enterprise Institute for Public Policy Research

Washington, DC

General operating support	100,000
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American National Red Cross

Washington, DC

Disaster relief	10,000,000
Disaster relief for Hurricane Maria	2,500,000

Arts Council of Indianapolis

Indianapolis, IN

Art & Soul at the Artsgarden	52,000
General operating support	300,000

Association for Research on Nonprofit Organizations and Voluntary Action

Indianapolis, IN

General operating support	240,000
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Atlas Economic Research Foundation

Washington, DC

General operating support	500,000
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Benjamin Harrison Presidential Site

Indianapolis, IN

2D and 3D digitization projects	50,000
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Bosma Visionary Opportunities Foundation

Indianapolis, IN

Support for endowment, technology upgrades, operations efficiency and development	5,000,000
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Career Learning & Employment Center for Veterans

Indianapolis, IN

Continued support for Operation: Job Ready Veterans	450,000
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Children's Bureau Foundation

Indianapolis, IN

Support for endowment and to extinguish pension liability	10,000,000
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Children's Museum of Indianapolis

Indianapolis, IN

Feasibility study on issues related to special-needs children and caregivers	50,000
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CICP Foundation

Indianapolis, IN

AgriNovus charitable, educational and scientific programs 4,226,056

BioCrossroads charitable, educational and scientific programs 2,900,000

CICP charitable, educational and scientific programs 3,000,000

Coalition for Homelessness Intervention and Prevention of Greater Indianapolis

Indianapolis, IN

General operating support 260,000

Community Foundation of Crawford County

Leavenworth, IN

Indiana Community Foundation Initiative - Phase VI 50,000

Crossroads Rehabilitation Center

Indianapolis, IN

Establish an endowment 10,000,000

Cultural Landscape Foundation

Washington, DC

What's Out There Weekend Indianapolis 29,500

Damar Services

Indianapolis, IN

Support for endowment, employee attraction and retention, and electronic health records system 10,000,000

Dance Kaleidoscope

Indianapolis, IN

General operating support 100,000

Domestic Violence Network of Greater Indianapolis

Indianapolis, IN

General operating support 225,000

Economic Club of Indiana

Indianapolis, IN

General operating support 10,000

Eiteljorg Museum of American Indians and Western Art

Indianapolis, IN

General operating support 1,147,500

Exodus Refugee Immigration

Indianapolis, IN

Organizational capacity building project 50,000

Federalist Society for Law and Public Policy Studies

Washington, DC

General operating support 150,000

Foundation for Lutheran Child and Family Services Indiana

Indianapolis, IN

Support for endowment, workforce attraction and retention, technology and development 7,500,000

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 judicial education programs 100,000

Gulf Coast Leadership Council

Houston, TX

Hurricane Harvey disaster recovery efforts 50,000

Harrison Center for the Arts

Indianapolis, IN

Website development, marketing and public relations 50,000

Hear Indiana

Indianapolis, IN

Establish an endowment, increase cash reserves and build capacity 2,500,000

Heartland Film

Indianapolis, IN

General operating support 300,000

Indiana Association for Community Economic Development

Indianapolis, IN

General operating support 175,000

Indiana Association of School Principals
 Indianapolis, IN
 Support for generationOn Indiana project 250,000

Indiana Association of United Ways
 Indianapolis, IN
 Office relocation and strategic plan implementation 525,000
 Special projects and general operating support 7,423,867

Indiana Canine Assistant Network (ICAN)
 Indianapolis, IN
 Market assessment and strategic planning 49,925

Indiana Humanities Council
 Indianapolis, IN
 General operating support 100,000

Indiana Management Performance Hub
 Indianapolis, IN
 Indiana Data Partnership 2,996,185

Indiana Philanthropy Alliance
 Indianapolis, IN
 General operating support 298,750

Indiana Philanthropy Alliance Foundation
 Indianapolis, IN
 GIFT technical assistance for 2018 660,000

Indiana Repertory Theatre
 Indianapolis, IN
 General operating support 300,000
 Support for DVD and broadcast of play commemorating Indiana's bicentennial 282,600

Indiana Sports Corp.
 Indianapolis, IN
 General operating support 500,000

Indiana Symphony Society
 Indianapolis, IN
 General operating support 1,237,000
 SHIFT Festival of American Orchestras in Washington, D.C. 265,000

Indiana University Foundation
 Bloomington, IN
 Establishment of Indiana University's Center for Rural Engagement (a \$10,000,000 grant shared with the Education Division) 5,000,000
 Renovation of Madame Walker Theatre Center 14,950,000

Indianapolis Art Center
 Indianapolis, IN
 Audience segmentation research 49,000
 General operating support 50,000

Indianapolis Children's Choir
 Indianapolis, IN
 General operating support 150,000

Indianapolis Jazz Foundation
 Indianapolis, IN
 Development capacity building 150,000
 Indy Jazz Fest 42,000

Indianapolis Museum of Art
 Indianapolis, IN
 General operating support 500,000

Indianapolis Museum of Contemporary Art
 Indianapolis, IN
 Capacity building and feasibility study 40,000

Indianapolis Neighborhood Housing Partnership
 Indianapolis, IN
 General operating support 5,300,000

Indianapolis Neighborhood Resource Center
 Indianapolis, IN
 General operating support 250,000

Indianapolis Opera Company
 Indianapolis, IN
 General operating support 80,000

Indianapolis Shakespeare Company
 Indianapolis, IN
 Production of *As You Like It* 25,000

Indianapolis Zoological Society
 Indianapolis, IN
 General operating support 1,116,720

Indy Hub Foundation
 Indianapolis, IN
 General operating support 50,000
 Video and marketing assessment for the Live Indy initiative 50,000

Intercollegiate Studies Institute

Wilmington, DE

General operating support 125,000

International Center

Indianapolis, IN

General operating support 500,000

Jewish Federation of Greater Indianapolis

Indianapolis, IN

Security enhancements and capacity building 1,000,000

John P. Craine House

Indianapolis, IN

Capacity building 46,000

Keep Indianapolis Beautiful

Indianapolis, IN

Community chalk art project and anti-litter campaign 50,000

General operating support and technology upgrades 375,000

Kids Dance Outreach

Indianapolis, IN

Strategic planning and capacity building 37,000

Local Initiatives Support Corp.

New York, NY

Economic and workplace development in urban Indianapolis neighborhoods 5,000,000

Indianapolis LISC program 500,000

Madame Walker Urban Life Center

Indianapolis, IN

Transitional support 430,000

Manhattan Institute for Policy Research

New York, NY

General operating support 200,000

Mentoring Womens Network Foundation

Indianapolis, IN

Strategic planning and marketing 50,000

Metropolitan Indianapolis Public Broadcasting

Indianapolis, IN

Documentary on Eva Kor 300,000

Music for All

Indianapolis, IN

Support to establish a national choir festival 120,000

New Harmony Project

Indianapolis, IN

General operating support 50,000

Noble of Indiana

Indianapolis, IN

Support for endowment and staff retention 10,000,000

Northwest Central Indiana Community Partnerships

Lafayette, IN

Wabash Heartland Innovation Network initiative (a \$38,943,732 shared grant with the Education Division) 19,471,866

Northwestern University

Evanston, IL

Initiative to build sustainable models for local news organizations 300,000

Pacific Research Institute for Public Policy

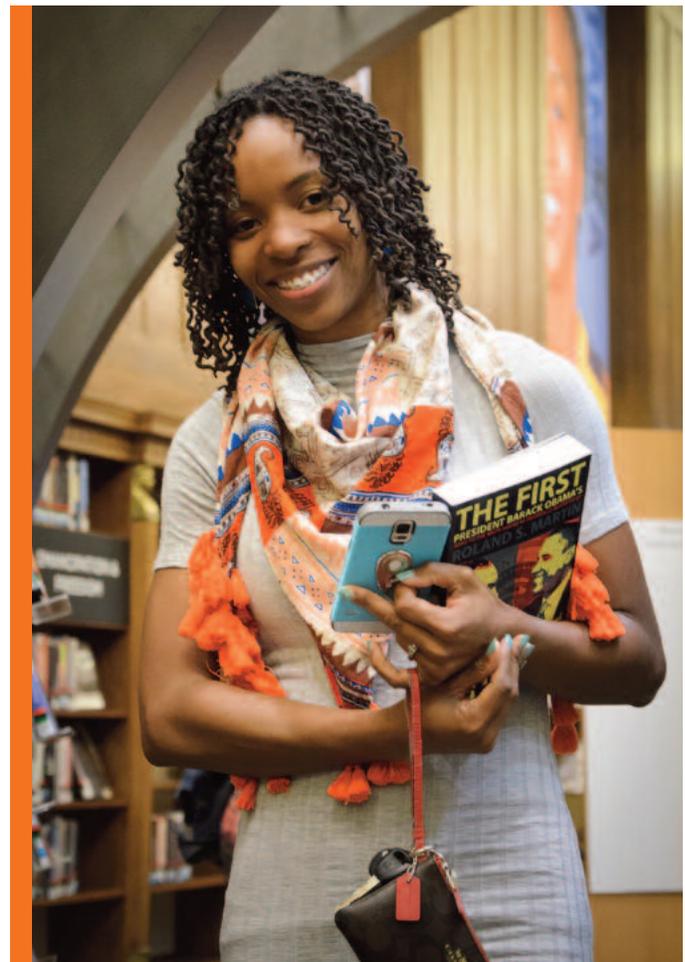
San Francisco, CA

General operating support 175,000

Political Economy Research Center

Bozeman, MT

General operating support 50,000



Ronald McDonald House Charities of Central Indiana

Indianapolis, IN

Fire alarm system upgrade project 50,000

Sagamore Institute

Indianapolis, IN

General operating support 300,000

St. Vincent De Paul Society, Archdiocese Council of Indianapolis

Indianapolis, IN

Capital projects 40,000

Salvation Army

Alexandria, VA

Disaster relief 10,000,000

Disaster relief for Hurricane Maria 2,500,000

16 Tech

Indianapolis, IN

Phase I development 38,000,000

Stanford University – The Hoover Institution

Stanford, CA

General operating support 125,000

Steward Speakers

Indianapolis, IN

Support for lecture series 45,000

Sycamore Rehabilitation Services/ Hendricks County ARC

Danville, IN

Support for endowment, public relations and fund development, technology and workforce initiatives 7,500,000

Tangram

Indianapolis, IN

Support for endowment, workforce initiatives, capital debt reduction, planning and technology 7,500,000

Tax Foundation

Washington, DC

General operating support 110,000

The Village of Merici

Indianapolis, IN

Expansion of training kitchen 25,000

United Way of Central Indiana

Indianapolis, IN

Homelessness Targeted Initiatives Fund 646,380

Support for 2017 annual fundraising 4,300,000

United Way of Greater Houston

Houston, TX

Disaster relief for Hurricane Harvey 5,000,000

United Way Worldwide

Alexandria, VA

Disaster relief 5,000,000

Supplemental support for disaster response 1,000,000

University of Southern Indiana

Evansville, IN

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

Villages of Indiana

Bloomington, IN

Support for endowment, early childhood program initiative, staff retention and public awareness and development program 10,000,000

Young Actors Theatre

Indianapolis, IN

Assessments and business plan 42,000

Young Audiences of Indiana

Indianapolis, IN

General operating support and special projects 220,000



Holiday Assistance Fund

(24 grants ranging from \$2,000 to \$126,000) 475,000

- Catholic Charities Indianapolis
- Christ Emmanuel Missionary Baptist Church
- Community Action of Greater Indianapolis
- Flanner House
- Gleaners Food Bank of Indiana
- Hall Temple Church of God in Christ
- Healing Place
- Indiana F.O.P. Foundation
- Indianapolis 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
- Metro Baptist Center
- Miracle Place
- Mozell Sanders Foundation
- New Covenant Church
- Rev. Richard Hunter Ministries
- Salvation Army, Indiana Division
- United Way of Central Indiana (2)
- Westminster Neighborhood Services

PHILANTHROPY

Council on Foundations

Arlington, VA

2017 membership dues 23,500
Technology enhancements 400,000

Foundation Center

New York, NY

General operating support 125,000

GuideStar USA

Williamsburg, VA

2017 membership dues 25,000



Independent Sector

Washington, DC

2017 membership dues 17,500

Philanthropy Roundtable

Washington, DC

General operating support 100,000

Subtotal

Community Development Grants 247,289,349

Subtotal

Philanthropy Grants 691,000

Subtotal

Community Development and Philanthropy Discretionary Grants 97,600

Total

Community Development and Philanthropy Grants 248,077,949



Education and Youth

Dollar amount approved in 2017

Central Indiana Community Foundation

Indianapolis, IN

Latino Scholarship Fund dinner 10,000

CICP Foundation

Indianapolis, IN

I-STEM Resource Network 425,736

Support for the charitable and educational programs of TechPoint 5,712,000

Early Learning Indiana

Indianapolis, IN

Support for executive search process and compensation for acting or interim CEO 50,000

Eskenazi Health Foundation

Indianapolis, IN

Continued support for Initiative for Empowerment and Economic Independence 1,500,000

Independent Colleges of Indiana

Indianapolis, IN

Administration of the Lilly Endowment Community Scholarship Program 2017-18 1,531,822

Lilly Endowment Community Scholarship Program 2018 19,950,000

Transitional support 50,000

Indiana Humanities Council

Indianapolis, IN

Lilly Scholars for Life engagement and awareness program planning 50,000

Indiana Internnet

Indianapolis, IN

General operating support 600,000

Indiana State University

Terre Haute, IN

Extending Teacher Creativity 2018: A Summer Workshop for Teacher Creativity Fellows 102,583

Indiana Student Financial Aid Association

Carmel, IN

College Goal Sunday 2018 events 50,000

Indiana University Foundation

Bloomington, IN

Establishment of Indiana University's Center for Rural Engagement (a \$10,000,000 grant shared with the Community Development Division) 5,000,000

Indiana Collaborative Initiative for Talent Enrichment (INCITE) - Phase II 25,000,000

Indiana Youth Institute

Indianapolis, IN

College and Career Counseling Initiative	1,573,249
Support for National Center for College Costs programs	92,999

Jameson Camp

Indianapolis, IN

Support for leadership transition	25,000
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Nextech

Indianapolis, IN

Strategic planning process	100,000
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Northwest Central Indiana Community Partnerships

Lafayette, IN

Wabash Heartland Innovation Network initiative (a \$38,943,732 shared grant with the Community Development Division)	19,471,866
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Rose-Hulman Institute of Technology

Terre Haute, IN

Continuation of Homework Hotline	2,858,646
Indiana Manufacturing Accelerator planning grant	368,800
Renewal of PRISM website for Indiana's science, mathematics and technology teachers and students	946,324

School on Wheels

Indianapolis, IN

Support to strengthen volunteer recruitment and training	50,000
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Teachers' Treasures

Indianapolis, IN

Feasibility study for mobile outreach program	50,000
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United Negro College Fund

Washington, DC

Support for the UNCF Indiana Campaign	85,000
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University of Indianapolis

Indianapolis, IN

Continuation of Education-Workforce Innovation Network (EWIN) initiative	397,925
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University of Notre Dame du Lac

Notre Dame, IN

Indiana Advanced Placement Teacher Investment Program	2,694,291
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Wabash County Young Men's Christian Association

Wabash, IN

Continued support for Promise Indiana expansion	585,660
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Comprehensive Counseling Initiative for Indiana K-12 Students – Planning and Implementation Grants to Public School Corporations and Charter Schools

A statewide initiative to promote and support innovative comprehensive counseling models that address the academic, college, career and social/emotional counseling needs of K-12 students in Indiana public school corporations and charter schools

(285 planning grants ranging from \$8,302 to \$50,000)	9,159,966
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(56 implementation grants ranging from \$68,312 to \$2,871,400)	26,425,876
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Bartholomew County

Bartholomew Consolidated School Corp., Columbus

Boone County

Western Boone County Community School Corp., Thorntown

Zionsville Community Schools, Zionsville

Brown County

Brown County School Corp., Nashville

Elkhart County

Baugo Community Schools, Elkhart

Concord Community Schools, Elkhart

Elkhart Community Schools, Elkhart

Fairfield Community Schools, Goshen

Goshen Community Schools, Goshen

Middlebury Community Schools, Middlebury

Wa-Nee Community Schools, Nappanee

Floyd County

New Albany-Floyd County Consolidated School Corp., New Albany

Grant County

Eastbrook Community Schools Corp., Marion

Madison-Grant United School Corp., Fairmount

Marion Community Schools, Marion

Mississinewa Community Schools, Gas City

Oak Hill United School Corp., Converse

Hamilton County

Hamilton Southeastern Schools, Fishers

Harrison County

South Harrison Community School Corp., Corydon

Hendricks County

Avon Community School Corp., Avon

Henry County

South Henry School Corp., Straughn

Jefferson County

Hanover Community School Corp., Cedar Lake

Madison Consolidated Schools, Madison

Knox County

Vincennes Community School Corp., Vincennes

Kosciusko County

Warsaw Community Schools, Warsaw

Lake County

Lake Ridge New Tech Schools, Gary

School City of East Chicago, East Chicago

LaPorte County

LaPorte Community School Corp., LaPorte

Michigan City Area Schools, Michigan City

Marion County

Indianapolis Public Schools, Indianapolis

KIPP Indianapolis, Indianapolis

Metropolitan School District of Lawrence Township, Indianapolis

Metropolitan School District of Pike Township, Indianapolis

Neighborhood Charter Network, Indianapolis

Southeast Neighborhood School of Excellence, Indianapolis

Marshall County

Triton School Corp., Bourbon

Monroe County

Monroe County Community School Corp.,
Bloomington

The Bloomington Project School, Bloomington

Montgomery County

Crawfordsville Community School Corp.,
Crawfordsville

North Montgomery Community School Corp.,
Crawfordsville

South Montgomery Community School Corp.,
New Market

Noble County

West Noble School Corp., Ligonier

Orange County

Orleans Community School Corp., Orleans

Perry County

Perry Central Community School Corp., Leopold

Tell City-Troy Township School Corp., Tell City

St. Joseph County

Career Academy of South Bend, South Bend

John Glenn School Corp., Walkerton

Scott County

Scott County School District 1, Austin

Shelby County

Southwestern Consolidated School
District of Shelby County, Shelbyville

Spencer County

North Spencer County School Corp., Lincoln City

Sullivan County

Southwest School Corp., Sullivan

Vanderburgh County

Evansville-Vanderburgh School Corp., Evansville

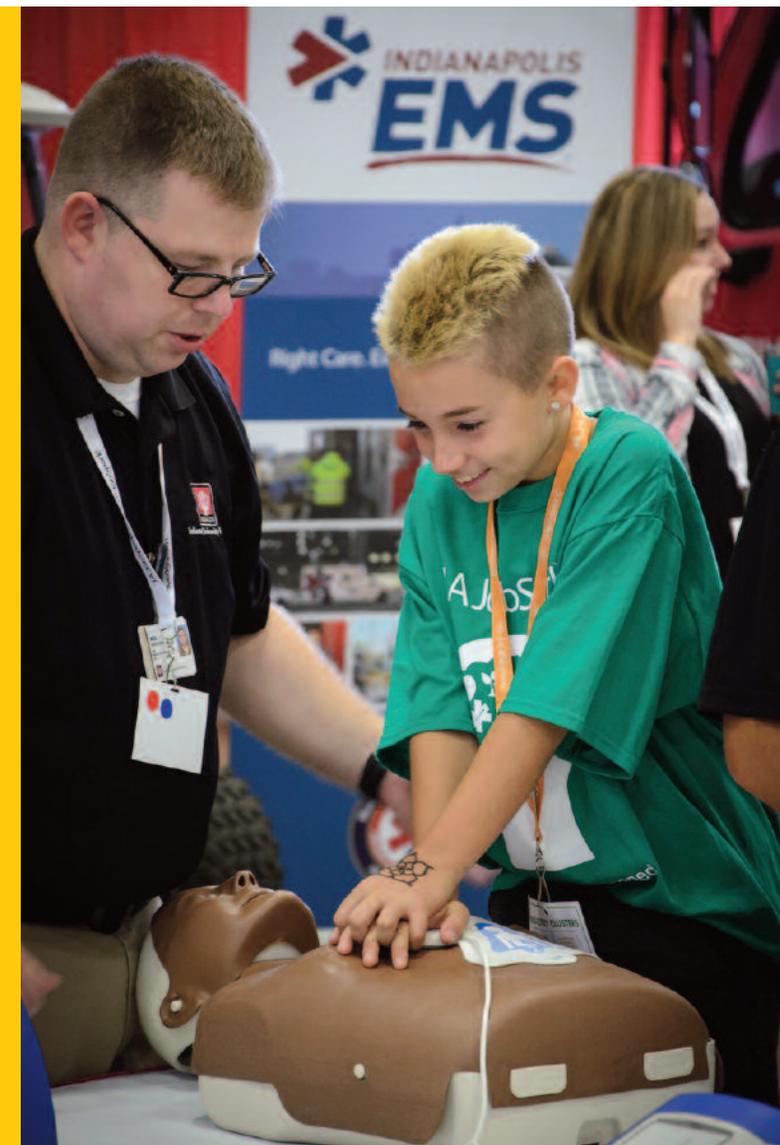
White County

Frontier School Corp., Chalmers

North White School Corp., Monon

Tri-County School Corp., Wolcott

Twin Lakes School Corp., Monticello



Comprehensive Counseling Initiative for Indiana K-12 Students – College and University Principal and Counselor Preparation Programs

Support for Indiana colleges and universities to enhance their counselor and principal preparation programs so future counselors and principals can better address the academic, college, career and social/emotional needs of Indiana’s K-12 students

(19 planning grants of \$20,000 each) 380,000

(7 implementation grants ranging from \$150,000 to \$200,000) 1,250,000

- Ball State University, Muncie (2)
- Indiana State University Foundation, Terre Haute
- Indiana University Foundation (IU-Southeast campus), Bloomington
- Indiana Wesleyan University, Marion
- Oakland City University, Oakland City
- University of Indianapolis, Indianapolis

Teacher Creativity Fellowship Program

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

(100 grants of \$12,000 each) 1,200,000

YOUTH

AYS

Indianapolis, IN

Organizational assessment and institutional capacity building 50,000

Central Indiana Community Foundation

Indianapolis, IN

Upgrade online grants management system for Summer Youth Program Fund and related administrative costs 30,000

Child Advocates

Indianapolis, IN

Child permanency pilot project 963,000

Fathers and Families Resource Research Center

Indianapolis, IN

General operating support 500,000

Flanner House of Indianapolis

Indianapolis, IN

Purchase 28-passenger bus 23,981

Girls Inc.

New York, NY

Impact study 450,000

Indiana Afterschool Network

Indianapolis, IN

Improve out-of-school-time programs for Indiana K-12 students 675,000

Indiana Black Expo

Indianapolis, IN

Youth and family programs and initiatives 630,376

Indiana Connected by 25

Indianapolis, IN

Strategic planning, marketing consultant and website development 50,000

Indiana Department of Child Services

Indianapolis, IN

All Pro Dad’s Foster Parent Recruitment Project in Indiana 500,000

Indiana Philanthropy Alliance Foundation

Indianapolis, IN

Youth Philanthropy Initiative of Indiana (YPII) 180,000

Indianapolis Art Center

Indianapolis, IN

SMART (Supportive Mentoring Through ART) 30,000

Indianapolis Private Industry Council (dba EmployIndy)

Indianapolis, IN

Capacity building for Indianapolis youth employment programs 2,999,975

Continuing support for the Youth Employment Services (YES) program 2,200,000

Indianapolis Urban League

Indianapolis, IN

Operating and program support, staffing and fundraising consultant 973,000

Junior Achievement of Central Indiana

Indianapolis, IN

JA JobSpark expansion 1,178,435

JobSpark curriculum and teacher training project 50,000

JobSpark volunteer training, interactive app and education consultant 50,000

Kids' Voice of Indiana

Indianapolis, IN

Expansion and enhancement of the Children's Law Center and establishment of new Parenting Coordination and Guardianship clinics 900,000

Marion County Commission on Youth

Indianapolis, IN

General operating support 230,000

National Urban Fellows

New York, NY

Support for fellowships in Indianapolis and matching funds 121,250

Nine 13

Indianapolis, IN

Kids Riding Bikes program 300,000

Peace Learning Center

Indianapolis, IN

Interim funding to support Claude McNeal Production's ACT Out performances at Peace Learning Center locations 50,000
Power of One and ACT Out programs 667,400

Villages of Indiana

Bloomington, IN

Production of educational video materials 50,000

Summer Youth Program Fund

Grants for organizations to support summer activities for youth (162 grants to support 198 programs ranging from \$1,000 to \$321,065) 2,238,344

Adult and Child Mental Health Center
Aftercare for Indiana Through Mentoring
Agape Therapeutic Riding Resources
American Diabetes Association
American Foundation for Preventive Medicine
Artmix
Art With a Heart
Asante Children's Theatre
AYS
Benjamin Harrison Presidential Site
Big Brothers Big Sisters of Central Indiana
Big Car Media
Boys & Girls Clubs of Indianapolis
Brightwood Community Center
Broadway United Methodist Church
Brookside Community Development Corp.

Burmese American Community Institute
Butler University
Calvary Temple Assembly of God
Camptown
Catholic Charities Indianapolis
Catholic Youth Organization, Camp Rancho Framasa
Center for Interfaith Cooperation
Children's Bureau
Children's Museum of Indianapolis
Christamore House
Christel House Academy
Claude McNeal's Musical Theatre Training Program
Coburn Place Safehaven
Community Alliance of the Far Eastside (CAFÉ)
Community Health Network Foundation
Community Life Line Christian Church
Concord Center Association
Damar Services
Dance Kaleidoscope
Dayspring Center
Diabetic Youth Foundation of Indiana
DirectEmployers Association Foundation
Early Learning Indiana
Earth Charter Indiana
East Tenth United Methodist Children and Youth Center
Edna Martin Christian Center
Englewood Christian Church
Englishton Park Presbyterian Ministries
Entrepreneurial Ventures in Education
Fay Biccard Glick Neighborhood Center at Crooked Creek
Felege Hiywot Center
First Samuel Missionary Baptist Church
Flanner House
Fletcher Place Community Center
Forest Manor Multi-Service Center
Freetown Village
Freewheelin' Community Bikes
Girl Scouts of Central Indiana
Girls Inc.
Girls Rock! Indianapolis
Gleaners Food Bank of Indiana
Great Commission Church of God
Greater Gethsemane Missionary Baptist Church
Groundwork Indy
Happy Hollow Children's Camp

Harrison Center for the Arts
 Hawthorne Social Service Association
 Health and Hospital Corp. of Marion County
 Health and Science Innovations
 Hear Indiana
 Hemophilia of Indiana
 Hispanic Latino Minority Health Coalition
 of Greater Indianapolis
 Hoosier Burn Camp
 libada Dancers
 Indiana Amateur Baseball Association
 Indiana Annual Conference of the
 United Methodist Church
 Indiana Black Expo
 Indiana Deaf Camps Foundation
 Indiana Latino Institute
 Indiana Performing Arts Centre
 Indiana School for the Deaf
 Indiana State Museum Foundation
 Indiana University Foundation
 Indiana Writers Center
 Indianapolis Algebra Project
 Indianapolis Art Center
 Indianapolis Ballet
 Indianapolis Children's Choir
 Indianapolis Housing Agency
 Indianapolis Interfaith Hospitality Network
 Indianapolis-Marion County Public Library Foundation
 Indianapolis Parks Foundation
 Indianapolis Soap Box Derby Association
 Ivy Tech Foundation
 Jackson Center for Conductive Education
 James Whitcomb Riley Memorial Association
 Jameson Camp
 John H. Boner Community Center
 Julian Center
 Just the Beginning
 Keep Indianapolis Beautiful
 Kids Dance Outreach
 La Plaza
 Latino Youth Collective of Indiana
 Lawrence United Methodist Church
 Lillian Davis Foundation
 Little Red Door Cancer Agency
 Lutheran Child & Family Services of Indiana
 LYN House



Madame Walker Urban Life Center
 Marian University
 Marion County Commission on Youth (2)
 Martin Luther King Multi-Service Center
 Mary Rigg Neighborhood Center
 Metropolitan School District of Lawrence
 Township Foundation
 Metropolitan School District of Pike Township
 Metropolitan School District of Wayne Township
 Education Foundation
 Miracle Place
 Mission Indy
 Montessori Educational Charity
 Mount Moriah Missionary Baptist Church
 Muscular Dystrophy Association
 Music for All
 National Junior Tennis League of Indianapolis
 Net Literacy Corp. (dba Senior Connects Corp.)
 New Beginnings Church
 New Covenant Church
 Nine 13
 Noble of Indiana
 Nu Corinthian Baptist Church
 Oaks Academy
 Oasis Christian Community Development Corp.
 100 Black Men of Indianapolis
 Paramount School of Excellence
 Partnership for Lawrence
 Pathway Resource Center
 Peace Learning Center
 Philharmonic Orchestra of Indianapolis
 Pro 100

Purdue University
 St. Richard's School
 Saint Florian Center
 Salvation Army
 Sanctuary Outreach
 School on Wheels
 Second Helpings
 Shepherd Community
 Social Health Association of Indiana
 Southeast Community Services
 Speedway Baptist Church
 Starfish
 Stem Connection
 Stop the Violence Indianapolis
 Storytelling Arts of Indiana
 Symphonic Youth Orchestra of Greater Indianapolis
 Trinity House Academy
 Vida Nueva (Hispanic Ministry) UMC
 Westminster Neighborhood Services
 Winning Experiences
 Young Actors Theatre
 Young Audiences of Indiana
 Young Life Indianapolis Urban
 YMCA of Greater Indianapolis
 Youth for Christ
 Zion Hill Missionary Baptist Church

**Summer Youth Program Fund –
Capital Projects**

Capital project grants for organizations to
 improve capacity to conduct summer programs
 (40 grants ranging from \$1,734 to \$30,000) 861,656

Artmix
 Big Brothers Big Sisters of Central Indiana
 Burmese American Community Institute
 Catholic Charities Indianapolis
 Christel House Academy
 Coburn Place Safehaven
 Concord Center Association
 Damar Services
 East Tenth United Methodist Children and Youth Center
 Edna Martin Christian Center
 Englishton Park Presbyterian Ministries
 Felege Hiywot Center
 First Samuel Missionary Baptist Church

Flanner House
 Girl Scouts of Central Indiana
 Great Commission Church of God
 Happy Hollow Children's Camp
 Health and Science Innovations
 Indiana Annual Conference of the
 United Methodist Church
 Indiana Performing Arts Centre
 Indianapolis Parks Foundation
 Indianapolis Soap Box Derby Association
 Jackson Center for Conductive Education
 Jameson Camp
 Keep Indianapolis Beautiful
 Mary Rigg Neighborhood Center
 Nine 13
 Oaks Academy
 100 Black Men of Indianapolis
 Paramount School of Excellence
 Partnership for Lawrence
 Pathway Resource Center
 Peace Learning Center
 Pro 100
 Saint Florian Center
 Social Health Association of Indiana
 Southeast Community Services
 Westminster Neighborhood Services
 Winning Experiences
 Zion Hill Missionary Baptist Church

Subtotal

Education Grants	127,747,743
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Subtotal

Youth Grants	16,952,417
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Subtotal

Education and Youth Discretionary Grants	95,750
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Total

Education and Youth Grants	144,795,910
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Religion

Dollar amount approved in 2017

Academy of Preachers

Lexington, KY

Continued support for Academy of Preachers 525,000

Asociacion para La Educacion Teologica Hispana

Orlando, FL

Hispanic Bible Institutes Network project 750,000

Association of Catholic Colleges and Universities

Washington, DC

Evaluation of the Collegium program 38,218

Association of Theological Schools in the United States and Canada

Pittsburgh, PA

Supplemental support for Educational Models and Practices in Theological Education project 1,200,000

Calvin College

Grand Rapids, MI

Expansion of Vital Worship Grantmaking at Calvin Institute of Christian Worship 2,499,750

Christian Theological Seminary

Indianapolis, IN

Continued support for institutional renewal projects (2) 2,850,000

Support for Lilly Endowment National and Indiana Clergy Renewal Programs for 2019 8,645,867

Church Music Institute

Dallas, TX

Peer Learning Project in Worship and Music 107,700

Council of Independent Colleges

Washington, DC

Building Stronger Programs for Vocational Exploration project 2,500,000

Duke University

Durham, NC

Continued support for Leadership Education at Duke Divinity project 8,085,900

Supplemental funds for grantmaking project 2,500,000

Traditioned Innovation Project 896,618

EDGE Mentoring

Indianapolis, IN

Strategic planning project 49,177

Emory University

Atlanta, GA

Church, state and family project 50,000

Study of the transmission of faith among three generations 50,000

Fund for Theological Education

Decatur, GA

Supplemental support for Cultivating Christian Leaders for the Church and Academy project 2,025,000



Hispanic Summer Program

New York, NY

Planning for Hispanic Summer Program capacity building project 50,000

Indiana Historical Society

Indianapolis, IN

Planning for the Religion and the Divided Frontier project 50,000

Indiana University Foundation

Bloomington, IN

Continued support for Young Scholars in American Religion Program 1,151,493

National Study of Congregations' Economic Practices project 1,670,000

Indianapolis Center for Congregations

Indianapolis, IN

Life in Community grant initiative 1,854,000

National Initiative to Address Economic Challenges Facing Pastoral Leaders coordination grant 965,330

Indianapolis Symphonic Choir

Indianapolis, IN

Continued support for Sacred Choral Art series 256,000

International African American Museum

Charleston, SC

International African American Museum project 10,000,000

Louisville Presbyterian Theological Seminary

Louisville, KY

Continued support for Louisville Institute project 7,999,954

Supplemental support for the Louisville Institute project 2,500,000

Lutheran University Association

Valparaiso, IN

Planning for Lilly Fellows Program in Humanities and the Arts project 50,000

MPT Foundation

Owings Mills, MD

Prophetic Voices documentary film series 1,500,000

National Association of Evangelicals

Washington, DC

Capacity building planning project 50,000

National Interfaith Cable Coalition

New York, NY

Odyssey Impact multimedia resource outreach project 1,500,000

Partners for Sacred Places

Philadelphia, PA

Feasibility study 50,000

Princeton Theological Seminary

Princeton, NJ

Planning for Hispanic Theological Initiative capacity building project	49,280
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Religion News Foundation

Columbia, MO

Continued support for Religion News Service project	2,500,000
Global Religion Journalism Initiative	4,900,000

Samaritan Institute

Denver, CO

Organizational capacity building project	967,521
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Synod of Lakes and Prairies of the Presbyterian Church (U.S.A.)

Eagan, MN

Madison Area Young Adult M-Hub project	310,000
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The Christian Century

Chicago, IL

Strategic planning for <i>The Christian Century</i> magazine project	50,000
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University of Notre Dame du Lac

Notre Dame, IN

Continued support for Sacred Music program	1,612,523
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Wabash College

Crawfordsville, IN

Continued support for Wabash Center for Teaching and Learning in Theology and Religion	8,100,000
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Whitworth University

Spokane, WA

Sustaining the Vision, Expanding the Network project	499,675
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William Marsh Rice University

Houston, TX

Faith at Work research project	1,500,000
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Called to Lives of Meaning and Purpose Initiative

Programs that assist congregations in designing and launching ministries to help Christians discover and claim how God is calling them to lead lives of purpose and meaning

(16 planning grants ranging from \$36,225 to \$50,000; 13 implementation grants ranging from \$1,495,575 to \$1,500,000; one grant to support coordination of the initiative for \$2,635,685) 22,914,261

American Baptist Theological Seminary, Nashville, TN (2)

Baylor University, Waco, TX (2)

Fuller Theological Seminary, Pasadena, CA (2)

Hope College, Holland, MI (2)

Institute for Ecumenical and Cultural Research, Collegeville, MN (3)

Louisville Presbyterian Theological Seminary, Louisville, KY (2)

Loyola University of Chicago, Chicago, IL

Protestant Episcopal Theological Seminary in Virginia, Alexandria, VA (2)

Regent College Foundation, Seattle, WA (2)

Samford University, Birmingham, AL (2)

Samuel DeWitt Proctor Conference, Chicago, IL (2)

Trustees of Boston University, Boston, MA (2)

Vibrant Faith Ministries, Naugatuck, CT (2)

Wake Forest University, Winston-Salem, NC

Whitworth University, Spokane, WA (2)

Yale University, New Haven, CT

Campus Ministry Theological Exploration of Vocation Initiative

Programs that help campus ministries at public universities develop and expand their vocation discernment work with undergraduate students

(19 sustainability grants ranging from \$15,750 to \$200,000; one grant to support coordination of the initiative for \$1,200,000) 2,265,750

Christian Student Foundation, Muncie, IN

Ecumenical Campus Ministry at Kansas State University, Manhattan, KS

First Presbyterian Church of Berkeley, Berkeley, CA

Fund for Theological Education, Decatur, GA

Gator Wesley Foundation, Gainesville, FL

Lutheran Campus Ministry at the University of Arizona, Tucson, AZ

Lutheran Campus Ministry-Twin Cities, Minneapolis, MN

MacLaurin Institute, St. Paul, MN

Nebraska Lutheran Campus Ministry, Lincoln, NE

New College for Advanced Christian Studies, Berkeley, CA
 Newman Community at Virginia Tech, Blacksburg, VA
 St. Augustine Church and Catholic Student Center, Gainesville, FL
 St. Lawrence Catholic Campus Center, Lawrence, KS
 St. Mary's Catholic Church, College Station, TX
 Saint Paul's Outreach, Inver Grove Heights, MN
 State College Presbyterian Church, State College, PA
 The Navigators, Colorado Springs, CO
 University Lutheran Church, Clemson, SC
 University Presbyterian Church, Chapel Hill, NC
 Wesley Foundation FSU, Tallahassee, FL

Early Career Pastoral Leadership Development Initiative

Programs for pastors in the early stages of their careers that strengthen their leadership skills and capacities by bringing them into direct conversation with civic and business leaders to explore major challenges facing their communities

(5 sustainability grants ranging from \$204,046 to \$250,000) 1,204,046

Gordon Conwell Theological Seminary, South Hamilton, MA
 Pepperdine University, Malibu, CA
 Seattle University, Seattle, WA

Union Theological Seminary, New York, NY
 Wake Forest University, Winston-Salem, NC

Initiative to Strengthen Fundraising in Historic Black Theological Schools

Support for projects at historic black theological schools to sharpen fundraising strategies and build development capacities

(4 grants ranging from \$250,000 to \$698,599) 1,448,500

Association of Boards in Theological Education, Wilmington, DE
 Hood Theological Seminary, Salisbury, NC
 Payne Theological Seminary of Wilberforce, Ohio, Wilberforce, OH
 Virginia Union University, Richmond, VA

Initiative to Strengthen the Quality of Preaching

Programs that help working pastors enhance preaching skills and improve preaching instruction for seminary students

(12 grants ranging from \$188,597 to \$2,417,500) 5,093,205

Asbury Theological Seminary, Wilmore, KY
 Baylor University, Waco, TX
 Calvin College, Grand Rapids, MI
 Calvin Theological Seminary, Grand Rapids, MI
 Duke University, Durham, NC
 Garrett-Evangelical Theological Seminary, Evanston, IL



Gordon Conwell Theological Seminary,
South Hamilton, MA
Northern Baptist Theological Seminary, Lisle, IL
Princeton Theological Seminary, Princeton, NJ
Protestant Episcopal Theological Seminary in Virginia,
Alexandria, VA
Samford University, Birmingham, AL
Southern Methodist University/Perkins School of
Theology, Dallas, TX

Strengthening Ministries With Youth Initiative

Programs to help congregations and other
organizations design and test new models for
ministries with middle and high school youth,
ages 12 to 18

(4 grants ranging from \$458,502 to \$1,238,811) 3,992,778

Center for Youth Ministry Training, Brentwood, TN
Hope College, Holland, MI
Princeton Theological Seminary, Princeton, NJ
Samford University, Birmingham, AL

Thriving in Ministry Initiative

Programs to support the creation or enhancement
of projects that help clergy thrive in their roles
as congregational leaders

(24 planning grants ranging from
\$35,500 to \$50,000) 1,152,538

(24 implementation grants ranging from
\$959,996 to \$1,000,000) 23,945,661

Asbury Theological Seminary, Wilmore, KY (2)
Ashland University, Ashland, OH (2)
Brite Divinity School, Fort Worth, TX (2)
Catholic Church Extension Society of the
United States of America, Chicago, IL (2)
Center for Courage & Renewal, Seattle, WA (2)
City Seminary of New York, New York, NY (2)
Columbia Theological Seminary, Decatur, GA (2)
Eastern Mennonite University, Harrisonburg, VA (2)
Fourth Episcopal District A.M.E. Church,
Chicago, IL (2)
George Fox University, Newberg, OR (2)
Lott Carey Baptist Foreign Mission Society,
Landover, MD (2)
Luther Seminary, St. Paul, MN (2)
Memphis Theological Seminary of the
Cumberland Presbyterian Church, Memphis, TN (2)
New York Theological Seminary, New York, NY (2)
North Park University, Chicago, IL (2)

Pepperdine University, Malibu, CA (2)
Princeton Theological Seminary, Princeton, NJ (2)
Protestant Episcopal Theological Seminary in Virginia,
Alexandria, VA (2)
Sisters of St. Benedict of Beech Grove,
Beech Grove, IN (2)
Texas Methodist Foundation, Austin, TX (2)
The Catholic Theological Union at Chicago,
Chicago, IL (2)
The Seattle School of Theology and Psychology,
Seattle, WA (2)
University of Notre Dame du Lac,
Notre Dame, IN (2)
Virginia Union University, Richmond, VA (2)

Subtotal

Religion Grants 144,925,745

Subtotal

Religion Discretionary Grants 15,000

Total

Religion Grants 144,940,745

Grand Total – All Divisions

537,814,604

Matching grants – staff, retiree and Board giving 5,800,526

Total – All Grants Approved * 543,615,130

* Reconciliation to Financial Statements

To reconcile the total of all grants approved
with the financial statements, the following
adjustments must be made:

Adjustments for conditional grants (35,000,000)

Adjustments for decommitments (160,981)

Adjustments for refunds (64,828)

Net Total – Grant Approvals 508,389,321

Grant Guidelines & Procedures

We receive a few thousand grant requests each year, and as such, can fund only a small percentage of many worthwhile proposals. The following guidelines and procedures, formulated over the years by our founders and Board of Directors, govern our grantmaking decisions.

Areas of Interest

We consider proposals in three main program areas: community development, education and religion. We also are interested in initiatives that benefit youth and 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 routinely offer initiatives to support community foundations and United Ways. Nationally, the Endowment provides support on an invitational basis for compelling other causes that are consistent with our areas of interest, such as disaster relief and recovery efforts and programs for veterans' affairs and their families.



Education

Our education grantmaking revolves primarily around objectives to enhance and increase the educational attainment and meaningful economic opportunities of residents in Indiana with the overall aim of improving the quality of life of the state's residents. We support programs in Indiana on an invitational basis that promote high-quality early childhood education, strengthen K-12 education, prepare students for education and careers beyond high school, connect college students and graduates with meaningful employment opportunities in Indiana, enhance the effectiveness of Indiana colleges and universities to prepare their students for successful lives and careers, and build the state's intellectual capital. Nationally, we support on an invitational basis programs that expand and enhance higher education opportunities for African Americans, Native Americans and Latino Americans.



Religion

Our religion grantmaking aims to deepen and enrich the religious lives of American Christians, principally by supporting efforts that enrich the vitality of congregations. We believe that the long-term health of congregations depends on excellent pastoral leadership, and our grants seek to ensure that congregations have a steady stream of wise, faithful and well-prepared leaders. We also support efforts that help Christians draw on the wisdom of their theological traditions as they strive to understand and respond to contemporary challenges and live out their faith more fully. Much of this work centers on the theological concept of vocation and focuses on helping Christians, especially youth and young adults, discover how God calls them to lead lives of meaning and purpose.



In addition, we believe that religion plays a critical role in shaping American life. Through grants to major cultural institutions and 501(c)(3) news and media organizations, we seek to foster public understanding about religion and lift up in fair and accurate ways the contributions that people of all faiths and diverse religious communities make to our greater civic well-being.

Youth and Philanthropy

Besides grantmaking in our three principal areas, we award grants in support of youth development and the advancement and study of philanthropy and the nonprofit sector. Our youth grants support direct service organizations in Marion County, Ind., build the capacity of intermediary organizations throughout the state, and provide professional development for the staffs and volunteer leadership of these organizations.

Regarding philanthropy, we seek to support and nurture good stewardship among the trustees and executives of charitable organizations by providing on an invitational basis funding for research on the governance and effectiveness of nonprofit organizations. We also support efforts to advance philanthropy by supporting selective research projects and educational programs focused on charitable giving and fundraising.

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 especially to grants for community development and elementary/secondary education. Exceptions include occasional funding on an invitational basis for national programs that complement or relate to our work in Indiana or further a compelling cause aligned with our founders' interests.

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

Our grantmaking in religion is national in scope, as is support relating to philanthropy and the nonprofit sector, which is provided on an invitational basis. Grants for international purposes are limited to a few United States-based economic 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 pre-existing debts of individuals or organizations.
- healthcare 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 longstanding grantees or special initiatives.
- libraries. Except for special initiatives, the Endowment regularly declines grants to public libraries outside Marion County, Ind.
- 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 send us by regular mail a preliminary letter of no more than two pages. The letter should tell us about your organization, the project you have in mind, the issue or need you seek to address and the amount of support you would like to request 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. Emailed or faxed requests will not be considered.

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For arts and cultural organizations in Marion County, Indiana

Several local grantmaking foundations have collaborated on the development of shared grant application forms. These forms were developed in consultation with leaders of local arts and cultural organizations with a goal of making fundraising efforts more efficient. The Shared Grant Application Form may be used to apply for general operating support. For specific project requests, the Shared Project Grant Form may be completed along with the Shared Grant Application Form. While the Endowment will accept these shared forms from local arts and cultural organizations, applicants are not required to use them, and the Endowment reserves the right to request additional information.

Approval process

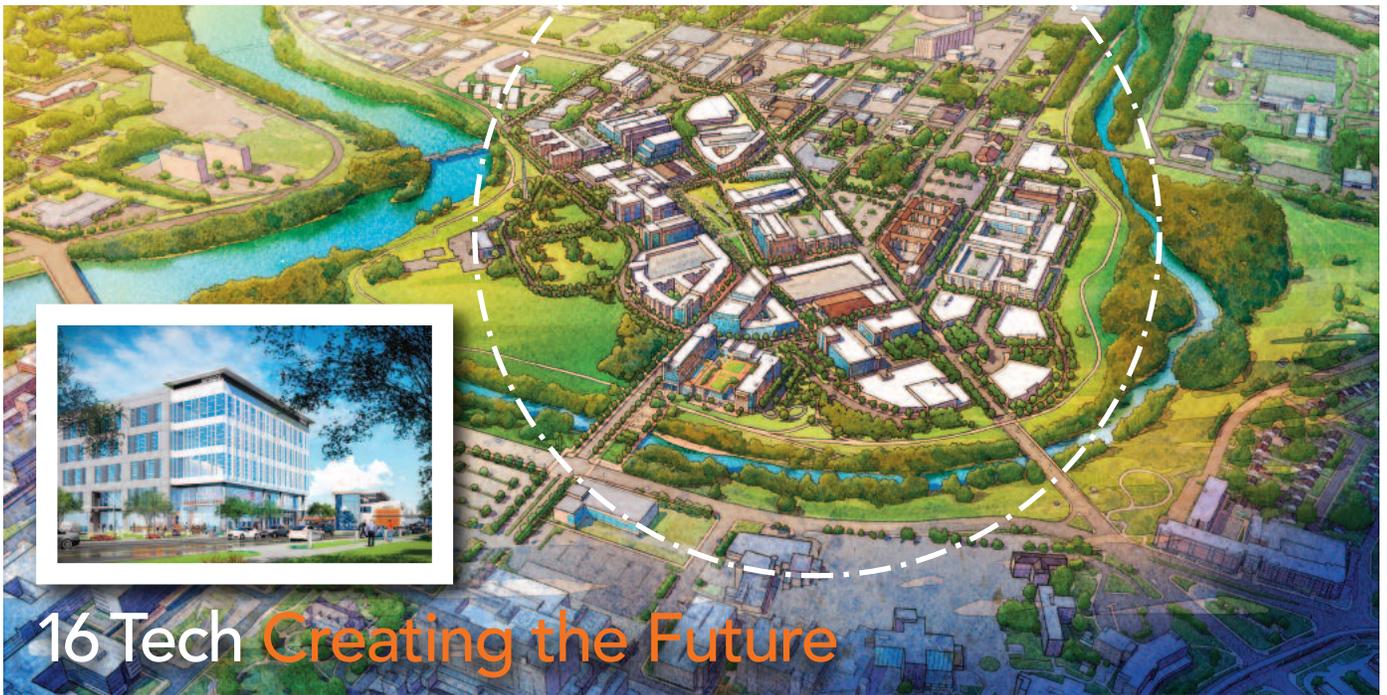
A program director generally reviews grant proposals. Those that meet the criteria for consideration proceed to the appropriate division for review, then to the Endowment's officers, and finally to the Endowment's Board of Directors. The Board of Directors considers grants in March, June, September,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

Please direct correspondence to:



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16 Tech **Creating the Future**

Recognizing what may be a once-in-a-generation community development opportunity in the heart of Indianapolis, Lilly Endowment approved a \$38 million grant in 2017 to support the development of 16 Tech.

16 Tech is an innovation community district for researchers, entrepreneurs and established companies in life sciences, technology, advanced manufacturing and engineering being built to attract world-class talent to the city and develop employment opportunities for residents of the surrounding neighborhoods. The first phase of projects will be developed by Browning, an Indianapolis firm.

The grant to 16 Tech Community Corporation will help set in motion the transformation of a 60-acre area on the near westside of Indianapolis. The area reaches north from 10th Street and Fall Creek, near Indiana University School of Medicine and Indiana University-Purdue University Indianapolis (IUPUI), toward 16th Street. Bordered on the west by the White River, the district will include Indiana Avenue.

16 Tech is being strategically designed to include space for research and collaboration among higher education institutions; companies in life sciences, technology, engineering and advanced manufacturing; arts and other creative enterprises; and neighborhood groups. Indiana Biosciences Research Institute will become an anchor tenant.

A portion of the Endowment grant will help fund several key placemaking efforts:

- **A signature bridge spanning Fall Creek and connecting 16 Tech with IUPUI, the IU School of Medicine and hospital campuses along West 10th Street**
- **A pedestrian and cycling path to connect 16 Tech with a future extension of the Indianapolis Cultural Trail**
- **Public art in and around 16 Tech**
- **A central green space that will serve as a destination within 16 Tech and an open space for events and gatherings**

The Endowment grant includes a \$2 million dollar-for-dollar match for 16 Tech Community Corporation to raise philanthropic dollars from individuals, corporations, foundations or private entities.

Momentum for 16 Tech has been fueled by the engagement and support of several entities, including the State of Indiana, Richard M. Fairbanks Foundation, Indiana University, IU Health, Health and Hospital Corporation of Marion County, Citizens Energy Group, Central Indiana Corporate Partnership, local neighborhood organizations, several businesses and the City of Indianapolis, which in 2015 approved \$75 million in tax-increment financing for infrastructure improvements for the project.

Acknowledgements

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Page 17:

Courtesy of Purdue University

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