The Erie
Community
Foundation

Helping today...Shaping tomorrow

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Dear Friends,

Trustees, donors and staff at The Erie Community Foundation are deeply committed to our local nonprofit community. As we plan for our calendar 2009 grantmaking year, world financial markets remain in flux. While things could look very different a few short months from now, we are writing to review ECF policy regarding the management of charitable assets entrusted to us and to announce some short-term steps we've taken to help our local nonprofit sector.

The Erie Community Foundation takes its responsibility as stewards of charitable capital extremely seriously. We retain an independent investment consultant to help develop a diversified asset allocation model. During difficult times, it may seem safer to move to a more defensive posture, i.e. a move to more liquidity, until conditions improve. However, we strongly believe that taking this action after markets have significantly fallen is, in fact, a risky step. Historically, a diverse portfolio will outperform those heavily weighted in liquid assets. We further believe our investment strategy and policy gives us the latitude and flexibility to take advantage of opportunities as they arise—and even in times such as these, opportunities will present themselves.

We also recognize challenging financial markets might doubly impact our local nonprofit organizations. Incoming contributions could be reduced because donors have less disposable income. At the same time, we may see an increased demand for both programs and services.

Armed with this understanding, trustees have agreed to an increased emphasis on our competitive ***Helping Today*** grantmaking during calendar year 2009. To accomplish this, we've made significant cuts in our administrative budget and have prioritized our long-term and systemic ***Shaping Tomorrow*** activity.

Erie needs a strong nonprofit sector now, more than ever. We urge the donor community to continue their support of local nonprofits. While there will be many difficult decisions ahead, please know The Erie Community Foundation remains committed to diligent stewardship and to doing its very best to help local both donors and the nonprofit sector.

Sincerely,

William M. Hilbert, Sr.
Chairman

Michael L. Batchelor
President