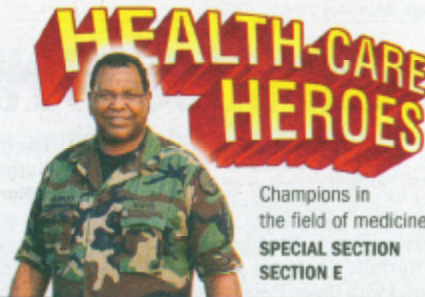




Boom hangover

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100,000 homes, 3 million trees

By Joe Rauch
STAFF WRITER

Big Orange is giving away a lot more green for being green.

The Home Depot Foundation, the philanthropic arm of The Home Depot Inc., is committing \$100 million over the next 10 years to its two focus areas: making affordable housing environmentally friendly and tree renewal programs. Tied to the foundation's five-year anniversary, the new \$100 million initiative is the first major expansion of the home improvement giant's nonprofit arm, guaranteeing roughly \$10 million per year in national donations from the foundation.

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In for the long haul: The Home Depot Foundation is committing \$100 million over 10 years to tree renewal programs and making affordable housing environmentally friendly.

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100,000 homes, 3 million trees

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The new initiative also aims to build 100,000 affordable, environmentally friendly homes and plant 3 million trees nationally during the next decade.

"This is about staking a leadership position," said Kevin Martinez, Home Depot's vice president for community affairs and president of the foundation's board. "We want our grant recipients to know we'll be here for the long haul, and in a big way."

Last year, it donated \$12 million to affordable housing and tree preservation projects, including building new homes along the Gulf Coast in Hurricane Katrina's wake, and funding organizations such as Trees Atlanta.

The foundation has no specific donation or building goals for Atlanta or other geographic regions.

The announcement comes as Home Depot is beginning a national green building push.

On April 17, the company announced its Eco Options program, an in-store label that identifies more than 2,500 products sold at Home Depots as environmentally friendly. One day later, the foundation signed on as a partner in Mayor Shirley Franklin's Greener Atlanta Initiative, donating \$50,000.

Despite being around since 2002, the foundation is not well-known locally.

Some nonprofit observers said the

foundation wasn't as involved locally because it was new, and came with a national, rather than local, focus.

Unlike the philanthropic arms of SunTrust Banks Inc. or The Coca-Cola Co., the Home Depot Foundation doesn't issue grants beyond its two focus areas.

And, at least for the next decade, it doesn't intend to.

Executive Director Kelly Caffarelli said the long lead time on construction projects requires the foundation to make a long-term commitment.

"We can't snap our fingers and deal with the issue," she said.

Like most corporate foundations, the Home Depot foundation mainly raises money from its parent company.

The Home Depot annually donates 15 percent to 20 percent of the foundation's total funds.

But it also receives money from more than 3,000 of the home building suppliers' vendors and contractors.

The Home Depot Foundation will pay for the new initiative with additional donations from its two primary fundraising sources, and has no immediate plans to seek donations beyond the company and its vendors.

The newest initiative is a sudden shot to a gradual funding increase at the foundation over the past five years.

The foundation began in 2002 by issuing \$25,000 grants.

Now, it works with national partners,

giving \$500,000 grants, and increased individual grants to a maximum of \$75,000.

"\$500,000 grants can eat up \$10 million pretty quickly, and we know the need is out there," Caffarelli said.

The foundation has issued roughly \$25 million in total grants since 2002.

Caffarelli said the foundation's internal review of its own operations and long-term goals began late last year.

"This is about staking a leadership position. We want our grant recipients to know we'll be here for the long haul, and in a big way."

Kevin Martinez
The Home Depot Inc.

She said discussions of the foundation's expansion were not connected to former CEO Bob Nardelli's departure in early January.

Foundation staff members, Caffarelli said, had informally discussed the foundation's effectiveness "long before" Nardelli left.

She said new CEO Frank Blake is a strong supporter of the foundation, and its new giving goals.

Earlier this year, board members, composed of Home Depot employees

across the company, and the foundation's executive staff formally discussed how effective the foundation was over the past five years, and if a change was in order.

In the end, both board members and staff agreed to ramp up, rather than change, the foundation's donations.

"My perspective is that it's periodically a good idea for every foundation to take a look at how they're doing," said David King, principal at local fundraising consultant Alexander, Haas, Martin & Partners L.P.

Other local corporate foundations have come to different conclusions.

The Coca-Cola Foundation internally announced a plan to reorganize later this year, emphasizing international donations and potentially reducing its commitment to other areas such as the arts and education.

The UPS Foundation's new president, Lisa Hamilton, also wants to take her organization global as its package-delivering parent increasingly expands globally.

Caffarelli said the decision to recommit to the five-year-old strategic plan came without the issues older corporate foundations face.

"We didn't have a lot of history, and we feel the foundation's goals are as current and relevant as ever," she said.

"There's something visceral about providing a healthy home for someone."

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