



# ST. LOUIS POST-DISPATCH

## Nonprofits building steam

People intent on doing good deeds drive up the numbers in Missouri, Illinois.



**DAWN MAJORS** • dmajors@post-dispatch.com

**Kids arrive Friday at Bethlehem Lutheran Church in St. Louis for vacation Bible school. The church runs a nonprofit that has facilitated the building of homes (one is in the background) in the depressed Hyde Park neighborhood. Now the church has incorporated a new nonprofit for an educational project.**

**BY ADAM JADHAV** • metro@post-dispatch.com

An executive and regular donor was planning a charity golf tournament. An active church had plans for a new project in north St. Louis.

Both needed an official vehicle for their plans, an organization to carry the banner. But rather than look to existing groups, they all founded nonprofit organizations. And in taking matters into their own hands, they joined a gathering legion who have incorporated nonprofits to match their passions and ideas.

In Missouri, the number of new nonprofit corporations founded annually has risen steadily this decade, from 1,233

in 2000 to 2,257 in 2007. In 2008, the number exploded to 3,082, almost a 37 percent increase in a single year. In all, the state has more than 52,400 registered nonprofits.

In Illinois, nonprofit incorporations have increased almost every year since at least 1970, though they fell this year. There are almost 85,400 nonprofits in the state.

"They're simply moral or social entrepreneurs that are concerned about the issues," said Kirsten Grønberg, a professor at Indiana University and a chair at the Center on Philanthropy. "I get a request at least once a

month from someone else who says, 'I'm starting a new nonprofit. Tell me what to do.'"

Nationally the trend looks much the same; for decades, entrepreneurs have taken their resolve to the not-for-profit sector each year in greater numbers.

Experts can't come up with any single reason why the nonprofit sector has grown like it has. But they all see one common thread: the almost mythic American, can-do spirit, as people with passions figure they can do it best themselves.

"That 'Let's take charge'

**See NONPROFITS • Page A8**

## Self-banned gamblers get a loophole

**Arrests dip** • Lifting of loss limits, strict ID policy can be exploited in Missouri.

**BY VIRGINIA YOUNG** • Post-Dispatch Jefferson City Bureau Chief  
vyoung@post-dispatch.com > 573-635-6178

**JEFFERSON CITY** • For years, Missouri has ballyhooed its novel program allowing compulsive gamblers to ban themselves from casinos for life.

More than 14,000 people — including 5,313 in the St. Louis area — have signed up since the program began in 1996. They agreed to stay away from casinos and to be arrested for trespassing if caught on the premises.

But now, gambling counselors say more problem gamblers may be slipping in unnoticed. Since state voters got rid of the \$500 loss limit last November, casinos no longer require all patrons to show an ID and get a boarding pass to enter.

"If you don't check ID, you don't know who's trying to get through or who got through," said Keith Spare, chairman of the Missouri Council on Problem Gambling Concerns.

State regulators say the program still works. Relapsed ad-

dicts are identified when they try to cash a check or get a cash advance on their credit card. They have to show a government-issued ID to the casino cashier for either transaction.

In a cruel twist, they also lose by winning big. To claim a large jackpot — more than \$1,200 at the slots, for example — gamblers must file an IRS form. The cashier matches winners against the self-exclusion list. Banned gamblers not only are arrested; they forfeit the money.

Those methods are producing fewer arrests, though. Gaming agents at the state's 12 casinos arrested 480 people on the "disassociated persons list" in the first half of 2009, compared with 584 during the same period last year, according to the Missouri Highway Patrol's gaming division. That's a drop of nearly 18 percent.

**See GAMBLERS • Page A8**

**Gaming Commission** • Hearing set on fate of President Casino. **Page A8**

## Bernanke's PR campaign does 'town hall' stop in KC

**BY EDMUND L. ANDREWS** • New York Times

**KANSAS CITY** • Ben Bernanke, chairman of the Federal Reserve, is on a publicity campaign with a message: The central bank is here to help, and it is not as mysterious or menacing as people might think.

In a profound departure from the central bank's tradition as an aloof and secretive temple of economic policy, Bernanke has plunged into the public spotlight to an extent that none of his predecessors would have contemplated.

He has given a television in-

terview to "60 Minutes" on CBS, including a tour of his hometown of Dillon, S.C.; has held what amounted to a televised news conference; and has written newspaper commentaries to explain the Fed's efforts to fight the financial crisis.

On Sunday, Bernanke reached another milestone in his evolution from Fed chairman to Fed showman, participating in a one-hour "town hall" meeting in Kansas City organized and moderated by

**See BERNANKE • Page A3**

**IF YOU HAVE THE QUESTIONS, WE HAVE THE DATA.**



Check our databases to find out answers to questions about your community.

**How safe am I?** Search city statistics by type of crime, right down to your neighborhood or even your street.

**How much is my house worth?** Check home sales for the county for the last two years, or you can check median county-by-county home values.

**How good are my schools?** Check out the average teacher and administrator salaries for your district and get a school-by-school look at test results.

**STLtoday.com/info**



## Recession hits the disabled especially hard

Their jobless rate jumps to 14.3 pct. amid lingering employer wariness, job market competition.

**BY STEVE GIEGERICH** • sgiegerich@post-dispatch.com > 314-340-8172

It was just about a year ago that disheartened Lambert International Airport bag handler Terry Tinnon, fundamentally incapable of writing a report on a work-related incident, walked away from his job.

Despite a learning disability, Tinnon, 41, had to that point been steadily employed at a variety of jobs throughout his adult life.

He believed his work ethic would quickly earn him another opportunity to support himself.

Eleven months later, he continues to collect unemployment.

"He got frustrated, quit and thought he could find another job — and he can't," said Laurie Tochrop, executive director of Jobs and Employment Support Services, an agency that has assisted the disabled navigate the job market since 1979.

Among disabled Americans, Tinnon is far from unique.

According to the National Bureau of Labor Statistics, the nationwide unemployment rate in June for people with disabilities,



**Laurie Skrivan** • lskrivan@post-dispatch.com

**Out of work since August, Terry Tinnon of St. Louis has been coming to Jobs and Employment Support Services daily to look for possible jobs at the agency, which aids the disabled. Tinnon has a learning disability.**

14.3 percent, was nearly 5 percentage points higher than the overall national jobless rate.

Allsup Inc. of Belleville tracks employment trends among the disabled via the distribution of Social Security Disability Insur-

ance and Medicare benefits.

In the 12 months starting in the second quarter of 2008, the company said, first-time applications for disability benefits jumped 22

**See DISABLED • Page A5**

### UNEMPLOYMENT STATISTICS

Unemployment in June 2009.

**National:** 9.5 percent  
**Disabled individuals:** 14.3 percent

**Applications for Social Security disability insurance, second quarter, 2009:** 727,000

**Applications for Social Security disability insurance, first quarter, 2009:** 676,000

**Pending applications for Social Security disability insurance:** 1.4 million  
**Average time before applicants receive an award:** 2.6 years (942 days)

Sources: Bureau of Labor Statistics, Allsup Inc.

**WEATHER** • TODAY **89°** • TONIGHT **80°** • TOMORROW **88°** • FORECAST **A14**

STLtoday.com/birdsnest • POST-DISPATCH WEATHERBIRD •

1 M



**The Gutter That Never Clogs... Guaranteed!®**  
**NO MONEY DOWN NO INTEREST NO PAYMENTS 6 MONTHS SAME AS CASH**



"This system works and I recommend LeafGuard because they earned my respect."  
- Scott Mosby, KMOX Home Improvement Show

**50% OFF** Installation Cost LeafGuard System  
Limited time offer.

11877 Adie Rd., St. Louis MO 63043  
**314-567-9989, 1-800-532-3482**  
www.leafguard.com



**FROM A1**

# GAMBLERS • FROM A1

Self-banned gamblers can exploit loophole to enter Missouri casinos

Even so, the program's administrator, Melissa Stephens, said the lack of a mandatory boarding card hasn't harmed the effort.

"Ultimately, this is a program that is a tool for the individual, and it is for them to accept and take personal responsibility," she said.

**PLAYERS CARDS**  
Before loss limits were repealed, every gambler had to present a drivers license or some other form of state-issued ID with a photo, name, date of birth, address and Social Security number or drivers license number. The information was required to get the mandatory players card in Missouri.

But the Missouri Gaming Commission says the boarding passes were never an effective enforcement tool for catching banned gamblers because the gamblers often would use someone else's card. It wasn't until they won a large jackpot or tried to cash a check or get a cash advance that they were caught, said Clarence Greeno, assistant deputy director for enforcement for the commission.

Greeno said passage of Proposition A may have emboldened some addicts to go to casinos again.

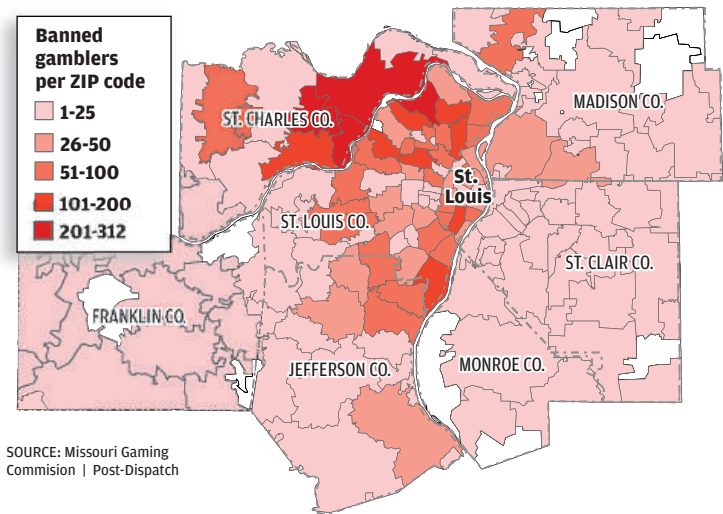
Rick Cox, who counsels problem gamblers in St. Charles, said he has seen that happen. A man who had quit gambling returned to the casinos in November, telling Cox, "Once I found out that you didn't need a card anymore, it changed my thinking completely." The man gambled for months before being arrested.

Cox said problem gamblers aren't deterred by the knowledge that they can't keep large jackpots, which "really tells you about the nature of the addiction, because it's all about just playing."

Experts estimate that problem and pathological gambling affects from 2 percent to 4 percent of the adult population. Symptoms include being preoccupied with gambling, gambling to es-

**GAMBLERS WHO HAVE BANNED THEMSELVES FROM CASINOS**

More than 14,000 people have banned themselves from Missouri casinos. This map shows where the 5,313 in the St. Louis region live, by ZIP code.



cape from problems and lying to family members to conceal the extent of gambling.

**ILLINOIS BOUNTIES**

Missouri pioneered the self-banning program and has the largest program of roughly 13 states — including Illinois — that offer some type of self-banning.

The areas with the largest clusters of admitted problem gamblers are in St. Peters (63376), St. Charles (63303, 63301), Florissant (63031), and north St. Louis and St. Louis County (63136 — the Jennings area).

Those areas have easy access to casinos — Ameristar in St. Charles and Harrah's in Maryland Heights.

In Illinois, 6,846 people — including 1,562 from Missouri — have declared themselves problem gamblers.

Illinois came up with an innovative way to enforce its ban. Casinos pay \$250 to each employee who finds an excluded gambler.

The casino that gives out the most money under the "bounty" system is the Casino Queen in East St. Louis. Employees there

have caught 95 problem gamblers since the bounty program began three years ago.

"The Casino Queen takes this program very seriously," said Gene O'Shea, director of the Illinois self-exclusion program.

Employees at the Alton Belle have received bonuses for nabbing 33 problem gamblers.

Missouri casinos say they do all they can to police the self-banned list. Security officers are stationed at the electronic turnstiles, which count patrons as they enter. A count is required because casinos must pay \$1 to the state and \$1 to City Hall for each patron. The guards can ask for IDs.

While players cards aren't required, regular gamblers still use them because they want to get the complimentary meals and other rewards casinos offer in return for playing the games.

Troy Stremming, an executive with Ameristar Casinos Inc., said he's glad that the number of people on the banned list keeps growing.

"We don't want them in there" if they're problem gamblers, he said.

Kevin Crowe of the Post-Dispatch contributed to this report.

# Riverboat's fate is Tuesday topic

Gaming agency will give opinion about future of license if President closes.

BY VIRGINIA YOUNG • Post-Dispatch Jefferson City Bureau Chief  
vyoung@post-dispatch.com > 573-635-6178

**JEFFERSON CITY** • The fate of the financially struggling President Casino will be the subject of a special Missouri Gaming Commission hearing on Tuesday.

At issue: Whether the President Casino can replace or relocate the aging facility under its current license, or whether the license would be up for grabs if the President closes.

The owner, Pinnacle Entertainment of Las Vegas, said last year that it wanted to move the casino north to the Chain of Rocks Bridge, where the company could eventually build a "boat in a moat" similar to other Missouri casinos.

Pinnacle spokesman Mack Bradley said Friday that officials were "investigating all their options." He said moving to the Chain of Rocks is "one of them, but there are several others." He declined to elaborate.

The President, in the historic Admiral riverboat, has a limited lifespan. It is due for a federal inspection next year, which could rule out further use because of its 100-year-old hull. "The commission is constrained to recognize that and to look ahead as to what should be done," said Gene McNary, executive director of the Gaming Commission.

The case is being watched closely from all corners of the state because of the enormous value of the casino's license. Proposition A passed by state voters last year froze the number of licenses that can be issued at 13, enough for the current 12 casinos and one being built in south St. Louis County.

It's unclear whether state law allows a casino to move without reopening the licensing process and inviting bids by other casino developers. If bids are allowed, officials in Sugar Creek and Cape Girardeau have expressed inter-

est. McNary said the commission staff would provide its legal opinion at the hearing, which will take place at 1 p.m. in the commission's Jefferson City office. McNary discouraged testimony on competing locations, saying that would be premature.

"Step 1 is to determine whether there's any way for the President to continue on past the time when it's no longer a safe vessel," he said. "Once that's determined, then the question of another location would be opened up and would be addressed at a later time."

Revenue at the President was down by nearly half during the year ending June 30, compared with the previous year. Pinnacle has said it kept the casino open to avoid losing the license. Pinnacle also owns Lumière Place downtown, blocks away from the President.

Alderman Dionne Flowers, whose ward includes far north St. Louis, said there has been speculation for years that a gambling boat would moor near the Chain of Rocks Bridge, a possibility that has increased with the capping of casino licenses and the opening of Lumière Place.

But Flowers said she has yet to be approached about a move, which would most certainly need her endorsement to pass muster at City Hall. Flowers said her approval of the plan would be based on the backing of residents, who would likely see an influx of traffic and a loss of green space to make way for the casino.

The mayor's office referred requests for comment to the head of the city's development agency, Rodney Crim, who could not be reached Friday.

Jake Wagman of the Post-Dispatch contributed to this report.

# NONPROFITS • FROM A1

Nonprofits are building steam in Missouri and Illinois as more and more people look to make a mark with good deeds

attitude leads them to start a nonprofit," said Bob Ottenhoff, president and CEO of Guidestar, a national clearinghouse of nonprofit data that is itself an independent tax-exempt organization. "They're saying, 'I'm not going to wait for someone else to do it. I'm not going to wait for the government to do it. I'm going to do it myself.'"

**QUICK SUCCESS**

C. John Keane, who owns one company that sells medical malpractice insurance and another that provides software to physicians, started the Keane Group Foundation in March as a way to streamline his and his companies' charitable efforts.

"We do a fair amount of giving to various organizations, and we decided to try to bring a little more organization and direction to it," Keane said.

By the end of May, Keane's charity had put on a golf tournament — "something small and experimental to see how it went" — as a first attempt to benefit research into leukemia and lymphoma. The event drew about 100 golfers and grossed more than \$50,000.

"I never dreamed when we decided to move forward that we would be as far along as we are right now," Keane said. Keane's new nonprofit was one of 1,614 incorporated in the state of Missouri in the first six months of the year. That pace, if maintained, would beat last year's high.

The Post-Dispatch reviewed a random sample from the 298 nonprofit creation filings in March and found wide variance in the purpose of the fledgling organizations.

A number were membership-based organizations — a sorority, homeowner associations, a maintenance co-op for dental offices. Some were churches: a Korean Baptist church in St. Charles and Jesus Loves You House of Prayer registered in Wentzville.

There were sports-based clubs — a football organization in Kansas City and a disc golf association near Branson, Mo. Others were medical-related: a fund dedicated to advocacy focused on obstetric fistulas and a fundraising group for medical research.



**DAWN MAJORS • dmajors@post-dispatch.com**  
**The Urban Studio Cafe offers sandwich samples Saturday at the North City Farmers Market. The nonprofit cafe is getting community opinion on the kinds of sandwiches it will serve at its 2815 North 14th Street location. The nonprofit's goals are to create jobs, be a social gathering place, aid economic revitalization and provide funding for youth art programs. The cafe plans to open to the public in two to four weeks.**

Several couldn't be contacted. Most don't yet have websites, telephone listings or advanced operations.

One new nonprofit — formed to provide therapy to the disabled by pairing them with horses — was already contemplating whether to continue as an organization.

**POLICING NONPROFITS**

Experts warn that while there has been a long trend of more individuals trying their hands at nonprofit work, it's not always clear how long they last or whether they succeed.

Though a nonprofit must make a detailed application to the Internal Revenue Service for tax-exempt status, many don't face regular reporting requirements. Organizations with less than \$25,000 in annual income, as well as churches, are exempt from federal financial disclosure rules. The IRS only this year began asking smaller organizations to file an abbreviated form.

And the sheer volume of organizations makes policing difficult. The IRS believes there were 1.9 million tax-exempt organiza-

tions in 2008, but it has no way of knowing how many are defunct.

State attorneys general provide some financial oversight, but rules vary from state to state. In Illinois, the bulk of nonprofits — those designated charitable and tax-exempt by IRS — must register with the attorney general's office and provide annual financial statements, as do any other nonprofits that solicit public donations. In Missouri, however, registration and reporting to the attorney general's office is mandatory only for a minority of nonprofits: noncharitable organizations that solicit contributions, said Bob Carlson, a Missouri assistant attorney general who works with nonprofits.

Meanwhile, the Missouri attorney general's voluntary, public "Check a Charity" online database lists only about 1,000 of the nonprofits incorporated in the state.

Carlson said he can scrutinize only a tiny sliver of the state's nonprofits; in 2008, he opened 72 investigative files. The system requires donors to decide which are worthy causes, he said.

"The donors, they have a lot of power because they can say, 'Look I'm not going to donate to you, I'm not going to support you because you're not efficient, because you're not transparent,'" Carlson said.

And with the severe recession putting pressure on charitable contributions, experts said they expect the nonprofit growth to slow or even decline in the next few years. The number of organizations given tax-exempt status approval by the IRS in 2008 fell significantly for the first time in many years.

To survive, many nonprofits will have to operate more like a business, with models, standards and practices for better efficiency and effectiveness, several analysts said. In some cases, that may mean more mergers or partnerships among nonprofits.

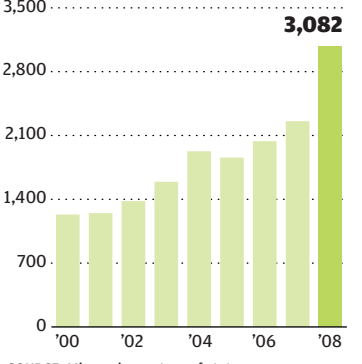
"It's a market function — the market will determine some who are best positioned to move forward," said Mary McMurtrey, president of the Gateway Center for Giving, an association of grant makers in the St. Louis area.

John R. Schmidtke, pastor at

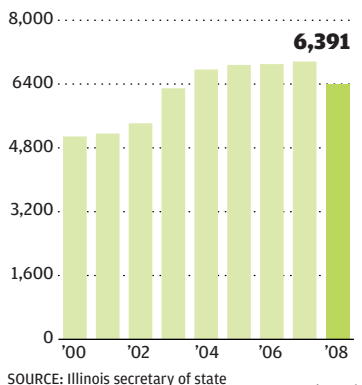
**SURGE IN NONPROFITS**

As is the case nationally, Missouri and Illinois have seen a sustained increase in the number of new nonprofit corporations founded annually.

**Missouri**



**Illinois**



Bethlehem Lutheran Church, is banking on a record of nonprofit success for a venture incorporated in March. A nonprofit Schmidtke and his church founded nine years ago — Better Living Communities — has worked with private corporations and local and state officials to leverage tax credits to build dozens of new homes in the depressed Hyde Park neighborhood. The organization's work has persuaded other developers to follow suit.

Buoyed by that venture, Schmidtke and the church now have a second nonprofit, focused on an educational project that they're not quite ready to reveal.

"Given our success in the past, we hope our partners and supporters in the past will be on board with us this time," Schmidtke said.