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Introduction

On Monday, April 22, 1991, 2,000 foundation executives and staff members arrive at the Chicago Hilton, with its Versailles-inspired Grand Ballroom and richly appointed guest rooms, for the 42nd annual conference of the $3,600,000,000 Council on Foundations. The question for the three-day meeting, according to a press release, is "Can private sector philanthropy cope with the exploding problems of many groups on the margins of the economy?"

The margin of the economy is two blocks away, in an area that used to be called "Hell's half acre." In stark contrast to the setting for the COF conference, the Pacific Garden Mission, established in 1877 and the second-oldest urban mission in the United States, offers dormitories with "sturdy army-type beds" to some 300 men and 40 women. Everyone who enters its program receives a job assignment because "God does not want lazy believers." "We're not philanthropists," says men's division director Jay Pires. "God gives them a second chance. All we can do is help them see the opportunity, when so many other people are saying there's nothing they can do except take and take and take."

Self-reliance, industry, and the individual pursuit of opportunity historically have been fundamental American watchwords. The sessions at the Hilton, however, accompanied by lavish meals ("Left over food will be donated to the Greater Chicago Food Depository") and songs from the Chicago Gay Men's Chorus, reflect a radically different set of concerns.

The Common Mindset

Consider, for example, the mindset embodied in films shown from 6:00 a.m. to midnight as part of the conference's 11th Annual Film and Video Festival, made up of 20 media projects supported by grantmakers and selected by a Council screening committee:

- *Berkeley in the Sixties* (released in 1990) tells us America's problem was "much, much bigger than the war" and drops some sound bites: "a culture that was destroying the world . . . the whole American way of looking at things was sick . . . Reagan won by pandering." The accompanying brochure says this paean to students who were "committed" and "involved" as they tried to stop troop trains "has quickly become an essential feature of campus programs and a vital resource for courses

in American history, American Studies, Popular Culture, and Sociology."

- *Roger and Me* is a funny but apparently inaccurate film about a General Motors plant closing. The co-directors could have been Karl and Groucho Marx.
- *Streetlife: The Invisible Family* accurately sees most shelters as "bandaids for the greater wound that is homelessness" in the Rocky Mountain region but presents no positive alternatives.
- *Amazonia: Voices From the Rainforest* tells how "the people of Amazonia continue to fight in defense of the forest—their home, and the world's brightest hope for the future." The film's version of creation is especially intriguing: "In the beginning, there was the Sun and the Moon. The Sun created the Earth with the power of its yellow light . . . the Sun planned its creation very well. . . ."
- *Chemical Valley*, set in West Virginia and funded by the Ford Foundation, the National Endowment for the Arts, and others, has memorable lines like "They killed the Indians, now they're killing the hillbillies."

The festival also appears on the Council's in-hotel channel, where *Global Dumping Ground* warns about "America's dirty secret . . . export of toxic wastes" as the United States perpetrates a "multi-million dollar scam with a toxic twist." *Borderline Medicine* shows that Canada "apparently achieved an equitable, efficient, and popular system" with national health insurance while the "very shameful" system in the United States "routinely" denies care "to people who can't pay for it."

In a hall near the lobby, registrants are encouraged to browse among brochures, annual reports, position papers, and newsletters produced by the philanthropic industry. A few typical examples: "Peace Developments: Newsletter of the Peace Development Fund," "Coping with Aids," "Proceedings of the Southern African Grantmakers' Affinity Group Retreat," "Environmental Quality and Economic Justice," "Homelessness in America: Write for Our Catalog," "Here's How to Develop Insider Connections" (by subscribing to the Council's glossy bimonthly magazine, *Foundation News*).

The most prominent table is devoted to literature from Grantmakers in Support of Reproductive Rights and the Working Group on Funding Lesbian and Gay Issues. Others have brochures designed to involve people in "Community Service" by answering the question, "What's in it for me?" One answer: "Improve your own health. (Research shows that people who volunteer and help others live longer and enjoy their lives more.)" *Corporate Philanthropy Report* offers a one-word headline, "Empowerment," and tells how "to upgrade the status of those

who make corporate gifts" by developing ties to universities where "fields like social issues in management are on the rise."

"Who Will Have the Power"

Conference sessions exhibit precisely the same mindset.

At a Monday session on "The Homeless," as described in the catalogue, "homeless advocates, practitioners and analysts argue that grantmakers should increase funding for efforts to change national housing policy and provide more support for advocacy and coordination." Barry Zigas, president of the National Low-Income Housing Coalition, complains that insufficient government spending has led to an "unprecedented increase" in homelessness; 1,000,000 households that would have been helped by spending at the Carter Administration level were not helped during the Reagan years; homeless programs need "big new money." The solution is political.

There is very little debate.

At a session on "Culture and Community Empowerment," Jane Sapp, director of the Center for Cultural and Community Development at Springfield College, pleads for "social change . . . empowerment" and says, "if we had sat down in 1492 and said, 'How do we begin to find a way for all of us to talk together about who we are,' we would not have had today's problems."

Sapp begins swinging her hands and hair in wider and wider circles as she says, "The word is domination . . . do you hear what I'm saying?" Members of the audience, mostly in clothes ranging from Brooks Brothers to Land's End: "We hear what you're saying." Sapp: "You took away the music . . . you took away self-esteem . . . you made me a consumer, you made you one who consumed us all . . . do you hear what I'm saying?" Members of the audience, like the radically chic English teacher in TV's "Fresh Prince of Bel Air," respond jubilantly: "Yes."

Sapp breaks the spell by shifting into sentences about "developing a new paradigm." Si Kahn, executive director of "Grassroots Leadership," is blunt: "What we're fighting over is not just what songs will be played on the radio, but who will have the power. . . ."

On Tuesday morning, one dissident voice emerges during a debate about economics between liberal Robert Kuttner, economics editor of the *New Republic*, and conservative Walter Williams, economics professor at George Mason University. Kuttner is conventional: redistributive government programs do not clearly affect economic efficiency but may instill "compassion." Williams, though, argues that government regulation leads to more injustice, that "governmental schools routinely

destroy the educational opportunity of many of our children," and that our experience shows forced income redistribution to be "childish if not devilish."

Other sessions emphasize self-preservation. In one room, fifty corporate contributions staff employees discussing "Survival: Positioning the Giving Program Within the Corporation" are told to "build support among senior management" and "seek their involvement! . . . Speak their language. . . . Write congrats notes to key individuals." Robert Dunn of the Levi Strauss Foundation asks, "How do we preserve and enhance the favored position that we have?" One staff member whose CEO is insufficiently progressive is told to "develop allies as if you were a guerilla fighter" and overcome the CEO's opposition through "renegotiating . . . delaying . . . you have to stick with what is strategically important to your program."

A "New Philanthropic Order"

On Tuesday afternoon, COF president James A. Joseph speaks about bringing together environmental leaders and "people of color." He resolutely calls for a "new philanthropic order" and "a new environmentalism in which the present concern with national patriotism will be transformed into an earth patriotism in which humanity seeks to live at harmony with itself, nature and the cosmos."

Joseph also announces a "Task Force on Inclusiveness" to help COF members adapt to "the new pluralism" and presents the "Distinguished Grantmaker Award" to a brother-sister team, J. Irwin Miller and Clementine Miller Tangeman. Miller, former chairman of the Cummins Engine Company and former president of the National Council of Churches, expresses concern that national attitudes toward the poor have "changed from compassion to fear and anger." Tangeman does not speak, but a press release tells how she made it possible for Marian Wright Edelman and others "to provide national leadership on critical social issues."

At a session on "Taking the Heat," foundation staff are angry about "organizations on the right" that have brought "significant pressure" to bear on some foundation managers. Anna Faith Jones, CEO of the Boston Foundation, complains that some people think her community foundation should stick to "charity" and eschew political activism. Sanford Cloud, Jr., of the Aetna Foundation complains that his foundation made a grant to Planned Parenthood and was criticized by the Christian Action Council.

The good news: Aetna took action "to mitigate the potential backlash." Public relations experts prepared "talking points," assigned

spokesmen, and "prepared carefully-crafted responses" while Cloud worked to solidify support from senior corporate management and from the Aetna business unit that worried about its insurance policies with Baptist churches in the South. An audience member suggests that foundation managers could be "proactive . . . get out and educate;" but Cloud (in what may be the most revealing statement I hear during the entire conference) says, "you don't necessarily want to draw attention to what you're doing."

In the evening, after a meal courtesy of the Environmental Grantmakers Association and two affiliated groups, three panelists who represent "communities of color" tell the almost entirely white audience that eco-political organizing among minorities must be funded. Part of the solution involves economic redistribution; in poor rural areas where wild rice is grown, "instead of getting 50 cents a pound we should be getting $5 or $10 a pound." Part is spiritual; "Praise the Earth," the person next to me says.

The next day is more of the same. At a panel on "Civil Disobedience in the Civil Society," for example, Maxine Green of Columbia University says that "We live in a time of terrible somnolence and anesthesia . . . a time of broken promises . . . orientation of this government to the military . . . money going to Desert Storm . . . silence in the face of the Gulf War." Audience members respond to her litany of social and political sins enthusiastically:

- "Yes, we hold an incredible amount of power as funders."
- "I agree. We can choose social change, we can choose justice, or we can back away from that."
- "I try to fund civil disobedience, but I just call it leadership development."

At the closing plenary session, Joseph stands and says the conference has been a success: "We have heard many views and many voices of civil society. . . . [Y]ou have been exposed to many expressions." But judging by the sessions I attended, the conference was not as Joseph described it; one view and one voice were dominant in sessions reminiscent of 1960s "radical chic" and thoroughly in line with current "political correctness."

In 1983, Joseph said he was pleased that "the days of Lone Ranger grantsmanship seem to be on the wane."[1] Nine years later, the remaining Lone Rangers are outside the Council on Foundations; only those certified as philanthropically correct are allowed to remain.

Intellectual diversity succumbing to philanthropic correctness—that is the story of the Council on Foundations.[2]

SECTION ONE

Roots

The Council on Foundations is a nonprofit association of grantmaking foundations and corporations. Its more than 1,300 members—independent, operating, community, public, and company-sponsored foundations, including the Ford Foundation and other giants; corporate giving programs; and foundations in other countries—hold over $74,000,000,000 in assets and contributed more than $4,300,000,000 in 1991 for programs in such fields as education, human services, health, science and research, the environment, the arts, urban planning, and economic development.

All members must subscribe to a set of *Principles and Practices for Effective Grantmaking* that restrict their freedom. In return, they receive an array of educational programs, professional development workshops, publications, and technical assistance. The Council represents grantmakers and their concerns to policymakers, the media, and the public through its communications, public affairs, and government relations programs. To promote the growth of "organized" philanthropy, it also maintains research efforts, support services, and special initiatives.

The major event of the year is an annual conference which "provides an unparalleled opportunity for grantmakers to study current issues and their implications for philanthropy, as well as the funding approaches of colleagues from all over the world."[1]

In 1991, as we have seen, a striking feature of the annual conference was an insistence on philanthropic correctness, a monolithic drumbeat remarkable among the descendants and representatives of those who marched to many different drummers. What would Andrew Carnegie or John D. Rockefeller, for example, make of such a gathering, with its wealthy individuals tramping from room to room and listening with exquisite politeness to the recommendations of their Council shepherds?

Carnegie was so contemptuous of the philanthropic correctness demanded by the political left of a century ago that he wrote, "Of every thousand dollars spent in so called charity today, it is possible that nine hundred and fifty dollars is unwisely spent—so spent, indeed, as to produce the very evil which it hopes to mitigate or cure."[2] Rockefeller believed in "betterment work" but was "not so presumptuous as to

attempt to define exactly what this betterment work should consist of. Every man will do that for himself, and his own conclusion will be final for himself. It is well, I think, that no narrow or preconceived plan should be set down as the best."[3]

Many of those who created America's foundations were rugged individualists. S. S. Kresge, who built a chain of stores and endowed a foundation with $350,000,000 in assets, knew how he did and did not want his money to be used: "I've never spent more then 30 cents a day for lunch in my life and it hasn't killed me." James Buchanan (Buck) Duke told his estate's trustees exactly where his money should be spent: 32 percent to hospitals ("If [people] ain't healthy they can't work, and if they don't work they ain't healthy"); 32 percent to Trinity College (renamed Duke University); 12 percent to churches, retired ministers, and their widows; 10 percent to orphanages; and 14 percent to three other universities.

There also was arrogance (one Trinity College trustee suggested that Duke would be satisfied only if the name became "The Father, Son, and James B. Duke University"),[4] but at least these philanthropists had the courage of their convictions.

I have enjoyed studying the rich and varied history of the American foundation world, from the crackpot—those who pay Frenchmen to wear hula skirts, provide nightly baked potatoes for Bryn Mawr students, or fill the troughs of horses and the litter boxes of cats—to the ambitious and lordly. Some foundations have been supervised from pigeonhole desks and others managed by kings of administrative rationalization. Many have shown concern for their neighbors, and a few even have set out to "improve the well-being of mankind worldwide."

Their unpredictability has been both their charm and a reason for their success. The best ideas often have come from small, seemingly amateurish organizations whose very unpredictability has made it predictable that a useful thought or two would emerge each year from some "Lone Ranger" foundation with the ability to show intellectual initiative rather than the usual bureaucratic defensiveness.

Foundation Variety

There are more than 30,000 foundations in the United States today. Most are small, with only one-fourth (about 7,500) possessing more than $1,000,000 in assets or giving away more than $100,000 each year; but these 7,500 foundations together control 96 percent of all foundation assets and make grants equalling 93 percent of all foundation giving. Even among so small a number, however, there still should be plenty of room for diversity.

Another reason there should be diversity is that most foundations are "private" (funded by individuals or families) and classified as "independent" by the Internal Revenue Service because they make grants to other tax-exempt organizations to carry out their charitable purposes.[5] Most of these foundations relished their privacy and independence, their opportunity to do the right thing as each one defined it.

For many years, the few individuals who tried to start "foundation councils" failed. Even Beardsly Ruml, the well-connected director of the Laura Spelman Rockefeller Memorial, had to give up his attempt to form such an organization in the early 1930s. Heads of private foundations did not want to worry about public relations, and cooks enjoyed flavoring their own broths.

The foundation world also includes corporate foundations, established to give away percentages of company profits. "Company-sponsored foundations" receive the same tax and regulatory treatment as private, independent foundations and are different mainly because they are established by existing for-profit corporations. Corporations may establish foundations with initial endowments, may make periodical contributions from profits, or may combine both methods to provide the foundations' resources; but company-sponsored foundations are legally separate from their parent corporations.

In addition, many companies maintain in-house programs through which they can make grants directly to charities. Such programs frequently are administered through company offices of community relations.

Like the heads of private foundations, company grantmakers for decades had little enthusiasm for foundation councils and collaboration. For the most part, corporate givers maintained a pressed-to-the-ground profile until the concept of "social responsibility" began to become fashionable in the late 1960s.

This was logical. The income of most company grantmakers was tied directly to their companies' profitability from year to year, and wise executives did not want to make promises that could be kept only at stockholder peril. Even grantmaking programs allowed to accumulate funds during years of abundance (so they could continue to support charities during eras of lean profits) remained instruments of company policy.

Furthermore, most corporations in less sophisticated times had the quaint idea that they should make grants that served their interests. Until a New Jersey Supreme Court decision four decades ago, this connection had to be direct; and it was clear that the desire for an association of foundations would not arise from the ranks of individuals who identified themselves much more closely with buying and selling than with applying and granting.[6]

SECTION ONE

Community Foundations

From mid-century through the present, only about one percent of foundations nationwide have been "community" foundations, established to receive their funds from a variety of donors and administered through boards appointed largely by government and banking officials.

Community foundations build their endowments through contributions from several donors, usually within a given geographic region. They support charitable activities focused primarily on the "local" needs of a particular town, county, or state and are designated "public charities" rather than "private foundations" by the IRS because they raise a significant portion of their resources each year from a broad cross-section of the public. These foundations are naturally more communitarian in nature than their private or corporate counterparts.

The community foundation ideal originated during the late stages of the Progressive era. Almost 80 years ago, Frederick Goff, president of the Cleveland Trust Company, suggested that donors place bequests in the hands of community leaders who could separate "the dead past from the living present and the unborn future" and provide "some degree of relief from the withering, paralyzing blight of the Dead Hand. . . ."[7]

Goff believed that a person's reach should not greatly exceed his lifetime grasp and that it would be better for beneficiaries of a donor's bequest to be selected by someone other than the donor or his personally chosen administrators. When Goff's Cleveland Trust Company established the Cleveland Foundation in 1914 with the charter to administer bequests for donors, it was stipulated that beneficiaries would be selected by five citizens to be chosen by the Cleveland city manager, Cleveland judges, and the bank.[8]

Community foundations soon were established in Chicago, Boston, Detroit, Milwaukee, Minneapolis, and other cities, typically with charters to "develop, receive, and administer endowment and other funds from private sources and manage them under community control for charitable purposes primarily focused on local needs."[9] Community control was crucial. The Chicago Community Trust's "Suggested Form for Gifts," for example, stated that the trust would accept either general contributions or money designated for specific use

> until such time as such charitable use, in the judgment of the Executive Committee of The Chicago Community Trust, shall have become unnecessary, undesirable, impracticable, impossible or no longer adapted to the needs of the community; in any of which events it shall be devoted to the general purposes of The Chicago Community Trust.[10]

The community foundation concept received some backing in the 1920s from those who thought it was wrong for one individual to control

large amounts of money, even if he had earned it. The Depression and World War II slowed the growth of the movement; at the same time, however, it also became common for people who praised collective action within communities to work for collective action on a larger scale. The result, unveiled in 1949, was the National Committee on Foundations and Trusts for Community Welfare.[11]

The Rich/Woods/Kimball Legacies

The National Committee was not large; and soon after its formation, its growth was slowed by Congressional investigations of foundations for suspected Marxist leanings. "Many books and various studies have been financed by tax-free grants from some of these foundations," wrote columnist Fulton Lewis, Jr. "In effect, the American people are paying more taxes to finance so-called scholars who work diligently to . . . change our traditional way of life into something more Socialistic."[12]

As "foundations became sensitive to charges in the hearings that they were allied for conspiratorial purposes—'interlock,' in the jargon of foundation critics," according to Council on Foundations senior consultant Richard Magat, "the notion of banding together was approached gingerly by most foundations and resisted stoutly by some." During the late 1950s, however, three individuals with the dream of a "national association of all types and sizes of foundations" became active with the National Committee.[13]

- The first was Wilmer Shields Rich, who became the organization's executive director in 1957. Rich was a veteran of the Bryn Mawr School of Social Work, a good friend of Eleanor Roosevelt, and the wife of Raymond Rich, who headed the World Peace Foundation and Raymond Rich Associates, a firm specializing in public relations and fundraising for nonprofit organizations.[14]

Wilmer Rich first made her mark by producing a handbook on community foundations which, in her words, "served to indoctrinate both those considering formation of community foundations and those engaged in building their endowments."[15] It also displayed her hope that the community foundation idea, writ large, would become so dominant that all foundations henceforth would work in partnership with government to build a great society.

- The second was Frank Woods, a major donor to the Chicago Community Trust. Woods explained his beliefs about foundations during a discussion at the 1968 annual conference with Roland Johnson of the Greater Cleveland Associated Foundation. Johnson complained about the difficulty "in getting cooperation between foundations" but said,

"I am not blaming them for, as one might say, this is Mr. Jones' money and he can do with it as he wants. . . . Their foundations are a mechanism for personal giving."

To this argument, Woods replied sharply: "You say 'Mr. Jones" money. I think the emphasis that has to be gotten across, and I preach it all the time, is 'It isn't your money.' It has been given away; you do not have it any more."[16] Once a person sets up a foundation, Woods argued, the foundation is in charge, and community control should reign. Woods worked hard to build an organization that would convey that message to private foundations.

- The third was Lindsley Kimball, then vice president of the Rockefeller Foundation. Kimball, "a strategically placed broker,"[17] was very important not only in fundraising among large private foundations, but also in proselytizing. He obtained funds for the Rich and Woods organization from the Carnegie Corporation and his Rockefeller Foundation, and he spread the word that the time for one big organization might be near.

First came an organizational name change; the National Committee on Foundations and Trusts for Community Welfare became the National Council on Community Foundations. Significantly, the organization was no longer a committee for discussion, but a council for action dedicated to "encouraging private giving for community use." Soon, $45,000 from the Ford Foundation and another grant from the Lilly Endowment showed that the large private foundations were taking notice.[18]

The next step for those who wanted a national organization of all foundations based on the "community" ideology was to encourage some foundations which were not community-based to join the National Council. Private foundations with "community interests" were encouraged to join, but on one condition: "They were required to accept the principles of community foundations—having publicly representative boards that were not bound by the donor's wishes and making information on their activities publicly available."[19]

Many foundations already were moving in this direction—freedom from the donor's wishes—in the 1950s. One staff member, for example, described the Ford Foundation as a never-never land. "There weren't any of the ordinary bench marks that people can use in real life to see how they're doing," he said. "You work up in the stratosphere with money that isn't yours—that isn't anybody's, really—and there's no way of telling whether you're using it wisely or not, because there's no competition, no criticism."[20]

A few private foundations did join the National Council, partly to gather information on how to do a better job of administration and partly

because of a growing fear during the early 1960s that new Congressional investigations were imminent: "clouds were gathering on the horizon with the beginning of attacks on foundations by Representative Wright Patman of Texas."[21]

Foundation leaders naturally did not want to lose any of their perquisites. As Harold Laski wrote of one executive of altruism,

> He travels luxuriously, is amply entertained wherever he goes (He has so much to give), and he speaks always to hearers keenly alert to sense the direction of his own interests in order that they may explain that this is the one thing they are anxious to develop in their own university. When you see him at a college, it is like nothing so much as the visit of an important customer in a department store. Deferential salesmen surround him on every hand, anticipating his every wish, alive to the importance of his own good opinion, fearful lest he be dissatisfied and go to their rival across the way.[22]

Ford Takes the Lead

The key step was taken by a group of eleven large foundations led by the largest, the Ford Foundation. As Magat explains,

> An advisor to Ford's president said the [National Council] organization was attractive as the framework for a wider national body: "Because it has existed as a bona fide organization since [1949] and as a New York corporation since 1957, it cannot be said to be a sudden intention to offset a Congressional investigation."[23]

With the biggest foundations lining up behind the community foundation concept, others followed. On May 8, 1964, the Council changed its name to the National Council on Foundations, Inc., and invited independent foundations to join as full members. Soon afterward, "National" was dropped from the title to make the Council (according to Rich) seem less like a trade association, and the present name was set.[24] By 1969, while the Council on Foundations, Inc., still had a core of 88 community foundations, over three times as many private foundations also were members.

Perhaps in an earlier era, the involvement of private foundations would have kept the Council from embracing trendy theories of collective control over private foundation funds; but for America's philanthropic elite, the 1960s were an aggressively utopian decade. Ford Foundation official Paul N. Ylvisaker, later a Council on Foundations consultant, explained in January 1963 that a city is a "social production system," not just a collection of individual wills, and "certain parts of the urban social system can be perfected" (not just improved, but perfected) "by rational means and specific devices."[25]

A study sponsored by the Ford Foundation similarly argued that "elimination of poverty is well within the means of federal, state, and local governments" and could be accomplished simply by "a stroke of the pen. To raise every individual and family in the nation now below a subsistence income to the subsistence level would cost but $10,000,000,000 a year. That is less than two percent of the gross national product. It is less than ten percent of tax revenues."[26]

If money could change ways of thinking, socialist Michael Harrington was right: "only one agency in America is capable of eradicating both the slum and slum psychology from this land: the Federal Government."[27] And if cash indeed was king, a 1964 *Economic Report of the President* was equally correct: "the conquest of poverty is well within our power."[28] James Tobin, a member of the Council of Economic Advisers, calculated that the percentage of families with annual incomes under $3,000 (in 1965 dollars) declined from 51 percent in 1936 to 30 percent in 1950, 20 percent in 1960, and 17 percent in 1965; additional government transfer programs, he suggested, could push that percentage all the way to zero, realizing a dream of the centuries.[29]

If all this was true, the mission of any foundation that desired to fight poverty was simple: push the federal government to declare war. This idea even had the blessing of the National Council of Churches. Controlled by theological and political liberals, the NCC demanded that the federal government provide "leadership" in the redistribution of incomes and said that Christians should emphasize societal oppression, not "personal attitudes."[30]

Not all agreed. An article in the evangelical magazine *Christianity Today* observed that "Faith in God puts courage, compassion, and determination into the hearts of men" and that "These are the qualities that conquer poverty and solve other social problems. It is the business of the Church to mobilize spiritual power. By doing so, it can solve our perplexing social and economic ills. . . ."[31]

Unfortunately, such voices had only minor influence during the ecstasy of the 1960s, when the mainline theological message among both Christians and Jews was that "old concepts of charity and almsgiving no longer apply." Lectures at the Institute for Religious and Social Studies carried the message that "There will always be the need for the spirit of generosity and neighborly benevolence, but it will act on a higher and happier level."[32]

Coming of the Great Society

The Council on Foundations was developing amid these intellectual and theological currents, so it is hardly surprising that it began to stress

not what foundations could do individually to advance their unique missions, but what they could do collectively to push government toward assumed goodness.

President Lyndon Johnson encouraged this trend by declaring his intention to create "a Great Society: a society of success without squalor, beauty without barrenness, works of genius without the wretchedness of poverty."[33] Foundations were to be key players in this scheme.

Some foundation-sponsored programs were embraced by government officials and expanded with federal funds. In turn, as advocates of the "War on Poverty" enthusiastically reported, "the federal government used financial inducements to redirect and coordinate the activities of a vast segment of the private social welfare field. . . ."[34] Foundations were expected to become part of this big, happy family: the "shadow state."

The desire for collective action was typified in a speech by Alan Pifer, president of the Carnegie Corporation, at the Council on Foundations' 1968 annual conference. Suggesting that the Council had an opportunity "to get the maximum horsepower out of the foundation field collectively," Pifer proposed "many new mergers" among foundations, arguing that

> when merger is not possible, it is to be hoped that foundations can overcome their demonstrated natural tendency to a go-it-alone, separatist, philosophy and either in some cases join forces in a common, pooled administration or in others develop close working relationships which will lead to shared participation in programs and projects.[35]

This was the dream of Wilmer Rich, Frank Woods, and the large foundations which funded expansion and reorganization of the Council during the 1960s: hundreds, perhaps thousands of foundations overcoming the "go-it-alone" philosophy, some even developing pooled administration or shared participation.

It was an ambitious dream, and the Council on Foundations would be the vehicle for its accomplishment.

SECTION TWO

The 1970s

By the end of the 1960s, it was time for the Council on Foundations to expand its reach. Wilmer Shields Rich, the Council's first executive director, had wanted not only national collaboration, but also to "hold overhead to a minimum."[1] Her insistence that there was no plan to build a large national organization was no longer relevant after she retired in 1967 and was succeeded by David Freeman, who left his post as vice president of the Rockefeller Brothers Fund to become the Council's president.

Freeman, a 1940 Princeton graduate, had spent the 1950s and 1960s at the Ford Foundation, a controversial Ford Foundation spinoff known as the Fund for the Republic, and the Rockefeller Brothers Fund.[2] He knew how to think big; and during his decade as president, the Council became a large national organization with 835 members, an annual income of $1,600,000, and a voice heard in Washington.[3]

Freeman also was a concerned worker in the area of "adult education" for foundation trustees and staff. "As the Council became more influential," he recalled during a 1984 interview, "a number of well-intentioned people wanted foundations to pay more attention to things they were interested in." Through the Council's annual conference and bimonthly *Foundation News*, Freeman was able to promote additional foundation involvement in "civil liberties," a concern since his Fund for the Republic days; in "public interest law as heartily supported by the Ford Foundation"; and in the "whole population field," a key concern of the Rockefeller Brothers Fund.[4]

The problem, however, was that Freeman, though a skilled "Mr. Inside," was not a well-known spokesman, so Freeman's 1940 Princeton classmate, Robert Goheen, was brought in as chairman and "Mr. Outside" in 1972. Goheen had stayed on at Princeton after graduation, gaining a Ph.D. in classics, a professorship, and, in 1957, the presidency.[5] In Freeman's words,

> There was a feeling that the Council ought to become more of a spokesman about the [foundation] field, not necessarily *for* its members, but *to* its members. Bob [Goheen] was known, he could be a good exhorter to the foundations to work with the government and to think of themselves in public ways.[6]

"Work with the government" became the theme of the new foundation age as Goheen spoke often about the need for "private-public collaboration" and his vision of "governments and foundations working alongside one another."[7] Soon, an adult education triad—annual conference sessions, *Foundation News* articles, and Goheen's "exhortations" that "foundations are public trusts"—was evident.

"To Bite the Hand"

The Council's 1974 annual conference was a typical example of this "adult education." Bill Moyers' keynote address on "Philanthropy in the Future" was filled with prophecies of despair:

> I am filled with pessimism as dark as that of the dark ages. . . . What is missing in our society today is fairness, rightness and equality. . . . For two centuries, we have believed this is the country of the future—only the future has cheated us. . . . For the next ten years, we may be living on the brink of chaos.[8]

A panel on the "energy crisis" received substantial news coverage for its combination of economic gloom and optimism about a radical political boom. As one newspaper reported, "National problems can only be solved when 'production for profit' becomes 'production for social use and survival,' three panelists argued here Friday. The trio drew heavy applause at the 25th annual conference of the Council on Foundations."[9]

The panel's makeup and message clearly indicate what the Council was trying to accomplish. Main speaker Barry Commoner proclaimed, "We are all children of private enterprise. We're getting ready to bite the hand that feeds us." S. David Freeman, director of the Ford Foundation's Energy Policy Project in Washington, was quoted as saying, "We need to look at all the laws on the books and change them."[10]

The third panel member, Archibald Gillies of the John Hay Whitney Foundation, was invited to sum up his ideas in a subsequent issue of *Foundation News*. He noted that foundations "should not only provide information in these policy areas," but also should "encourage a full debate on the nature of our present political-economy and its capacity to serve the American people" by making grants to radical individuals and organizations.[11]

A *Boston Globe* reporter excitedly described what Freeman and Goheen were achieving:

> [A]t a convention of the heads of foundations set up by the Fords, the Rockefellers, the Pews, the Carnegies, the Kresges, the Mellons and other "malefactors of great wealth" for the purpose of giving away $2.5 billion

> to $3 billion of the profits of private enterprise every year, the message seems as much a departure as would be, say, a paean to capitalism by Chairman Mao. . . .[12]

Foundation News exhibited similar tendencies. For a rough content analysis, I divided the magazine's feature articles for 1974 into "how to" and "what to" categories, with the former providing information on how to do a better job of foundation management regardless of philanthropic goals and the latter advocating grants to particular types of organizations.

The six issues for 1974 carried 104 pages on the "what to" and 99 on the "how to." Specific "what to" recommendations included suggestions of grants for population control, inner city housing projects, development of a "national social report," and the like; "how to" articles shed light on such subjects as better management techniques, the effects of the 1969 tax reform act, and the policies of the Exempt Organizations Board of the Internal Revenue Service but gave off less heat and took up less space.

To go beyond the numbers, let us look at a typical issue of *Foundation News* from this period. The first section of the September/October 1974 issue included five letters from readers; several excerpts from, or summaries of, articles, speeches, and news accounts; and assorted news briefs from Washington.

The longest piece in this section concerned a speech in which Ralph Nader claimed that the broadening of foundation boards "is no longer the most intriguing issue. The most intriguing issue now is how do these minority groups get socialized so incredibly fast that they begin talking like their associates across the table." *Foundation News* also publicized Nader's attack on written grant applications for their "highly prejudicial screening-out impact," as well as his suggestion that grant "auctions be held around the country where people could come and plead their case."[13]

The second section was made up of one 19-page "what to" article, "The Family Planning Field: Its Needs Are Far From Met." Council members were told that foundations should help American society "complete the journey toward modernization of fertility behavior." The "regulation of fertility" no longer could rely on "the current 'free market' of private physicians and individual actions," but might "have to be supplemented with intervention programs by public and private institutions."

According to this article, written the year after the Supreme Court's *Roe v. Wade* decision, six foundations had made grants for abortion projects; others, however,

> do not yet perceive the interrelationships between family planning and population efforts and the larger social areas in which they have stated interests. . . . Unless these perceptions change, it seems unlikely that the foundations as a whole will be at the cutting edge of important social change in this field.[14]

The third section was a mixture of shorter "how to" ("Grant Making to Universities") and "what to" (licensing programs for day care homes) articles, along with information on new books and personnel shifts and an editorial proposing that foundations "constantly demonstrate their relevance to society. . . ."[15]

Other issues for 1974 conveyed similar messages. For instance, an article for January/February, "Pacific Change: New Process in the Foundation World," described in glowing terms an unusual foundation office in which "Colorful posters decorate the walls and many make profoundly sensitive statements or tell of community happenings. An especially intriguing one reads, 'At the risk of seeming ridiculous, let me say that the true revolutionary is guided by great feelings of love.' " The cutting edge of grantmaking, it appeared, involved projects which "cover a wide range of interests including anti-imperialism, corporate responsibility, access to media, and the rights of tenants, GIs, prisoners, workers, third-world communities and women."[16]

In the May/June issue, Council members could read a plaintive article about "the enormity of the society in which we live" and the need to fund development of a "national social report." Apparently, the need to "be protective of the physical, social and mental well-being of mankind . . . will result in some limitations of our freedom as entrepreneurs, but the cost benefits [*sic*] to us as human beings will gainsay all of these."[17]

Constructing a New Order

Throughout 1974, in short, *Foundation News* was directing a messianic message to grantmakers yearning for a larger mission than merely passing out money. One article asked, "Can we, the persons who by professional or volunteer involvement are most deeply concerned with the values and goals of this society . . . meet the needs of a post-industrial, humanistic society?"[18]

This agitation continued throughout the mid-1970s. In 1975, readers learned that "in our western culture, marriage has been relegated to what we call 'the private sector.' " Now, though, we see

> the collapse of traditional marriage under the violent impact of social change . . . our marriage and family system is undergoing a major transition from

> the traditional pattern of the past—rigid, legal, hierarchical and based on the performance of closely defined roles—to the new companionship pattern—fluid, flexible and based on loving and creative interpersonal relationships.[19]

The problem was that many were not in the "companionship pattern": "the tragedy is that there could be many more such marriages, if we could only get couples everywhere involved in a massive, well-organized retraining program." Such a program should be funded by foundations willing to "play an enlightened and decisive role" and willing to use "their power to intensify study, to develop services and to provide responsible and well-coordinated leadership in a cause the importance of which no serious and responsible citizen is likely to question."[20]

The only thing that could be questioned by responsible citizens, it seems, was a desire by many foundations to live within their means during the straightened economic conditions that stagnant or decreasing endowments created. Council members were told in 1975 that "Private foundations are the freest and most flexible institutions in our society and shouldn't let grant-making policies be affected by downward turns of the stock market."[21]

Officially, the Council did not have a position on any of these subjects. Officially, *Foundation News* was merely "raising issues" and, by so doing, lauding the philanthropically correct.

Concerning women's liberation, for instance, "Among the giants, only the Ford Foundation has moved in all the appropriate ways to meet the needs of feminists." Yet there was still hope: "Phase One of the drive for equality is over and foundations didn't help much; they'll get another chance in Phase Two."[22] There was little discussion of whether the new goals of feminism were worthwhile; one political orientation was assumed to be correct.

Similarly, when *Foundation News* inaugurated a series of articles on foundations that had put themselves "OUT FRONT" by refusing to "shy away from accepting challenges that might be controversial," the first profile in courage was of the Field Foundation, which was funding a new program of "Resistance to the extension and enlargement of the American military establishment, and its influence on the liberties of the people" and "Resistance to repression or control, and threatened or potential repression or control, of domestic political dissent, particularly the repression or control of racial minorities and the poor. . . ."[23]

There were no admiring profiles of organizations which had different views on "civil liberties" issues, however. Instead, the hectoring of those who did not fund fashionable trends was particularly evident in the July/August 1976 bicentennial issue of *Foundation News*.

The issue opened with the following bit of ideological harassment:

> Is the Council on Foundations going to meet the challenge of America's third century to complete the unfinished work of achieving a free and democratic society, begun by our founding mothers and fathers? Is your foundation going to put its own house in order by seeking out feminists and civil rights activists to serve on your board of trustees and in key decision-making positions?[24]

On it went through most of the 1970s. "Criticism from the conservative side was not particularly organized," Freeman recalled; but "criticism from the more liberal side was effective in bringing attention to a number of areas that had been overlooked."[25]

The Centrality of Race

One of the most effective liberal partisans during the 1970s was James A. Joseph, chairman of the Association of Black Foundation Executives from 1970 to 1976 and president of the National Black United Fund. Joseph gained his professional philanthropic experience at the Cummins Engine Company and its Cummins Engine Foundation from 1972 to 1977.[26]

Throughout this period, Joseph emphasized race. In a *Foundation News* article on "Blacks in Foundations," for example, Joseph wrote that he and his friends were

> blacks who refuse to forget. . . . Our allegiance is to social change. We are not disloyal to the organizations which employ us; we simply have a commitment which transcends institutional ties. . . . We simply reject the old liberal approach of color blindness and emphasize a color consciousness which deals directly with the meaning of our heritage.[27]

Along with the message of allegiance to social change and color consciousness, Joseph offered an innovative view of how foundations should make grant decisions: "Foundations should make grants to promote and affirm human living—not to provide the self-serving luxury of charity. Giving based on emotions of sympathy, or affection, is self-love; for it is a love of preference, and the standard of the preference and choice is the self."[28]

In other words, philanthropy to those unknown was better than charity to those nearby. Joseph apparently had not examined the advice which C. S. Lewis's devil Screwtape gives to apprentice devil Wormwood:

> Do what you will there is going to be some benevolence, as well as some malice, in your patient's soul. The great thing is to direct the malice to his immediate neighbors whom he meets every day and to thrust his benevolence out to the remote circumference. . . . The malice thus becomes wholly real and the benevolence largely imaginary.[29]

In 1974, Joseph further explained his social and political views in an article for the *Journal of Contemporary Business*. Commenting on the view that private corporations should be viewed as public institutions, he wrote, "it is only fitting and proper that new citizen groups suggest that the right of incorporation is a privileged status granted by government on behalf of the people." Once again, Joseph indicated allegiance to a new political agenda ("We must move to democratize power"), complaining that "our educational institutions have been agents of social elitism rather than vehicles for democratizing the professions."[30]

As a powerful voice for new allegiances while continuing in his role as vice president at Cummins Engine, Joseph was made secretary of the board of the Council on Foundations. He continued to use *Foundation News* to proclaim the public nature of private enterprise.

In 1975, for example, he wrote that "The American people have grown accustomed to hearing about the responsibility of business to its stockholders. It is time now to think of the responsibility of business to its 'stakeholders'—the many constituent groups with a stake in the operation of the business," such as employees, customers, government officials, and newspaper reporters. There is a "public demand that business use its resources to meet public sector needs."[31]

Some corporate leaders were suggesting that corporate contributions could not increase while profits fell or disappeared during the 1974–1975 recession, but Joseph argued strongly against connecting income with philanthropic outflow: "some of our institutions, social projects and special need programs have become the lifeblood of our survival as a people. We cannot let them die. We must support them even if it means borrowing against future profits."[32]

Meanwhile, other Council on Foundations officials were indicating their regard for James Joseph by lauding him in *Foundation News*. As editor Patrick W. Kennedy wrote in 1975,

> In the corporate philanthropic sphere, where staunchly conservative values are assumed to prevail, there's a striking exception in the views of top management of Cummins Engine Company. . . . Says Mr. Joseph, who is vice president for corporate action: "My approach to evaluating projects in minority community development is based on the conclusion that inequities in the distribution of wealth and power in the American society provide the basic deterrent to social justice. Therefore, a grant should seek to facilitate the efforts of minority communities to acquire or influence the distribution of power."[33]

The Distribution of Power

That these suggestive but sometimes fragmentary comments about social justice, power, and new allegiances had jelled in Joseph's thinking by 1976 is indicated by two well-schematized articles he published that year.

In the first, "Philanthropy and the Black Economic Condition," Joseph argued that what was needed was not only a different pattern of giving, but also a wholly different "metaphysics." Instead of emphasizing individuality, it was important to realize that "The essence of African metaphysics has always revolved around the concept of *homo-communalis*, the idea that man's identity is communal."

Those who did not understand such communal thinking had a "problem of priorities," claimed Joseph; "many foundations making grants for the support of black projects prefer 'human relations' philanthropy which often dilutes black power into some integrated mass, rather than developing new power systems which the black community controls." The correct metaphysical awareness would point the way to a particular kind of grantmaking: "Inadequacies in the distribution of wealth and power in the American society provide the basic deterrent to justice. Therefore, a grant should seek to facilitate the efforts of the black community to acquire or influence the distribution of power."[34]

The second article played off ideas developed by Yale professor Charles Reich in his bestseller *The Greening of America*. "Minorities and Foundations: Why the Distrust Lingers," published in *Foundation News*, went Reich two better by describing changes leading beyond Reich's "Consciousness III," all the way to a "Consciousness V."

With Consciousness I, foundations backed "equality of preparation" for attempts to achieve success; in Consciousness II, the emphasis was on "equality of access," which meant no more separate but equal education. Next came Consciousness III, "equality of participation" or political egalitarianism, and Consciousness IV, "equality of entitlements," in which "all citizens are entitled to decent jobs, decent wages, decent housing and decent health care."[35]

By the year of the Bicentennial, however, it was time to demand Consciousness V, "in which concern extends to the internal administrative and structural policies of foundations." Members of minority groups were

> asking at what point it is proper to go beyond self-regulation within the charitable sector to require minimum standards of social responsibility in regard to commonly held social values. Should the "third sector" remain exempt from regulatory requirements in the area of equal opportunity or should charitable institutions be required to conform to general standards of equity?[36]

Joseph had arrived at the point (perhaps curious for an officer in an organization developed in part to minimize regulatory intrusions into foundation activity) where he was calling for additional regulation.

Then, in 1977, Joseph joined the Carter Administration, serving as Under Secretary of the Interior until 1981. Once again, when he later described his accomplishments at Interior, he stressed not trees, but race: "the Interior Department was the only cabinet department to exceed the President's 10% goal in procurement and contracting with minority business."[37]

"Primarily a Lobbying Organization"

During Joseph's four years at the Interior Department, the Council on Foundations solidified its liberal reputation. Goheen resigned in 1977 to become a foundation president and then Jimmy Carter's ambassador to India, and Landrum Bolling became Council chairman and spokesman. President of Earlham College in Indiana, chairman of the International Quaker Working Party on Middle East Peace, and president of the Lilly Endowment, Bolling was another leader with excellent credentials; and he outlined a message of government-foundation partnership very similar to Goheen's.[38]

Since "government agencies have moved into positions of overwhelming dominance in many fields once largely left to private initiatives," Bolling told Council members, a worthy foundation goal was to develop "limited scale tests by private charities" that would lead to "large scale and long term [government] programs."[39] Under Bolling's leadership, and against some members' opposition, the Council in 1979 moved its headquarters to Washington. "Some members of the council did not want to see ourselves becoming primarily a lobbying organization," explained Bolling, "but there is a lot of public discussion preceding legislation that we hope to be a part of."[40]

Bolling also continued to emphasize "adult education" of Council members concerning their responsibilities, but was more explicit than Freeman or Goheen about the pedagogical role of Council officials. His statement in the Council's 1980 annual report capped a decade of gradually increasing willingness to take stands on the "what to." "We are more than apologists for and defenders of foundations," Bolling insisted. "Our most delicate, risky, and difficult responsibility is to speak *to* the grant-making community on matters of principle and philosophy and long-term goals—and to do this without preachiness, or know-it-all self-righteousness, or condescending advice from alleged experts."[41]

When Bolling retired in 1980, the Council had the difficult task of finding a person who could be foundation philosopher and king, without preachiness or self-righteousness. It also had something more, however: an opportunity to engage in some reexamination. By 1980, it was clear that all was not well in the social revolution created, with ample foundation support, during the 1960s.

The entitlement revolution had created several big losers, one of which was social mobility. In his 1940s study *Street Corner Society*, sociologist William F. Whyte saw poverty fighters working "to stimulate social mobility, to hold out middle-class standards and middle-class rewards to lower-class people." This goal was discarded in the 1960s and 1970s as radicals attacked "bourgeois values" and as "rising politicization and new consciousness" among welfare recipients led many to "identify themselves as nonconformists."[42]

The result was stasis. Lyndon Johnson's economic advisors warned in 1964 that the poverty rate, in the absence of federal action, could be as high as 13 percent by 1980. By 1980, after sixteen years of multibillion-dollar programs, the poverty rate *was* 13 percent.

As the dramatic success of immigrants from Asia and Cuba during recent decades shows, lack of mobility was not caused by lack of opportunity. Those who conformed to the traditional work-hard-and-rise pattern by staying out of the welfare system usually succeeded in rising, but native-born Americans who took advantage of liberality stayed put. Increasingly, the hard but heroic sagas of effort in previous generations were replaced by a dull history of "nothing ventured, nothing gained."

Also harmed was the effectiveness of private, challenging organizations like Chicago's Pacific Garden Mission. At the oldest urban homeless shelter in the country, New York's McAuley Mission, Superintendent Earl Vautin noted that

> The men who come to us confuse us with the welfare department. A man feels the mission . . . is not really doing its job unless he gets what he thinks he is supposed to get. Now this is the attitude of the "client" and not the attitude of a man seeking love and friendship and spiritual help. The early mission did not have this to contend with—this feeling that "the world owes me a living."[43]

Vautin said he explained to "those who come that, if they want to improve their lives, they must be prepared to take the first step."[44] Those who received food and lodging were expected to do simple chores such as making beds, cleaning floors, or helping in the kitchen; but many homeless men told Vautin that government-funded "helping places" required nothing.

There were many more losers in the entitlement revolution, but the advance in government spending had a potentially liberating impact

on foundations. With Washington doing so much, and with so many foundation ideas adopted and expanded by federal officials, the proportion of philanthropic giving devoted to social welfare declined from 15 percent to 6 percent between 1960 and 1976. By the mid-1970s, governments spent about ten times as much on social services as nonprofit agencies, and nonprofit agencies received half their revenues from governments.

"Ill-Conceived and Dangerous"

At the end of the 1970s, the Council on Foundations had the opportunity to fight for innovative proposals rather than tired nostrums. There was no lack of concern among Americans for those in dire need; but almost nine of every ten respondents in a 1976 Harris survey agreed that "too many people on welfare cheat by getting money they are not entitled to," and almost two-thirds of Americans agreed that the "criteria for getting on welfare are not tough enough."[45] As public ire increased, there was a chance to emphasize both personal involvement by rich and poor *and* spiritual challenge.[46]

For a short time, at annual conferences and in *Foundation News*, there seemed to be some willingness to question. Council-generated articles stopped indicating that virtue lay only in one fashionable direction, and neoconservative Irving Kristol was able to warn at the final luncheon of the 1980 annual conference "that a few popular theories held by some foundation people are ill-conceived and dangerous to the health of nonprofit organizations."[47]

Kristol dissected two typical kinds of pronouncements. The first stressed the "social responsibility" of foundations to meet the demands of particular groups; the second demanded "social engineering" by foundations. With respect to the first, he criticized "socializing money in rhetoric prior to socializing it in fact" and reminded his listeners that "The money you people spend is private money. It is not public money." Responding to the second, he attacked its intellectual arrogance: "We do not understand our neighbors that well. . . . [T]he basic law of politics is that you get unanticipated consequences that are always more important than the anticipated consequences of your action."[48]

Some movement away from arrogance was apparent among Council leaders at the end of the 1970s and the beginning of the 1980s. The mood of the country seemed to have changed, and those who had looked forward to continued federal expansion of social programs developed by foundations wondered whether they might be deprived of a mission.

Personnel changes contributed to the sense of possibility. When Landrum Bolling retired, Eugene Struckhoff became chairman. Struckhoff, a lawyer and director of charities in Concord, New Hampshire, from 1949 to 1971, had been Council vice president during most of the 1970s and had served as president following Freeman's retirement. He had seen unanticipated consequences from foundation programs, and he did not seem disposed to push on to the cutting edge of social change.

Membership stagnation also was significant. The Council's membership no longer was growing during the early 1980s, and administrative and financial troubles added to its philosophical dilemmas. Furthermore, areas of government which had been expanding partly on foundation recommendation appeared to be entering a low-growth period.

The Council's leaders had two choices; they could put aside their plans to move the old foundation world to the left, or they could pursue them even more adamantly.

SECTION THREE

The Early 1980s

When James A. Joseph became president and chief executive officer of the Council on Foundations on March 1, 1982, Robert O. Bothwell, executive director of the National Committee for Responsive Philanthropy, was ecstatic: "It's almost unbelievable that the Council on Foundations would choose such a forward-thinking person."[1]

The almost-unbelievable happened because Joseph was preferred (from among 200 applicants) by the Ford and Rockefeller foundations. Search committee member William Dietel of the Rockefeller Foundation was particularly effusive: "the role of a prophet is a good one for Joseph."[2]

Joseph's appointment signalled the Council's future direction. During the Freeman-Goheen years, the Council had dual leadership at the top; during the Joseph decade, there has been a new volunteer chairman each year but only one permanent CEO-president. As both "Mr. Inside" and "Mr. Outside," Joseph could take up his new challenge with authority and a crusader's zeal.

Joseph immediately recruited talented allies like Arlie Schardt, an experienced journalist with credits at *Sports Illustrated*, *Time*, and *Newsweek* who was brought in as editor of *Foundation News*. Schardt had a solid decade of experience during the 1970s as associate director of the American Civil Liberties Union's Washington office and executive director of the Environmental Defense Fund; when offered the editorship of *Foundation News*, he was editor of *Grantsmanship Center News*, a magazine on the left of the philanthropic world.[3]

Joseph also hired three establishment veterans to help him develop new program emphases:

- Richard Magat came from a quarter century in the Ford Foundation to be a senior consultant for communication and public affairs.
- E. B. (Bert) Knauft, a former contributions specialist at Aetna Life and Casualty, was made senior consultant for corporate philanthropy.
- Paul Ylvisaker, formerly with the Ford Foundation and the Harvard Graduate School of Education, became senior consultant for professional development.

Ylvisaker was particularly well-equipped to explain concepts of "social responsibility" to young foundation officers who might still be infected with individualism. In his keynote address at the Council's

1976 annual conference, he had argued that a foundation used to be "regarded as a personal affair," but "we are moving toward the concept of philanthropy and foundations as public trusts."[4] One reinforced goal of the Council would be to unify foundations behind that concept.

In addition, Joseph benefited from an evidently sympathetic 33-person board of directors. The volunteer chairman in 1985, for example, was James B. Shannon, vice president and executive director of the General Mills Foundation. Shannon had been a liberal priest in the Archdiocese of St. Paul/Minneapolis between 1946 and 1969 and, from 1970 on, a columnist for the *Minneapolis Tribune*.

Other board members had gained experience during three Democratic administrations. For example,

- Ernest L. Osborne had been Deputy Under Secretary of Health and Human Services during the Carter Administration.
- Charles U. Daly had been a White House staff assistant during the Kennedy and Johnson Administrations.
- Steven A. Minter had been Under Secretary of Education in the Carter Administration and, before that, Massachusetts Commissioner for Public Welfare.
- Roger W. Wilkins had been Assistant Attorney General under Lyndon Johnson.[5]

"We Are the Revolution"

With this vision, staff, and board, Joseph could make the Council much more than a service and lobbying group. From the start, he was diligent in pursuing this mission.

In remarks at his first annual conference as president, Joseph began by saying he would do "what a famed circuit rider named Paul used to do when he returned from the provinces of Rome" and then announced the good news: "Everywhere I have been there is a feeling that this is a new era for philanthropy, one of those moments of time which transcend other moments of time, proclaiming a special message and calling us to a special mission." He had "detected a new enthusiasm, a liberated spirit, even an audacity to be provocative."[6]

The time was ripe for new political initiatives: "Rarely in human history has there been so intense a discussion of the nature of the social contract between a society and its people."[7] As one press account revealed, "Joseph said the 1980s will be an era in which distribution of resources is publicly debated."[8]

The specifics of Joseph's gospel became clearer throughout the 1980s in statements building on his animosity toward private decision-making. Joseph told a Yale University audience, for example, that because

private pension funds are now the public's business, decisions about their investment should be made by "officials accountable to a public constituency." Old-fashioned, privatistic thinking might lead some to think pension funds should be invested to provide the best income for those whose deferred wages they represent; but "Those deferred wages of the American worker should be used to build a secure and just economy as well as to provide for secure retirement."[9]

Joseph elaborated on the perceived need to turn private relations into public issues during a February 25, 1984, speech at Stanford University. Assuming the prophetic role, he told students, "It is the peculiar destiny of this generation to live between two worlds—an old order which is dying but not yet dead, and a new order which is conceived but not yet born."[10]

Like others who have spoken about old worlds pregnant with the new, Joseph had a plan to aid in the delivery: "a social justice agenda for the 80s" that foundations could help bring into being.

- First on the agenda would be economic change, since equal access to capital is needed to eliminate the unfairness of a situation in which it is "easier for some people to get money to buy a house than it is for others." Once again, "the largest pool of private capital anywhere in the world . . . the Pension Fund of American workers" should be used to provide capital for minority businesses.[11]
- Second would be transforming the American system of representative democracy. "For two hundred years this system worked quite well," but the "communications revolution" should enable us to implement "what we are now learning from the new forms of direct democracy [that are] emerging." Joseph provided little specific detail about the nature of this new learning.[12]

In a March 1984 speech on "Quality and Equality in the Marketplace," Joseph laid out more clearly the theological presuppositions which underlie his economic and political appeals. He had thought about discussing the story of Joshua, "who led the Israelites in storming one Canaanite city after another. But as I lingered for a moment with this episode, it seemed to me to present images of conflict rather than the focus on humane competition I find most useful." He also considered the story of Samson, but "the image of Samson may not be the best to project in a society which is already too heavily involved in macho image-making."

Finally, Joseph found one Bible episode that could be twisted into philanthropic correctness:

> the story about how Pharaoh, after hearing many appeals from the Israelites to improve their economic situation, finally suggested that they make bricks

> without straw. . . . [I]n Egypt straw was the substance which held the bricks together. How could you make bricks without straw? When we apply this analogy to the predicament of minority population groups in the present society, it is the same as asking how can we have health and housing, how can we have jobs and justice without the opportunity to compete successfully in the marketplace?[13]

As in many of Joseph's other speeches, the analogy was not exactly precise; American pharaohs responded to cries by adding affirmative action, not by taking away straw. Still, the Exodus story, often used (with distortions) by liberation theologians, added emphasis to Joseph's call not for mere competition, which implies the chance to lose as well as to win, but for successful competition.

Joseph continued this campaign in his report to the 1984 annual conference, emphasizing the centrality of "partnerships with government" and attempting to deal with criticism of partnerships from those who still had the dream of truly private foundations:

> Some of your colleagues warn of a lingering challenge—even a threat—which comes not simply from cooperation but from partnerships with government which so narrowly circumscribe the use of public funds that they either directly or indirectly determine how the private funds are to be used in the private-public mix.[14]

Problems could be avoided if members were shrewd. "We must find ways to translate what we know into the policy options our public officials are debating," he insisted; "and we must do so without appearing to be either partisan or political." Joseph concluded with a ringing proclamation: "We are the revolution. We are the future."[15]

"Consciousness Raising"

Revolutionists know the importance of molding the press and of "raising consciousness" through conferences and institutes. During the mid-1980s, Joseph and his allies continued to use *Foundation News* and annual conferences for "adult education" in such areas as national defense policy, domestic federal spending, and "population control."

In the first of these areas, articles in *Foundation News* exhorted foundations to fund studies and campaigns opposed to many defense spending programs. An article on "New Directions for Peace," for example, argued that "Preparation for war has escalated, many believe, far beyond the need for national defense."[16]

The problem was that foundations still had not joined the anti-military campaign. "Initiatives promoting alternatives to our nation's present military posture are viewed at best as too controversial for a foundation,

and at worst suspicious or unpatriotic." World peace would not be achieved through resolve in the face of Soviet pressure; it would be the product of "a multiyear, multimillion dollar effort by foundation-bankrolled advocates."[17]

Although other articles at this level of analysis predated Joseph's presidency, the war on defense escalated under his leadership. At his first conference as president, "Concern about nuclear proliferation and criticism of the increasing arms budget were recurring themes," along with criticism of "the Reagan Administration's huge military budget."[18] To Joseph, discussion of the nuclear peril was the "best example" of the participants' "liberated spirit."[19] Succeeding issues of *Foundation News* contained glowing reports on such topics as "Funding the Prevention of Nuclear War."[20]

The last issue of *Foundation News* for 1983 featured a *People*-type story of how "Seven of us foundation women were traveling to the USSR to engage in roundtable talks with members of the Soviet Women's Committee."[21] Spokesman for the group was Lois Roisman of the Council staff.

The goal of the trip, co-sponsored by the Council on Foundations and Women and Foundations/Corporate Philanthropy, was "to have a candid exchange without lapsing into the tired rhetoric of the Cold War." The Soviet Women's Committee was made up of 360 Communist Party propagandists, so it is perhaps hardly surprising that

> While the Americans spoke liberally of continuing inequalities of opportunity in the United States, and of the role conflicts many women feel, the Soviets did not admit of such problems. . . . Insistence was strong that there are equal possibilities for men and women in Soviet society. And indeed, the record is impressive. . . . Ninety percent of all able-bodied women in the USSR participate in "socially useful labor," and they make up more than 50 percent of the work force.[22]

The Council's unofficial position on domestic social welfare, parts of which once again predated Joseph's administration, also slanted to the left. In 1981, *Foundation News* had warned of "the Reagan administration's unprecedented cuts in federal aid to community development and social services";[23] in 1982, Joseph toured the country with his message of opposition to welfare cuts—telling listeners in Seattle, for instance, that the Reagan Administration was cutting the "meat and potatoes [from] social service programs."[24]

Joseph also attempted to instill guilt by claiming the Reagan program was causing hunger beyond the ability of foundations to alleviate it. "It is an awesome responsibility for a foundation executive to decide during a recession," he declared in Detroit, "because his or her decision may determine whether a child goes to bed hungry. . . ."[25]

Judging from their programs, conferences during the early 1980s rarely showed any ideological balance. Members attending the 1983 annual conference, for example, heard a very important topic, "Constitutional Rights in Conflict," discussed by a panel consisting of Margaret Standish, executive director of the Playboy Foundation; Judge Mary C. Morgan, "the first openly Lesbian judge to be appointed to the Municipal Court in San Francisco"; Ramona Ripston, executive director of the American Civil Liberties Union of Southern California; and Anthony Podesta, executive director of People for the American Way. Once again, the message was utterly predictable: "recent actions undertaken by the Reagan Administration as well as the religious New Right have seriously jeopardized the integrity of the Constitution and the Bill of Rights."[26]

The 1984 conference and "pre-conference" (the Council had begun to publicize sessions of sympathetic groups not under its direct control) seemed even more one-sided. The Council's newsletter promoted the "women's agenda for the election . . . peace and economic justice"[27] with "chilling statistics" about population growth that made it vital for foundations to be active in "consciousness raising" and "pressing the government."[28]

Speakers also attacked President Reagan's alleged attempts to ignore the "real" problems of American schools by calling attention to "diversions like tuition tax credits, merit pay and school discipline."[29] Foundations were told to "become involved in gay issues" by "Including representatives from gay organizations when planning meetings on topics of concern to the local philanthropic community," "Encouraging applications from gay organizations by mentioning the words 'gay and lesbian' within grant guidelines," and "expanding the affirmative action clause for personnel policy to include non-discrimination based on sexual orientation."[30]

It is important to note also that managers of the Council's affiliated foundations often were far from unreceptive to these appeals. As Joel Fleischman, a political scientist and member of the Council's board of directors, noted in a 1984 interview, "If there is a question of preponderance, it is a matter of there being more liberal, left-leaning foundation officers than right-leaning ones."[31]

Furthermore, Council leaders were not concerned only with a peculiarly ideological agenda; for instance, Joseph and others testified at legislative and regulatory hearings on matters that affect foundations generally. Both the "how to" and "what to" received attention, but Joseph clearly was performing on his pledge to lead the foundation world into a new "metaphysics."

Coercing Conformity

In 1983, the board of directors voted to make subscribing to a set of *Principles and Practices for Effective Grantmaking* a condition of Council membership. Several of the requirements were in the community foundation tradition. Foundations were told, for instance, they should be accountable to "the general public" and should recognize "new challenges" in order to be "responsive to changing conditions in society."

Others, however, were new and potentially threatening to foundation boards with principles and practices of their own. Council members were told to draw "minorities" into their "decision making process," for example;[32] but, absent any further definition of the term "minorities," exactly what did this mean?

Reliance on such vague language meant that during the mid-1980s, key questions about the application of these requirements remained unresolved:

- Would Council members be exhorted to express correct attitudes and censured if they did not?
- What would happen if a foundation board and staff deviated from approved racial, gender, or sexual orientation criteria?
- Might the *Principles and Practices* be the first step toward the Council's licensing of foundations?

Despite such uncertainties, however, two disputes in 1984 indicated that the Council's leaders were determined to proceed with this scheme.

The first came shortly before the Council's 1984 annual conference was scheduled to open in Denver. Early in April, word reached staff in Washington that William K. Coors, president of the Adolph Coors Foundation and chairman of the Adolph Coors Company, had given a speech to minority business leaders about the social and economic opportunities the United States has presented to all its citizens, black and white.

Although the *New York Times* noted that "a number of people who were present said the speech was not regarded as offensive," coverage in the *Rocky Mountain News* suggested that Coors had made racist remarks. Leaders of some minority organizations in Denver proposed a boycott of Coors beer.[33]

Coors issued a statement denying any racist intent and filed a $150,000,000 libel suit against the *Rocky Mountain News* for allegedly distorting his remarks. In addition, Gilbert Cisneros, director of the Colorado Minority Business Center, explained that Coors' talk was simply "a candid effort to advise minorities to make the most of eco-

nomic opportunities."[34] Nevertheless, an opportunity for "adult education" of Council members had arisen, and Joseph seized it.

Coors had agreed to host a reception and dinner for community foundation representatives as part of the conference program. After the speech came to his attention, however, Joseph sent a warning memorandum with a copy of the *Rocky Mountain News* article to the invitees, telling them the reception/dinner was a "privately sponsored undertaking and not part of the Council program."

Joseph reportedly "suggested that the invitation be ignored,"[35] but a group of Council members from Denver complained in a letter to Joseph that his memorandum and enclosures placed Coors' "integrity on matters of race in question" and was an "open invitation" to boycott the reception/dinner.

> Had he wished to alleviate the confusion and concern, we might have expected Mr. Joseph to state that Mr. Coors had made a speech . . . that it had been reported in various ways in the national press, that Mr. Coors had filed a libel suit . . . against the *Rocky Mountain News* for its reporting of the speech, and that the matter was now properly in the courts. . . .[36]

There apparently was little desire on Joseph's part to alleviate confusion or let legal proceedings take their course, but this was to be expected. One of the consistent themes of his articles and speeches over the previous fifteen years was that because the drive for equality is so important, even those who have qualms must relinquish some of their rights; those suspected of contrary thoughts become pariahs.

The second dispute concerning "principles and practices" arose after staff members at the John M. Olin Foundation met and corresponded with Joseph and other Council representatives. In 1983, when subscribing to the statement was made a condition of membership, it was agreed that current members would have a one-year "grace period" during which they could ask necessary questions and seek clarification of particular clauses in the statement.

Olin staff subsequently pointed out some logical flaws in the statement and the idea of "subscription" to it and suggested that, in view of the code's vagueness, it would be unwise for a foundation to commit itself to a set of principles and practices that could be radically interpreted or reinterpreted.[37]

Concerning questions raised about the type of assent required, Council officials did specify that "In subscribing to this statement, members of the Council affirm their belief in the Principles and Practices and their willingness to move toward implementation of them."[38] The statement's clauses, however, were not made more specific.

By mid-1984, it was becoming clear that foundations which would not sign could not remain members. This was apparent in the conclusion

of a letter sent by Joseph to the Olin Foundation: "I would hope that your Board will choose to remain a member of the Council, but the grace period granted by the Council is now over."[39] Olin left the Council.

But this was only one sign of what was coming. As the Council was forcing out members that refused to be coerced into signing its *Principles and Practices*, it also was trying to expand its influence over corporate and religious giving.

SECTION FOUR

Council and Corporation

At a session of "Corporate Grantmakers" that opened the 1992 Council on Foundations annual conference, the sound bites were agitated. Contributions officers were complaining that their CEOs resist attempts to be "at the cutting edge" and instead ask, "why can't you get me one of those Ronald McDonald Houses?" Colleagues suggested ways to "manipulate your senior management" by using Council resources to set up a "philanthropy 101 course for senior management."

"Philanthropy 101" had become a popular course in the 1960s, when some executives nervously dipped a toe into the waves of social reform surfed on by Great Society planners;[1] in the 1970s, they were joined by leaders of the Council on Foundations. First among Landrum Bolling's "highest priority concerns" in the Council's 1977/78 annual report, for example, was corporate giving: "One of the greatest frontiers for expansion of private charitable giving in America is among the business firms of the land."[2]

When James Joseph, with his company foundation experience, took control of the Council in 1982, the drive to increase and redirect corporate philanthropy began in earnest. Corporations would have to be pressured because "For many years they've been able to deduct 5 percent of their profits for charitable work, but averaged 1 percent or less." This would not do if business was to help foundations "foster social change and present new ideas."[3]

Joseph brought in as senior consultant E. B. Knauft, author of a *Foundation News* article praising several companies for contributing to organizations that were suing them. Knauft's prize example:

> in the last year the NAACP Legal Defense Fund received about $1.5 million in corporate pledges in spite of the fact that litigation against companies in equal-opportunity suits is one of that organization's activities. A few years ago this type of corporate philanthropy was non-existent.[4]

"The Larger Public Good"

In the early 1980s, the Council began its attack with a survey in which chief executive officers of major corporations indicated they were far more "bullish" about donating company funds than had been believed.[5]

It also published a glossy book, *Corporate Philanthropy*, advocating substantial giving by business. "Corporate philanthropy may be one of the signals that a new arrangement, a new kind of social contract, is emerging between business corporations and the American people," wrote Joseph in his foreword; indeed, the very existence of corporations represents "a grant from the public sector to the private sector, which confers upon the corporation a kind of trusteeship of the larger public good."[6]

Corporate Philanthropy attempted to convey the notion that this "new kind of social contract" is the only alternative to government hegemony over business. To Columbia University's Courtney C. Brown, "there may be no alternative" to Joseph's views "if the conduct of business is to be preserved without further limitation by external restraints."[7] As argued by William D. Ruckelshaus, "It is in our self-interest not to let others set the social agenda for business, but to set it ourselves."[8]

Essayists waved more sticks than carrots at potentially reluctant donors. Eleanor Holmes Norton, chairman of the Equal Employment Opportunity Commission during the Carter Administration, argued that because businessmen were receiving "favored" treatment from the Reagan Administration while others "have been cut and hurt and expect to be cut more . . . it is perfectly reasonable for the public to expect business, the favored sector, to respond to the needs of sectors that have received often dramatically less favorable treatment." If business did not rescue social programs which the people and their representatives had rejected, "public antipathy" toward business would not be diffused.[9]

Carrots were not forgotten, though. Brian O'Connell of Independent Sector wrote floridly of "camaraderie, a sense of teamwork that washes away distinctions [between donor and donee as] the best on both sides recognize that they are trying to achieve the same goals of better health or equal opportunity, to support the joy of discovery or international peace."[10] Pablo Eisenberg of the Center for Community Change similarly promised that corporations could make new friends by supporting "low-income and minority organizations, women's groups, neighborhood and community organizations, senior citizens' groups, and advocacy projects. . . ."[11]

The Council also praised companies that published extraordinarily confused contributions "annual reports." Prudential, for instance, called its contributions program "part of a real attempt to integrate two different value systems: Those that are oriented toward making a living with those that are oriented toward making a life." Equitable gave critics a blank check (and echoed Joseph's rhetoric) by stating that

corporate existence is "a privilege subject to whatever requirements society decides to impose."

As the Council was distributing its guide to corporate philanthropic correctness, it also was pushing recommendations of the President's Task Force on Private Sector Initiatives. This creation of Michael Deaver, then one of Ronald Reagan's three top assistants, was a public relations maneuver to gain favorable White House publicity at a time when liberals were portraying Reagan tax and budget cuts as unfair to the poor. "We wanted a showcase," Deaver explained.[12]

Deaver and his assistant, former Sohio contributions officer James Rosebush, placed on the task force liberal executives like Kenneth Dayton of Dayton Hudson and Great Society retreads like John Gardner, Lyndon Johnson's Secretary of Health, Education and Welfare and former chairman of Common Cause.

Predictably, the task force urged more corporate funds for "public-private partnerships," and Council allies were jubilant. Stanley Karmen, director of the insurance industry's Center for Corporate Public Involvement, predicted the task force might "finally break down conservative business resistance in this area."[13] Eisenberg likewise rejoiced that "a Federal Government group [was ready to] twist elbows on corporate expenditures in this area, to go peer to peer and say we're going to judge our peers harshly if they don't move on this"; and John Gardner said, "Businessmen were not persuaded by the Filer Commission or by the 2% or 5% clubs, but now the recommendation is at a level they're more likely to listen to it."[14]

However, publicity concerning this recommendation also caused a backlash of criticism:

- Martin Anderson, who had resigned as top assistant to President Reagan for policy development, said it was not "appropriate" for the government to tell corporations what their role would be.
- Robert Krieble, chairman of Loctite, said flatly, "I'm not interested in picking up welfare programs. I want to build self-reliance."
- Thomas W. Pauken, director of ACTION, argued that "our responsibility as conservatives is to offer sensible alternatives to things which haven't worked, not just change one set of bureaucrats for another and say we've accomplished something just because they're off the Federal payroll."[15]

Placating the Left

Even though this initiative languished, however, corporate giving programs increasingly placated the left. By 1985, some classic stories of muddled thinking were emerging. Exxon, for example, contributed

$95,000 to the NAACP Legal Defense and Educational Fund, which sues corporations on affirmative action questions, and $96,000 to conservative public interest law firms, which defend corporations on affirmative action questions. This tendency to support both sides is reminiscent of the "lawyer's prayer" about which former Senator Sam Ervin (D-NC) joked during the Watergate hearings: "Lord, stir up much strife amongst thy people, lest thy servant perish."

Some grants appeared to be sheer appeasement. Honeywell, for example, long had been the target of "peace" activists because of its defense contracting. In an almost Alice-in-Wonderland gesture, the company decided to underwrite a series of seminars questioning arms spending. The protesters, recognizing a sure sign of weakness when they saw one, said that "Honeywell's top executives are responding to a massive civil disobedience campaign" and redoubled their efforts; once the seminars were concluded, the campaign intensified, with several of the activists digging graves on Honeywell property to dramatize their opposition to weapons production while others blocked the entrance until the police arrived.

In 1985, Honeywell also contributed to the Peace Child Foundation, whose newsletter portrayed U.S. military strength as a key obstacle to peace. This was strange both in terms of self-interest (why was a defense contractor supporting anti-defense propaganda?) and in terms of truth; if Peace Child had had its way, the Berlin Wall would still exist and the Soviet Union would still be oppressing millions.

In domestic public affairs giving, corporations also subsidized their enemies. The NOW Legal Defense and Education Fund proclaimed that the "corporate community helped [it] make important advances" in government authority over the hiring, firing, salary, and promotion policies of private businesses. "In partnership with American corporations," declared NOW LDEF chairman Muriel Fox in 1986, "we are focusing on crucial enablement issues for the 1980s, the 90s and beyond, and thanks to this partnership with the corporate sector we already see results."[16]

Rounding Out the 1980s

By 1989, the pattern was even clearer. Capital Research Center's analysis of public affairs grants for that year found corporations giving about two-thirds of their support to organizations that oppose freedom of choice in education, enterprise zones, tax cuts, public housing privatization, and other policies designed to stimulate individual initiative rather than dependence on government. Executives too often were

taken in by organizations with a sheaf of press clippings produced by media allies.

Some corporate board members probably were surprised to discover that they had approved some very peculiar grants. I am not privy to directors' mail files or phone logs, but I suspect they received some messages like these:

- Why did Dayton Hudson give $70,000 to the Center for Community Change, enabling it to demand personal, corporate, and pension tax increases?
- Why did General Mills give $5,000 to the Gray Panthers, which states its intention to "promote more government regulation of corporations"?
- Why did American Express continue to pour tens of thousands of dollars into Planned Parenthood, the largest American abortion provider, despite numerous card cancellations?
- Why did J. P. Morgan, which has an interest in making New York City work, give $15,000 to the American Civil Liberties Union, which harms the mentally ill homeless by litigating to force cities to leave them on the streets without the hospital care they need?

The Council on Foundations could have helped corporate members move beyond press clippings and rhetoric by teaching them to ask hard questions of any group professing to fight poverty: Can it show it has been successful in aiding those in need? Can it provide any evidence of its commitment to private property, free enterprise, and limited government? Does its suggested approach rely on individual initiative and responsibility or underwrite bad habits and dependency?

Corporate directors and executives need help when it comes to probing more deeply the ideas of organizations that claim to be opening the spigots of compassion. Instead, sessions at the Council's 1992 conference were devoted to helping contributions officers respond to criticism:

- New contributions officers could learn the advantages of quoting the rhetoric of a "helping" organization while ignoring the reality of its actions.
- They could learn to tell executives that public affairs giving by corporations is relatively small compared to overall corporate charitable giving, and to play down the fact that great economic and social harm can be done, even with relatively small sums of money, by well-organized and ideologically committed opponents of free enterprise.
- They also could learn to defend grants to anti-business activists by arguing that such aid strengthens the democratic process by encouraging "diversity." Supporting a wide range of policy research and advocacy will help assure that the "best" ideas prevail.

This last argument is particularly pernicious because it ignores the obvious fact that diversity is often the *last* thing such grants encourage. Federal agencies have provided hundreds of millions of dollars to nonprofit advocacy organizations whose research promotes more government power—which perhaps is understandable enough, given the fact that intellectual support for more activist government is conducive to the larger budgets these agencies then seek.

Corporate Giving Handbook

Council leaders attempted to solidify the new patterns of corporate philanthropy by publishing *The Corporate Contributions Handbook*, a set of "how to" and "what to" essays. Council consultant Judith Healey wrote that "religious causes" are "definitely out of bounds" while praising unpopular grants to Planned Parenthood and lauding two corporations that provided them for refusing to be "intimidated" by letters of concern.[17]

The *Handbook* continued the Council's pattern of looking at corporate obligations to stockholders only as "parallel . . . to a wide variety of other groups," including "communities . . . governments, and nation states."[18] A chapter on "Leadership Opportunities for Grant Offices" presented contributions managers as high priests of "humankind," men and women with "a motivating and sustaining vision of a more humane, just, effective, and achievable order of things." These "members of our profession whose vision is enabling and whose actions are transforming point out to us that becoming leaders in our grantmaking roles is possible. . . ."[19]

But if corporate contributions officers were potential heroes, Ronald Reagan was actual villain: "Reagan's reluctance to deal affirmatively with the disadvantaged multiplied the number of poor. . . . Reagan's policies severely altered the demographic and economic profile of the nation's underprivileged. . . . More than 2.5 million Americans were homeless as of 1988. . . ."[20]

The only problem was that such "facts," like the history lessons sprinkled throughout the *Handbook*, were wrong. Several alternative surveys showed the statistics on homelessness to be only 20 percent of what the Council claimed;[21] and for a statement such as "Traditionally, the federal government . . . accommodated basic needs within the social welfare system" to be accurate, one had to accept that our traditions extend back only a few decades. The intent of these homilies was clear: to turn corporate executives into "public policy advocates."[22]

Executives, of course, already were lobbying on issues of direct corporate concern; but according to the *Handbook*, demands for increased

federal welfare payments "must be incorporated into the corporate legislative and political agendas along with the tax and deficit issues. . . ."[23]

Into the 1990s

Council-designed patterns of corporate philanthropy became even clearer as the 1990s began. A study of corporate public affairs giving by 121 of America's largest corporations for 1990 showed 79 leaning to the political left and only 13 to the right; 29 were centrist.

Again, year after year, corporations continued to support fashionable advocacy even when it ran counter to their interests. In 1989, for example, Ford contributed $30,000 to the American Assembly, a New York-based organization that supported a sharp increase in gasoline taxes; in 1990, Ford raised its contribution to $33,000. In 1985, Aetna gave $125,000 to the Center for Community Change, which consistently demands massive personal and corporate tax increases; in 1990, Aetna increased this support to $175,000.[24]

Overall, the best-funded left-of-center groups again received over twice as much as their counterparts on the right. Many observers, asking why, sorted through a variety of possible explanations: a utilitarian search for favorable publicity from media leaders who also lean to the left,[25] a desire to appease potential critics, broad support for advocacy groups that seek to increase the role of government in the economy in order to hamper foreign competition through imposition of tariffs and quotas, and a misunderstanding of the nature of compassion.[26]

These explanations, however, assume that contributions managers and top executives are all pursuing the same goals; but what if some contributions managers are working not in the corporate or public interests (however hard the latter may be to define), but in their own ideological interests, under the tutelage of the Council on Foundations and similar groups?

What is particularly sad is that opportunities for truly innovative giving are abundant. Some corporate grantmakers argue that there is a lack of potential recipients on the right in certain areas, such as minorities, women and the family, and the environment. That may have been true two decades ago, but many imaginative organizations now exist in all these areas: groups like the Christian Community Development Association, Concerned Women for America, Family Research Council, Competitive Enterprise Institute, Foundation for Research on Economics and the Environment, and Landmark Legal Foundation Center for Civil Rights.

These organizations and others like them receive no mention at the Council's annual conferences. Nor is there mention of new groups issuing impressive publications like *Diversity* and *Heterodoxy* that challenge existing philanthropic correctness.

Some Council leaders, instead of informing corporate members about alternatives, seem intent on eliminating the opposition. For example, when the American Immigration Control Foundation decided to target corporations that support liberal-left Hispanic groups, it used Capital Research Center's annual *Patterns of Corporate Philanthropy* as a source of information about corporate grants. The Council on Foundations then sent out a letter to corporate members claiming that Capital Research was part of an AICF cabal; supposedly, the two organizations were contacting corporate shareholders and asking them to write CEOs and demand an end to grants that "bankroll pro-alien groups."

This was nonsense. Capital Research has no connection with AICF, is not involved in its activities, and had no contact with any corporate shareholders on this issue. The Council on Foundations easily could have ascertained this through a simple telephone call; instead, some of its leaders chose to circulate what turned out to be wholly unfounded charges of ethnic bias.

SECTION FIVE

Council and Church

Corporations obviously are a valuable source of philanthropic capital, but the greatest potential source for members of the Council on Foundations may well be religious organizations. In 1990 alone, individuals contributed nearly $66,000,000,000 to churches and religious organizations—almost ten times as much as the $7,000,000,000 in foundation grants made during that year.

Targeting individuals who go to church most often is particularly important. The approximately 24 percent of American adults who attend church or synagogue weekly have lower average incomes than those who attend less frequently or not at all, but the households represented make 48 percent of all individual charitable contributions. In 1989, those who attended church weekly or nearly weekly made charitable contributions of 3.8 percent of their household income; those who never attended gave less than 1 percent.[1]

In its efforts to gain additional influence in American society, the Council on Foundations can hardly afford to overlook such financial power. Fortunately for the Council, the large foundations at its core have long been identified with liberal Protestantism (the belief that man is basically good and can build a better world without recourse to God's law and God's grace) and its essentially secularist "social gospel." James Joseph himself is an ordained minister in one of the most liberal Protestant denominations, the United Church of Christ.

A song about the Ford Foundation written by Martin Quigley, a Ford publicist, is most revealing:

> Take a dozen Quakers—be sure they're sweet and pink—
> Add one discussion program to make the people think;
> Brown a liberal education in television grease
> And roll in economics, seasoned well with peace.
> Crush a juvenile delinquent (or any wayward kid)
> And blend it with the roots of an Asiatic's id.
> Dice teachers' education, and in a separate pan
> Make a sauce of brown technicians from India-Pakistan
> And pour it over seed corn in a pilot demonstration,
> One that has been flavored with peel-off implication.
> Take a board of good conservatives, the nicest you can buy,
> And mix them with the white of a beaten liberal's eye;

Now render the conditions of a peace that's just and free
And mix *them* with insistence on national sovereignty.
Stir everything together, and when the fire's hot,
Pour a little Russian exile into the steaming pot.
Sweeten with publicity all the serving bowls
(By the way, this recipe serves two billion souls),
Garnish with compassion—just a touch will do—
And serve in deep humility your philanthropic stew.[2]

The Power of Belief

Theological liberals have been greatly concerned over the decline in membership and power of the so-called "mainline" denominations among Protestants (and their equivalent factions among Catholics and Jews) that they control. They have reason to be concerned. The growth groups of American religion—evangelical, fundamentalist, and orthodox—see man as sinner and salvation as coming from God rather than from government. (As far back as 1923, in *Christianity and Liberalism*,[3] J. Gresham Machen argued that the belief systems of Biblically conservative and theologically liberal churches were so different that the latter should not be called Christian at all.)

Though often ignored by foundation publications in recent years, religious beliefs have material as well as spiritual consequences and can make a crucial difference in the "what to" of philanthropy:

- Buddhism, for example, fatalistically accepts and praises poverty; Christianity praises those who fight it.
- Many religions teach that Nature is closed and static; the Biblical understanding is that Nature is open and dynamic.
- Many religions view history as circular, endlessly repeating itself but going nowhere; the Biblical view is that history is linear and ordained by God.
- Many religions speak of an impersonal universe in which humans are captives of fate; the Biblical view is that human life is sacred because people are created by a personal God and endowed with dignity and significance.
- In many religions, work is a burden to be endured if necessary and avoided if possible; the Biblical view is that men and women are God's stewards, and any labor "done as to the Lord" has value in His eyes.[4]

In short, what one foundation publication proposes ("The world's great religions speak with one voice about compassion") simply is not true.

For the Council on Foundations, what is important is not individual faith, but systemic change: "the poor cannot be helped until we do

something about the institutions that so dominate their lives."[5] At the 1979 annual conference, a panel on "Religion and Values in the Lives of Americans" attacked those who have a "dependent, authoritarian faith" rather than a "recognition of the wholeness of life."[6] When James Joseph became Council president in 1982, he told church leaders they should apply church funds to "socially useful purposes."[7]

Early in the 1980s, the Council made some small attempts to tap what Joseph termed the "substantial resources" of American churches. One Council newsletter frankly declared that "Economics = Ecumenics."[8] William Dietel of the Rockefeller Brothers Fund (apparently unaware of Biblical injunctions against unequal yokings) insisted that "foundations, corporations and churches should get in harness" to effect social change.[9]

A more elaborate approach arose during the mid-1980s. The Council sponsored a survey of 2,400 religious organizations to "gain information on the purposes, decision-making process, reporting procedures, general guidelines and focus of financial contributions by each of the identifiable programs within the Catholic, Protestant and Jewish groups."[10]

Only 485 organizations (20 percent of those surveyed) responded; many respondents provided no financial data; and many theologically conservative denominations did not respond at all. The design of the study, with its emphasis on national religious organizations rather than local churches, had a built-in bias, since "mainline" denominations are more liberal than the laymen who control local church benevolences.

Nevertheless, in January 1985, the Council issued statements claiming that "Religious Groups Are Becoming More Sophisticated About Charitable Giving" and "Religious Groups Engaged in Advocacy Rank Peace, Justice, Women's Issues Among Their Top Priorities." The central Christian mission is worship, prayer, discipling, and evangelism; the Council chose to praise those churches that had moved from "only church-related activity" to "advocacy, social change, social action, the influencing of policy, and justice and equity."[11]

Foundation News lauded church groups that sought "change in the entire social structure as it affects the needy, such as advocacy activities or alternative investing programs." Receiving particular praise were "religious grantmakers" who "expanded their ministries to include 'community organizing and social empowerment,' 'preventive help,' 'long range social change,' and 'systematic change.' "

Newspapers responded favorably. The *Chicago Tribune* accepted the study at face value and quoted Joseph: "Through religious philanthropy, every conceivable need in society is being addressed—from soup kitchens in urban areas to making films about social justice, from building wells in the Sudan to emergency food aid in Ethiopia." (Note that "every conceivable need" was material, not spiritual.)

UPI also used the Joseph quotation. The *New York Times* noted the study's praise for "wide-ranging activities that included helping the poor through advocacy." The *Washington Post* summarized the results: philanthropic giving by organized religion "has shifted from 'redeeming souls' toward changing society."[12]

What about foundations created or managed by believers in the orthodox Christian position that redeemed souls change society in the only way that creates long-term success? Could they be brought into the Council, with its radically different orientation?

"A Higher Standard of Values"

The Council offered such organizations technical expertise and a willingness to serve as a clearinghouse for interaction and cooperation; "the addition of foundation and corporate funders to the religious philanthropic mix could enhance the financial, legal, and technical skills of the religious philanthropists."[13] It even encouraged formation of a new "affinity group," the Forum on Religion and Public Life, ostensibly to satisfy evangelical grantmakers who felt excluded from the corridors of power. The 1988 annual conference was filled with talk of "a higher standard of values."[14]

The evangelical presence at annual conferences during the next several years remained small, as most evangelical foundations were not excited by the offering of a very small carrot. Discussions at the 1992 annual conference in Miami Beach focused on how to gain more money from churches for public policy advocacy:

- Holly Holcombe of Miami's Direct Action and Research Training Center argued that people could be taught to view drugs and poverty as "institutional problems," rather than as problems on which they could act individually, if ministers led the way; people who resist the left will think, "what makes this different is that they're doing this for a religious institution."
- Many organizations "don't have the credibility," added Tiros Moreno of the Farmworker Association of Central Florida, but religious leaders "are there to bear witness that things are being done. . . . When the organization gets established, has credibility, they're less important."

Discussion of what churches were doing or not doing was common at the 1992 conference. At the first big reception on Sunday, April 26, Joseph presented the Humanitarian Leadership Award to an ABC television series, "Life Goes On," for "breaking new ground by casting HIV-positive actors." Joseph raged against "rigid ideologues" opposed to condom distribution and "religious leaders" who stand in the way

of progress through AIDS education. ABC actor Bill Smitrovich, accepting the award, expressed his "anger at our government for not addressing this issue . . . and educating the people the way they need to be educated."

The next morning's highlight, accompanied by laughter and applause from the audience, was a speech by Ted Turner that became a disjointed diatribe against Christianity, in which "God's a man . . . there's his Son . . . didn't make love . . . Virgin Mary. . . ." Turner said that he was "a born-again Christian several times" between the ages of 13 and 17, but realized he would "just as soon be asleep nowhere without dreaming than sitting on a cloud singing hymns all the time." Biblical religion can "give you a lot of comfort, just like drugs do," although foundation and media leaders need to help future generations be drug-free.

Not money-free, however. Publications circulated at the conference explained that organizations on the political left that are turned down by local congregations can have an easier time with national church bureaucracies. As Jennifer Henderson of the Center for Community Change noted, "the national body is often much more progressive than individual member churches. The national body may want to fund a program of an advocacy organization that the local church does not support."[15]

Denominational offices have proven helpful in other ways as well; according to Richard Moore of the SouthWest Organizing Project (SWOP), "a sympathetic staff member of a national church grant program will help a group frame its proposals in ways that are in keeping with decision-makers' priorities."[16] (SWOP itself has been very successful in raising money from liberal churchmen and church ladies; it raises $50,000 to $100,000 every year, or 80 percent of its budget, from religious sources.)

Other religious discussions bubbled through the conference. At an obligatory 500th anniversary bewailing of Columbus' Invasion of America, for example, Professor Oren Lyons spoke of his "born-again pagan" T-shirt and proclaimed his "adherence to the old law, the old ways" which "kept the global world in peace and harmony" before Columbus.

None of the sessions, to my knowledge, began with Bible-based prayer; but nature worship and goddess worship were in evidence, and at least two of the sessions began with pantheistic prayers.

One sequence went even further. For two days, 66 registrants were closeted in a room to which no drop-in reporters were allowed entrance. In this "Dream Catcher" sequence, participants initially were led by Peter Russell, a student of theoretical physics who also studied with the Maharishi Mahesh Yogi and then wrote such books as *The Global*

Brain. According to Russell's latest book, *The White Hole in Time*, "if humanity were to evolve into a healthy, integrated, social super organism, this transformation could signal the maturation and awakening of the global nervous system. . . . Gaia would become a conscious, thinking, perceiving being."[17] What we need is

> nothing short of a world-wide effort to liberate humanity from the destructive grip of its self-centeredness . . . an "*Inner* Manhattan Project." Such a project would entail research and development not in new material technologies as in inner technologies—technologies that promote psychological maturation and inner awakening. . . . Far less than one percent of the trillion dollars the world spends each year on "defense" would do quite handsomely.[18]

The Dream Catchers went through a variety of visualization techniques and at the end were given crayons and construction paper to portray what they had learned concerning the purpose of their lives and dollars, although it will be a while before foundation IRS filings show whether any big dreams were caught. The short-term material remnants after the Dream Catchers' closing session were some crumpled drawings, an empty box of Carr's Assorted Biscuits for cheese, and one brown crayon.

"A Tenuous Connection"

All this activity by the scions of foundation founders who had a Christian vision went on a hundred yards or so from the Atlantic Ocean. It was enough to remind me of Matthew Arnold's 19th century poem, *Dover Beach*: "The sea of faith/Was once, too, at the full, and round earth's shore/Lay like the folds of a bright girdle furl'd./But now I only hear/Its melancholy, long, withdrawing roar. . . ."

And yet, on Sunday afternoon, while feminist philanthropists gathered for speeches in the hotel's sunlit Atlantic Club overlooking the ocean, 16 of the 1,300 registrants were down two floors in a windowless room at a session on media sponsored by the Forum on Religion and Public Life.

They listened to Michael Medved, an Orthodox Jew who co-hosts the television show "Sneak Previews," describe "the glorification of ugliness" in contemporary film and television. Medved pleaded with his listeners to join with other Bible-believing Christians and Jews in standing up against a view of art and life that is "cruel, brutal, nasty, short, and above all, meaningless."

Will Council evangelicals take Medved's advice, or will they lose their religious distinctiveness by emulating the one church that has joined the Council on Foundations?

This church is New York's Trinity Church, a 294-year-old Episcopalian institution that owns 5,500,000 square feet of commercial space in lower Manhattan worth at least $250,000,000 and uses part of the proceeds to make $3,500,000 in grants annually. A good example of how Trinity operates is an $85,000 grant to the La Guardia Public Life Training Center, which trains people to run for the New York City Council:

> The proposal was jointly submitted by four coalitions representing various religious groups, including Episcopalians. Georgianna Gleason, Trinity program associate for metropolitan New York, says church officials supported the project because of their conviction that public decision making and community values are closely linked. She says Trinity officials regarded the project as "church-based community development."
>
> Mike Gecan, regional representative for the Industrial Areas Foundation, which co-sponsored the training center, says that at first it wasn't clear how the project could be construed as church-related. Later the organizers and grant officials hit upon the common ground: Church parishes and congregations would help advertise and promote the project.
>
> Trinity officials "made the project work for them," says Anita Nager, grants administrator of the Fund for the City of New York, which provided $10,000. "They saw a creative way they could play a role. It's a tenuous connection but they saw the opportunity."[19]

Trinity Church has gained high praise from philanthropists; but such programs exhibit at best "a tenuous connection" to the church as church, as opposed to the church as embodiment of the politically charged "social gospel."

Such a policy contains within it the seeds of its own destruction:

> As the collection plate makes its way through the aisles of U.S. churches, the people in the pews are not digging as deeply into their pockets as they once did. Churches across the country are starting to feel the effects of congregations who are increasingly wary about how they spend—and donate—their dollars. The Presbyterian Church (USA) is working to reduce its annual missions budget about 10%. The Episcopal Church has slashed its national staff one-fifth.[20]

One reason for this change is "disagreement with national church bodies." Conservative Episcopalian parishes that object to the liberal hierarchy "are increasingly retaining larger proportions of the money."[21] The Episcopal Church has had to reduce its national staff and cut spending on some of its national programs by 35 percent, and a similar trend is evident among congregations in the Catholic Church; "people mind much less giving to the parish than they mind giving

money that goes downtown," according to Andrew Greeley. "Downtown" means diocesan headquarters or the Vatican, and parishioners "don't trust downtown."[22]

Put another way, if many believers cannot trust downtown, downtown cannot rely on individual givers. Therefore, liberal theologians can stay in power only by raising more money from foundations or by having the Council convince more churches to support them.

Peace and Affluence

On a day-to-day basis, the chief goal of many Council members appears to be "personal peace and affluence," to quote theologian Francis Schaeffer's famous phrase.[23] When it solicits prospective members, the Council does not emphasize philanthropic correctness; it stresses benefits to members.

Booklets highlight the value of the Council's information clearinghouse on private foundation management, investments, guidelines, policies, computers, trustee concerns, grantmaking programs, and similar concerns. The Council provides research on benefit packages. Staff send out special information packets on such topics as computer systems and provide management and information assistance to foundation employees and boards, as well as to donors interested in starting their own foundations.[24]

Another advantage of membership is access to legal consultation on a range of issues. "Every day, staff field questions by telephone and mail," according to the Council's *Member's Guide*. "Questions often asked are: 'Should I obtain directors and officers liability insurance? How do I calculate payout? Can you explain fiscal agents?' "[25] The *Member's Guide* quotes Jane Lee J. Eddy, executive director of the Taconic Foundation: " 'Call and ask the Council' is a comment we make often here, particularly in these times of ever-changing laws and regulations. . . . When it comes to technical questions, we know where to find quick and reliable answers: we call the Council."

For foundation officials, the annual survey of salaries is worth its weight in membership dues. One Council publication reports that CEOs of independent and private operating foundations in 1991 had a mean salary of $106,000 while associate directors received $99,400; program directors, $87,800; senior program officers, $70,000; and program officers, $55,600.[26]

Annual conferences themselves are nice perquisites. At the 1992 conference in Miami Beach, the danger of overpopulation was brought home dramatically after one lunch as several dozen attendees sat on the floor of the Fontainebleau Hilton ballroom, put on hats saying

"China" or "Africa," and pretended to lack food. In the evening, safe behind barricades that kept cars away from four blocks of Lincoln Road, they feasted on clams, steak fajitas, chocolate mousse, and other fine dishes offered at feeding stations every few yards.

Only those with conference name badges were allowed to eat, and there was occasional unpleasantness (I saw two black children being turned away); but one retired New York cabbie knew enough to trail the name-badged elite and ask them to fill plates, then pass them over: on-the-spot grantmaking!

The evening had its artistic delights as well, with the Miami City Ballet, the New World Symphony, the Ballet Espanol Rosita Segovia, and other groups giving command performances on every block. The South Florida Lambda Chorale and the Miami Arts Asylum made their presence felt with gay music ("hit me with the hot notes"), performance art, and other efforts.

Since the Council's public relations activities have been extraordinarily effective, members can feel they are helping others as they enjoy their evenings. "Public affairs and media relations staff [are] providing a consistent message nationwide and encouraging positive coverage of the grant-making field," they are told, and it is clear that the Council has had a complaisant press covering its activities. Reporting on the COF's 1962 conference, for example, the *Detroit News* was deeply moved: "The most generous group of people in human history visited Detroit briefly."[27]

As long as bellies are thus full, and as long as feelings of doing good for all mankind can be cultivated with the aid of friends in the media, the Council's liberal religion may well continue to be embraced without serious challenge.

SECTION SIX

Conformity for the 1990s

"Standards: The Word Keeps Popping Up" was the headline on a *Foundation News* "Message from the President" in 1987. Questions about standards "come from those who govern and administer foundations and those who are curious or critical observers," wrote Joseph, reporting one foundation executive's "suggestion" that "the Council take the lead" in developing "standards that govern the way foundations do business."[1]

As a sign of what taking the lead would mean under Joseph, *Foundation News* during the late 1980s continued to act as publicist for politically correct grantmakers while serving as excoriater of the right. For example, foundations on the political left supposedly concentrated on "humanitarian concerns" in Central America, but those on the right were less interested in "healing wounds" than in "opening them."[2] The goal appeared to be a form of psychological coercion similar to that observed by Boyle in his *Occasional Reflections* of 1665: "Men will be asham'd to be unlike those, whose Customs and Deportments pass for the Standards, by which those of other Men are to be measur'd."[3]

To plan ahead (and perhaps to blunt criticism), Joseph met later in 1987 with 15 other leaders from the foundation world, including one neoconservative critic of the Council, Leslie Lenkowsky. Lenkowsky argued that "if one wanted to talk about 'standards' . . . the most rational basis for establishing them was to rely on what the original donor wanted his money to be used for."[4] His comments, however, were ignored in *Foundation News*, which chose instead to emphasize such "common themes" as the supposedly "[c]lear acknowledgement that much progress has been made" on questions related to standards in recent years. *Foundation News* also claimed that participants shared "a deep respect for the pluralism supported and represented by foundations" even though, according to Lenkowsky, "there remained a good deal of disagreement as to how any set of standards might be created and made to have an effect."[5]

This disagreement has continued. The 1988 annual meeting featured sessions on "Paths to Socially Responsible Investing" and the responsibility of foundations to fund "protest marches, demonstrations, sit-ins," and other actions that "offer the opportunity for the powerless to become engaged in democratic processes."[6] In 1989, *Foundation News* carried

64 pages of "how to" but 80 pages of "what to," devoted largely to promoting organizations that evidenced "progressive thinking."

Particular favorites have emerged over the years, among them Women and Foundations/Corporate Philanthropy, a "large, powerful organization" to which foundations should turn when recruiting women executives even though its president "happily co-signs letters to foundations from organizations as far from the mainstream as lesbian rights advocates."[7]

Foundation News articles often are slanted in this way. In 1988, to convey the point that students must move to the left or be party to selfishness and fear, one piece lamented that Stanford juniors and seniors "didn't go to work for the PIRGs (Public Interest Research Groups), which had posters up all over campus," because "they all felt it was a recipe for burnout and that there wouldn't be a salary increase compensating the amount of work you did. At the very bottom, there's a fear of being the guy sleeping under the bridge."[8]

In 1989, *Foundation News* publicized attacks by the Council on Economic Priorities on Unilever for not having women on its board and American Cyanamid for investing in South Africa. CEP's favorites—Paul Newman's salad dressing and spaghetti sauce, Tom's of Maine toothpaste and deodorant ("uses all natural ingredients and eschews lab testing on animals"), and Ben & Jerry's ice cream—received no discouraging words.[9] Editors even told readers to call a toll-free number to get copies of CEP's book so they would know whom to boycott.

In 1990, the magazine lauded such exemplary philanthropists as Christie Hefner, president of Playboy Enterprises, Inc., who received praise for her readiness to attack the belief that most AIDS cases were "somehow linked to low morals."[10] *Foundation News* even quoted her straight-faced claim that "People turn to Playboy for information about subjects that other publications won't cover. . . ."

"Bloodletting Seldom Seen"

In 1991, *Foundation News* led the chorus of approval when previously conservative foundations were captured by the left. A prime example was presented by the Pew Charitable Trusts, which had "eliminated almost all of their right-wing grantmaking" and "engaged an activist, socially liberal executive director" named Rebecca W. Rimel, a 37-year-old "nurse turned administrator who'd risen through the foundation's ranks to become a vice president for programs."[11] Although Rimel "push[ed] out most of the senior staff, a degree of bloodletting seldom seen in the foundation world," there was no need to worry

because "her fast-talking, almost breezy public persona masks the heart of a dedicated manager."

Foundation News was endorsing not only a "bloodletting," but also a blatant disregard of donor's wishes. Author Roger Williams joked that recent initiatives presumably sent the late J. Howard Pew and Joseph N. Pew, Jr.—those who had made the Trusts possible—spinning in the family crypt. In his fanciful conclusion, however, "J. Howard and Joe Jr. stopped spinning—and smiled."[12]

J. Howard Pew, a devout Presbyterian who supported Christian causes and charitable activity in his hometown of Philadelphia, disliked big government programs, thought Ivy League colleges were too liberal, and disliked publicity. For years, the Pew Trusts gave to causes and charities that reflected these ideas. Pew Trust funds helped found the conservative Gordon-Conwell Theological Seminary. Philadelphia's Edith R. Rudolphy Residence for the Blind benefitted from the Pew Trusts' generosity, as did handicapped children and adolescents who were helped into homes by the Adoption Center of the Delaware Valley.

Would Pew smile now that control of the Trusts rests with professional grantmakers loyal to the agenda of the Council on Foundations rather than to his vision? The Pew Trusts used to fund local charities that provided direct services to the needy, but now fund studies at liberal think tanks. The Adoption Center of the Delaware Valley, Rudolphy Residence for the Blind, and Gordon-Conwell Seminary no longer fit the Trusts' guidelines for giving; Ivy League colleges do.

Although J. Howard Pew hated government welfare programs, the Pew Trusts now operate in partnership with many government programs. Although the old Pew often gave money anonymously, the new Pew blows trumpets for itself in the foundation world.

When J. Howard Pew established his Freedom Trust, he issued instructions that money not go to support "Socialism, welfare-state-ism, Marxism, Fascism and any other like forms of governmental intervention." Now the people in charge of giving away his money come from the programs he condemned.

Could there be many Pews? Could others among the small number of conservative foundations be moved to the left as older board members departed and power-seeking executives encountered board members willing to be dominated? *Foundation News* in 1991 subtly showed the way with an article in which a fictional older board member, "B. J. Appleheimer," advises a young newcomer to find ways to pressure senior members to leave; philanthropic correctness then could be introduced.[13]

The magazine's progressive flair also was clear as it promoted Planned Parenthood, that "upbeat . . . ebullient . . . champion of legalized abor-

tion" whose leaders "have a sense of stewardship" and do not "stoop to the level" of those "virulent right-to-lifers" who provide "relentless threats and physical violence. . . ." Large foundations and corporations that support Planned Parenthood are "examples of foundation steadfastness"; non-contributors are full of "fear" and guilty of buckling under to "pressure." The good news: Planned Parenthood "has emerged from timidity [and] the preponderance of its members have emerged as well."[14]

Books for the 1990s

The Council also pushed philanthropically correct books for the 1990s. One typical product, *An Agile Servant: Community Leadership by Community Foundations*, ends with chapters by several writers about such exemplary groups as the Boston Foundation, which made grants "to enhance community organizing as a goal in itself."[15]

One chapter praises Boston Foundation director Anna Faith Jones for showing little concern about whether a program to help ex-inmates actually changed lives: "While it is nice to know if the prisoner is rehabilitated into a productive citizen, [her goal] is 'to use the money more effectively to promote systemic change.' "[16] The wordsmiths of George Orwell's *1984* would be pleased with the characterization of campaigns for radical public policy change as "a more frontal approach to poverty" than direct help.[17]

In another chapter, Jennifer Leonard suggests that elite Philadelphia used to be "deeply suspicious of immigrants and ethnics and blacks" and then praises the Philadelphia Foundation for supporting groups that are "pro-choice on abortion, a plucky policy in a city by then full of second-generation Irish and Italian immigrants." Leonard even cites former Planned Parenthood president Jane O'Neill's encomium to the Philadelphia Foundation for having "had the courage to make the decision that population control was one of our most important issues"[18] (although she makes no mention of Planned Parenthood's history of eugenics-oriented bias against blacks and immigrants).

Joseph himself produced another highly publicized Council book, *The Charitable Impulse*.[19] His goal, according to the back cover, was to take us "into the psyche of some of the wealthiest people outside the United States" and teach us about "the intricate personalities and life experiences" of famous philanthropists such as Eugenio Mendoza of Venezuela, Jamsetji Nusserwanji Tata of India, Calouste Gulbenkian of Turkey, Adnan Khashoggi of Saudi Arabia, and Ryochi Sasakawa of Japan.

Sadly, the promised "compelling collection of profiles" was nowhere to be seen. Instead, Joseph produced characterizations like these:

> Polly van Leer . . . blazed a new trail in demonstrating that wealth used for public purposes need not be a traditional form of public beneficence, nor the support of dull ideas or accepted orthodoxies. [Her foundation is working] to prevent chauvinism and particularism. . . .[20]

> Sasakawa is firmly convinced that . . . [e]ndeavors must be made to achieve a life free from want, illness, and injustice for all humankind in order to bring about permanent peace.[21]

> Mendoza . . . introduced a new way of thinking about wealth, a new style of doing business, and a new form of philanthropy.[22]

Other great philanthropists also "felt a sense of interconnectedness between self and society" and "acknowledged a debt to those with whom they shared a common space, common needs, and common aspirations."[23] Even if such boilerplate generalizations were true, however, cardboard characterizations mixed with trendy expressions like "particularism," "humankind," "new spirit of generosity," and "common space" serve only to numb critical thinking.

"Boundaries of Community"

Joseph's words about the need to "make the leap from individual growth and small-group community to an expanding notion of community" go along with those written by the editor of *Foundation News*: "[T]he boundaries of community have indeed expanded. It could even be said they have stretched so widely that there is now just one community, and we're all in it together."[24]

One problem with such thinking was capsulized by Gilbert and Sullivan many decades ago: "If everybody's somebody, then no one's anybody." Going back even further, the philanthropic correctness of Joseph and Schardt could be fitted against a dialogue between "Mr. Fantom" and "Mr. Goodman" in the pre-Civil War *McGuffey's Reader*.

Mr. Fantom says, "O for the reign of universal benevolence! I want to make all mankind good and happy." Mr. Goodman asks, "had you not better try your hand at a town or neighborhood first?"

Goodman's ambition is "to redress the wrongs of a poor apprentice, who has been cruelly used by his master." Fantom sneers, "the wrongs of the Poles and South Americans so fill my mind, as to leave me no time to attend to the petty sorrows of poorhouses, and apprentices."

As the dialogue continues, Mr. Fantom insists on one point: "It is provinces, empires, continents, that the benevolence of the philosopher

embraces. Every one can do a little paltry good to his next neighbor." Goodman responds, "Every one can, but I do not see that every one does."

Goodman notes Fantom's "noble zeal for the millions yet little compassion for the units" and urges him to "assist me in a partition I am making in our poorhouse." Fantom, however, says his "mind is so engrossed with the partition of Poland, that I cannot bring it down to an object of such insignificance"; he dismisses "the man, whose benevolence is swallowed up in the narrow concerns of his own family, or village, or country."

Goodman patiently says that while a person waits to do a great thing, he "may let a thousand little, snug, kind, good actions slip through his fingers in the meanwhile: and so, between the great thing that he cannot do, and the little ones that he will not do, life passes, and nothing will be done."[25] His arguments, however, seem not to move Mr. Fantom.

Are Council leaders modern Fantoms? Joseph acknowledged in his book that "kinship, friendship, neighborhoods and nations all have legitimate claims on our loyalty and largesse" but warned that "if they are allowed to restrict rather than transform our relationship to the rest of humankind, they are likely to lead to contradictions rather than coherences, creating conflict rather than cultivating community." Above all, "The concern for neighbor . . . has no national or cultural boundaries."[26]

Joseph differed from Mr. Fantom in moving from grand designs to alliance with government as a way to achieve them. True philanthropists desire "a partnership in which government ensures equity and the availability of consistent and reliable resources," while private philanthropy, like the "research and development budget of a business corporation," invents new programs that eventually can be taken over by government.[27]

Joseph's political philosophy is the background for the proud declaration in the Council's 1991 annual report that "American grantmakers are entering the public policy arena. They are coming forward in the great democratic contest over public policies on health care, the elderly, AIDS, education, gender issues and a myriad of other contemporary concerns." Also praised are the "new boldness on the part of the rising generation of private foundation executives" and "increasing activism on the part of many community foundations."[28]

Annual Conference, 1992

This desire for political power was evident at the April 1992 annual conference in Miami Beach, where three days of sessions were filled

with speeches about how foundations should help the poor by funding advocates of government-guaranteed jobs and nationalized health insurance. One panel on measuring grant effectiveness included a note of realism ("a lot of the stuff we funded was mush"), but speakers for the most part expressed anger at anyone who questioned their ability to save America.

The conference was not all work (at an evening of "feminist comedy," Kate Clinton received applause for a stream of notably tasteless jokes about Ronald Reagan, John Paul II, George Bush, pro-lifers who should receive "retro-abortion," and Republican Senators who had interrogated Anita Hill), but most of the speechmaking was solemn. Swaying coconut palms cast their shadows on marble columns during sessions at the Fontainebleau Hilton as Council leaders developed a theology of philanthropic irresponsibility. One key statement came from Wendy Puriefoy of the Public Education Fund Network: "it may be purely by whimsy that we sit in this room. We are able to do the things we do purely by chance."

Such thinking implies that private foundations have no right to exercise stewardship over their funds and should instead realize that all foundation money "is public money and must meet public guidelines and requirements." Ira Hirschfield, a Council on Foundations board member, added that many funders who consider themselves ethical learn otherwise at the conference because the Council has leaders who can "create vision, grab them, motivate them."

It is hard to say how much this propaganda reflects the wishes of most Council members and how much it mirrors the desires of the board and bureaucracy. Alongside the philanthropically correct sessions were a few sessions on the technical points of being financially correct; and these sessions, with names like "Managing the Endowment," seemed particularly useful to trustees and managers of small foundations who interpret their stewardship responsibilities in more traditional ways.

By the last afternoon, many attendees were voting with their feet; the boardwalk was busy with strollers sporting conference badges. Among the determined, 120 were listening to a Ballroom B panel on measuring grant effectiveness; a number were nodding as one trustee noted that "a lot of the stuff we funded was mush." At the same time, about 60 persons were in Ballroom D, discussing ways to organize family foundations; but only 30 were in Ballroom C, listening to declamations on "An Action Agenda for Diversity in Philanthropy" with diversity defined in racial and ethnic terms.

That the Council had been sounding its multicultural trombones for three years before the 1992 conference is amply demonstrated by typical headlines from *Council Columns*, its biweekly newsletter: "Research-

ers Lay Groundwork for Pluralism Project" (November 30, 1989); "Joseph Appoints Task Force on Inclusiveness" (November 20, 1990); "Task Force Oversees Council's Diversity Efforts" (March 30, 1991).

Yet, when faced with a battle involving three of Miami's diverse groups, Council leaders in 1992 acted like the rich described by F. Scott Fitzgerald in *The Great Gatsby*: "they smashed up things and creatures and then retreated back into their money or their vast carelessness . . . and let other people clean up the mess they had made."

The problem began in July 1990. Miami Hispanics and Jews refused to roll out red carpets for Nelson Mandela, friend of Fidel Castro and Yassir Arafat, and activists of the left retaliated by announcing a Boycott Miami Campaign. Council leaders had to decide whether to move the conference, already scheduled for Miami in 1992, or put up with picket lines and the stigma of political incorrectness.

Council leaders found a way to escape both unpleasant alternatives. They kept the conference at Miami Beach's Fontainebleau Hilton but sent out press releases praising Mandela. They met with Miami Beach mayor Seymour Gelber and told him, in the mayor's words, that they "wanted the city to give an appropriate tribute, an appropriate gesture, to Mr. Mandela."

Gelber then proclaimed April 27, the conference's opening day, Nelson Mandela Day, complete with a florid declaration that Mandela is "a leader respected by freedom loving people everywhere . . . a man of deep faith and democratic convictions. . . ." Mountains of pineapple and tanker-loads of chablis arrived without impediment as picket lines were called off.

During the next two days, while Council speakers lambasted "the radical right" and basked in the sunlight falling softly on the hotel's carved rosewood and antique bronze, Miami Beach's leaders attacked each other. City commissioners, angry at the surprise move and, according to the *Miami Herald*, "unanimous in saying they should have been consulted," denounced Gelber. Commissioner Abe Resnick, a Holocaust survivor and former citizen of Cuba, said Mandela deserved no honor until "he retracts his support . . . for international terrorists." The Spanish-American League Against Discrimination (SALAD) argued that the Council-prompted action was "offensive to everyone who believes in democracy."

Council leaders left town on Wednesday, April 29, with a Miami Beach "medallion of honor" to be given to Mandela later in 1992; but SALAD that day declared, "Mr. Gelber, we are not going to forget you. . . . You have decided to embark on a war against the Hispanics. You will hear from us."

Ted Turner, introduced on Nelson Mandela Day as "the most gifted visionary of our century," told conference participants that "we have

10 million, I don't know, different species, and one species uses up half the resources of the planet." The "cause of drive-by shootings" and other social ills is overpopulation; but the real root of the problem is Christianity, which posits that people are more important than sea otters and elephants. One solution: for foundation leaders to fund abortion more heavily and support programs like Turner's "Captain Planet," which has Whoopi Goldberg as the voice of "mother god."

Some among us might worry about what happens if the next generation has even less respect for God and human life, but the Council on Foundations apparently already has the answer: let other people clean up the mess.

SECTION SEVEN

Competing Cultures

The Council on Foundations may provide useful services to members, but it interprets the world through an ideological prism that, like 3-D glasses, is trendy but tiresome. Because the macro-political processes promoted by the Council have failed during the past three decades, many Americans, including many in the foundation world, now are looking for alternatives.

According to president James Joseph, history shows that "whenever a large share of the burden of coping with the social needs of a society is dependent on private action, it is almost certain that the resources made available will be less than what a truly benevolent community considers optimal."[1] The "evolution of compassionate values" proceeds

> through four stages of consciousness: stage I, in which the spirit of altruism is developed; stage II, in which it is nurtured and reinforced; stage III, in which it is activated; and stage IV, in which the altruist—now a full-scale philanthropist—becomes aware of the limits of private benevolence and the potential of political participation. . . .[2]

These sweeping conclusions, however, are exactly the opposite of what history shows to be true. Those who actually work with the poor have found that only when individuals and groups learn their problems will be solved by hard work and personal benevolence, not by political machination, does real progress come. Stage IV is not the culmination of progress; it is the point at which disaster beckons.

For example, as homelessness became a concern during the 1980s, America's response quickly moved from stage I to stage IV as activists successfully campaigned for government-funded homeless shelters at which all were entitled to "three hots and a cot," regardless of conduct. In New York, a shelter administrator was reprimanded for proposing that residents of a government-run men's shelter not be allowed to wear dresses, high-heeled shoes, and wigs. The administrator's "memo is evidence of a real misconception of what the shelters are all about," said Reid Cramer, assistant director of the Coalition for the Homeless in New York City. "Trying to curtail freedom of expression, trying to shape the behavior of clients is completely inappropriate."[3]

Throughout the 1980s, Tennessee sociology professor Dan McMurry conducted "participant observer" research by posing as a homeless

man in cities throughout the United States. In city after city, homeless individuals merely had to "line up and eat. No questions asked." In Nashville (a typical city in this regard), homeless individuals received housing, towels, blankets, soap, medicine, dental care, stamps, newspapers, and a long list of other products; but "I was never asked to do anything I did not want to on the streets. At all the places I ate, I was never asked to bow my head; only once was I asked to take off my cap."[4]

Had the Council on Foundations pointed to the reality of homelessness during the 1980s, it might have saved many lives. It is clear by now that the mumbling majority of the homeless are men who are alone, who have been told that it is fine to be alone, and who have become used to receiving subsidy in their chosen lifestyle.

Most of the homeless (three-fourths of all men in a Baltimore study conducted by clinicians from Johns Hopkins University) are substance abusers.[5] Many homeless alcoholics have families but do not want to be with them. Those who have been married often have abandoned their wives and children. Many of the homeless have had jobs but just do not want to stick with them; some like the freedom of having odd jobs and being able to move around.

As one psychiatrist summarized the pattern, "almost all lack the sense of personal 'structuring' necessary to maintain steady employment."[6] And yet, at Council conferences in 1991 and 1992, sessions emphasized stage IV ways of battling homelessness and minimized the importance of personal involvement; speakers concentrated on material problems but never the spiritual.

A Case Study: Summerhill

Joseph and others who stress the "limits of private benevolence" and the need for government action also might want to observe private initiatives in Summerhill, a 60-block Atlanta slum close to Atlanta/Fulton County Stadium. Most Summerhill residents depend on government handouts, as did many of their parents; and while people are not starving, stagnation is evident.

Yet a walk through Summerhill also uncovers signs of hope. The front yard of one small frame house with peeling paint may be strewn with paper and glass, but the next yard is clean and well-tended. A liquor store clerk reports that business is good, but ministers at small neighborhood churches with names like "Salvation and Deliverance" also are optimistic.

Along several streets new houses are being built under the auspices of Summerhill Neighborhood, Inc. (SNI). A bright yellow flyer, headed

"SUMMERHILL IS NOT ABOUT POVERTY/SUMMERHILL IS ABOUT REVITALIZATION," proclaims that

> The inability to have has been called poverty and it grows in direct proportion to the ability to want. Summerhill redefines poverty as the absence of vision rather than the absence of goods. This enlarged vision also created larger horizons that alter the world view of all. A house becomes a home. A home becomes a community. A community becomes a city.

Summerhill once was a community. Settled by freed slaves at the end of the Civil War, it became during the first half of this century a Mecca for blacks and a haven for Jewish residents who wanted little to do with rural Georgia. Many of Atlanta's leading citizens were raised in Summerhill's mixed-income, integrated setting, home to a variety of churches and synagogues.

Descriptions of Summerhill in the 1950s vary. The official story is that material decay was overwhelming as buildings aged and the better-off began moving to suburbs. That story is true, but so is another. In mid-century Summerhill, recalls Douglas Dean, a former state legislator who now heads SNI, parents watched over others' children as well as their own; children in turn helped out elderly residents. Other residents also testify that Summerhill had what money cannot buy: a sense of neighborhood.

When Summerhill encountered economic trouble, foundation and city officials could have helped by giving homeowners interest-free loans to renovate their houses, by supporting the effects of Summerhill's Georgia Avenue business district, by lowering property taxes, by working to develop stronger churches capable of taking the lead in community development, or by doing a hundred other small-scale things.

Instead, they got federal urban renewal, new expressways, and the stadium. When years of dust cleared in 1965, a big chunk of Summerhill was gone (the center of the Jewish community, for example, used to be near what is now first base), and damage beyond the bulldozed area also was apparent. Summerhill's business district went under as customers disappeared. Today there are a few liquor stores, a pool hall, and (at least when I visited) a food store that sells a small bunch of collards for 99 cents.

The Stage IV Great Society

Atlanta's leaders during the 1960s did not lack concern, of a sort, for Summerhill; they made the neighborhood a prop in a campaign for increased federal power. Summerhill, in the words of President Lyndon Johnson when he proposed Model Cities in January 1966, would

become a place of "spacious beauty and lively promise" boasting "a clean room and a patch of sky for every person. . . ."[7] The rhetoric was sweeping: "the most modern federal-state-city planning, housing, training, and social welfare techniques [would] transform the slum core into a modern area with a total approach—new homes, schools, parks, community centers and open spaces."[8]

Since poverty was seen as the cause rather than the result of many social problems, money and government services would keep families together, decrease delinquency and crime, and liberate the poor from their basic material worries so they could plan and develop careers. Atlanta's black and white officials endorsed the vision so fully that the late U.S. Representative Charles L. Weltner (D-GA) proclaimed, "if Model Cities was going to work, it ought to work in Atlanta. If it would not work here, it probably would not work anywhere."

Atlanta's Model Neighborhood, encompassing Summerhill and five nearby areas, did have obvious material problems. Unemployment was steady at 15 percent, and three-fourths of the housing was "sub-standard." Government publications also cited "overcrowded classrooms," "lack of child care facilities," and "less than half as much land per person devoted to recreational purposes [as in the rest of] the city."

The perspective of those who actually lived in the community, however, was far different from that of Model Cities. Residents saw lack of discipline in schools as a greater problem than overcrowding; Catholic schools with 40 students in one room had done well. Existing recreational land already was unsafe; a survey showed that most residents feared for their safety every day. Some unemployment was structural, but many of the jobless needed an infusion of character more than a quick fix of cash.

During Model Cities' first six years, federal, state, and local agencies spent $173,000,000 in Summerhill and vicinity but paid no attention to two existing resources: neighborhood churches and the prayers of some residents for spiritual renewal. The result? Virtually all the material indicators declined. Population decreased by one-third, from 39,000 in 1968 to 36,725 in June 1975; housing stock decreased despite the addition of government units; unemployment, welfare dependency, and crime increased.

By 1977, even some initial backers of Model Cities were admitting failure. "We really believed that the combination of strategies . . . would make a difference," conceded Weltner; "it is inescapable that we made very little difference and in some cases we clearly had a negative impact on the lives of the people we were sincerely trying to help."

Nevertheless, when President Jimmy Carter in 1977 signed into law a $14,700,000,000 housing bill, he stated that the new collection of

federal programs would be "a giant step forward." Same rhetoric; same macro-material fixes.

Summerhill Today

Today, after two decades of political promises and one decade of neglect, Summerhill's population has fallen to 2,500, average income is about $6,500, 70 per cent of residents receive "public assistance," and an average house is valued at $12,500. A walk through Summerhill presents a picture far different from that prophesied at the Ford Foundation in the 1950s, at the White House in the 1960s, or in newspaper accounts that envisioned enormous spinoffs from stadium traffic.

On one side of the stadium is the expressway; on the other, past the expanse of parking lot, stand two enterprises in stark isolation: the Georgia Avenue Rib Shack (a name that precisely describes its size) and Trimelony's Fantasy World salon (despite its expansive name, also a shack). A few neighborhood youngsters have had the discipline to do well in ballpark concessions (boxer Evander Holyfield grew up in Summerhill and earned money that way); but for the most part, the only thriving trade is in drugs.

The buildings constructed with Model Cities money are not shacks. The Martin Luther King, Jr., Middle School, with its enormous windowless walls and small doors, looks like a detention center. SNI leaders are scathing in their criticism of the top-down approach the school has come to symbolize: "For over thirty years, programs of assistance to disadvantaged communities have failed not only in Summerhill but also in Atlanta and the entire country." They have ripped apart "the physical . . . and spiritual fabric of the communities they intended to serve."

Douglas Dean is more specific: "Those Model Cities government planners came here and said they would involve people here in decision-making, but they never did. They could have developed a partnership with the religious community and gotten something done, but they didn't think like that."[9]

A new approach began to take shape in 1988, when former residents who had encountered each other at funerals began talking about the old pre-urban renewal, pre-Model Cities days. They planned a reunion, collected contributions, and sold ads for a reunion book. On June 18, 1988, 5,000 people showed up; many who had not been in the old neighborhood for years came, saw, and wept at the state of the mean streets. When the day was over, $600 remained from the reunion fund. This money was used in 1989 to incorporate SNI, with Charles W. Greenlea as chairman.

Greenlea, a retired community newspaper editor and executive director of the Atlanta NAACP from 1948 to 1968, is white-haired and tough. "It was dangerous back then," he recalled. "Every time I came home, my family would be trembling from phone calls and bomb threats. But . . . what's happening in our communities with drugs is so much harder than bombing and shooting."

SNI board member Hattie Harrison, who runs a neighborhood summer camp, believes that

> when you see children so desperate for attention, and 9- and 10-year-olds outside all night, you have to do something. I've had four bypass operations and sometimes these drug people talk about firebombing me and everyone else. But I don't let it bother me. When I think about quitting my work, something inside me won't let me.

"I've lived here all my life and this is my home," says board member Mattie Ansley Jackson. "I raised 8 children here alone, after my husband died, and I saw every one of them walk down the aisle for their high school graduation. Two were able to go to college. I may be a poor person, but I feel rich with the Spirit of God."

With their enthusiasm, community roots, and understanding of religion's vital role in community development, these leaders represent the opposite of a Model Cities secular technocracy; but they were also discerning enough to see that planning and organization were necessary. "We could have taken the shotgun approach and merely built some 'affordable housing,' " said Dean,

> but that would have done nothing to build a community. Instead, we spent over twelve months doing workshops in the community and learning, from the residents, that they wanted a mix of housing, not just all low-cost buildings. They wanted commercial development, ways to attract businesses. They wanted skills development, ways to get jobs, not just roofs.

Spiritual Bonds and Community

The workshops also revealed a desire to develop the "spiritual bond within the present community" and to make sure that there is a "spiritual bonding system for new residents." In Dean's words,

> We're not just talking about changing people's physical environment. We're talking about spiritual change, changing people's hearts. All kinds of people have come here with quick fixes that have failed and left people discouraged. . . . Churches can break through that discouragement by telling the truth and showing people how to rebuild family life.

The planning process was helped greatly by German Cruz, a Columbian-born architect/planner who in 1988 was vice president of a large

engineering company, lived in the suburbs, and attended one of Atlanta's pre-Civil War churches, Second Ponce de Leon Baptist.

"I grew up in the Catholic Church and then became an existentialist," Cruz recalls. "I was a man without Christ—but then I came to believe in Him, and out of that came the conviction that a Christian has to be a Christian not just on Sunday but on Monday through Saturday as well."[10] He heard about SNI and began talking with neighborhood leaders. "They knew what they needed," he says,

> but a professional planner would have cost them $150,000. They had been praying for a planner to volunteer to help them out. I was 42 at the time, with moments of introspection—I was making $60,000 a year, but I couldn't spend the time that I wanted on a project like Summerhill's because every hour I spent was supposed to be billable. I began to pray about it—I told my wife I had to leave—and I started helping them out.

At a crucial time, a relative's gift provided money to buy computers and pay off some debts. "With the conviction that all of my talents belong to God, for God's glory," Cruz volunteered to help out SNI. He also needed several paying clients, "and the Lord provided them." His church also helped, spiritually and financially.

Cruz thus was able to begin giving the reunion-generated dreams some professional grounding. He also moved himself and his family into Summerhill so he could see intimately the needs of the community. He participated in workshops and drew up plans that eventually won applause and support from the Urban Land Institute.

The key question, as funds began to come in, concerned the creation of community. As Cruz noted, building a house was relatively easy, but keeping housing from quickly becoming slumlike was harder. Here is where another neighborhood organization, Charis Community Housing, played a key role.

Charis, a division of Family Christian Services, first made an impact in 1981 by weatherizing homes of elderly people in Atlanta. Two years later, it obtained from the city of Atlanta six houses scheduled for demolition and moved them to lots in two inner-city communities. Volunteers helped prospective homeowners renovate the houses.

Then Charis moved on to construction. Charis Home Sponsorship groups have funded and built over 70 houses in the inner city of Atlanta. Sponsored by churches, small businesses, and large corporations, new homes are going up at the rate of one a month.

With experience, the material process of construction has become relatively easy to handle. To build an 1,100-square-foot three-bedroom home costs $25,000; and sponsors are encouraged, but not required, to donate land costs ranging from $3,000 to $5,000. A volunteer crew of

about 15 works alongside homeowners-to-be for seven or eight consecutive Saturdays under the supervision of trained builders.

A professional builder-in-charge from the Charis staff assigns volunteers to tasks designed for various skill levels, keeps the construction on schedule, and tells churches and other sponsoring organizations what to expect from week to week. Charis coordinates building permits and legal documents, makes sure that all the materials are ready, and provides tools.

Significantly, there have been clear financial arrangements between Charis and the 70 families that have moved into these homes with no-interest mortgages. Once the home is completed, Charis holds the mortgage and collects monthly payments averaging $250, with $150 applied to the principal and $100 put into escrow for taxes and insurance.[11]

During the life of the mortgage loan, Charis reserves the right to make home inspections to assure that the home is being maintained adequately. Should the homeowner decide to sell, Charis has the first option to buy, for the amount of equity paid into the house plus 10 percent. This assures the homeowner of some return on his money and protects the house from falling into the hands of speculators.

Conflicting Visions

What particularly separates the Charis vision from conventional housing programs are the questions of spirit and character that Charis confronts when it straightforwardly demands "PERSONAL STABILITY." Speakers at Council on Foundations conferences argue that the homeless need to be given homes, but Charis suggests that homes must be earned. Furthermore, "For some, home ownership would be a liability, rather than an asset. We seek families who will be strengthened by the ownership of a home."

One way for a poor person to earn a home when he otherwise could not afford to own one is to demonstrate character through conscientious work at available jobs and careful handling of available credit. Charis executive director Jim W. Beaty, Jr., explained that his organization carefully checks employment and credit history.[12]

A second way is to show family commitment. Charis provides homes only for families; two parents are best, but single parents and their families, who "are often hurting the most and working the hardest to stay afloat," also are welcome. Those who have persevered following abandonment also have earned a home.

Those who live or have lived in Summerhill, and who personally have battled decay, get preference. Darien Cooper, a volunteer who is

director of family selection, and whose husband is the professional in charge of all Charis construction, notes that people with an emotional as well as a material stake "have roots there, so they'll usually be more eager to fight drugs and crime, and not just run."[13]

The selection process has several stages. Four to six members of the selection committee visit applicants in their current homes (generally rental apartments) to see how they live and how they have taken care of the property rented to them. This is followed by a second interview with two other members of the selection team, two seminars on the responsibilities of home ownership, and a meeting with Summerhill residents.

Questions about family relationships, work history, attitudes toward drugs, and spiritual leanings dominate the conversation. The detailed process is designed unapologetically to separate those deserving advantage from those wishing to take advantage; a home is not an entitlement.

Applicants are approved only if they are found to be telling the truth about their debts and determination. Following approval, the final way to earn a home is to work on it. Each family of homeowners-to-be works at least 75 hours with the team of volunteers on the house to be occupied.

Although Charis is unabashedly evangelical, it does not require that potential homeowners make a statement of faith: "We're looking for people who are responsible, who hate drugs and have the courage to stand up for that." The family selection committee finds, however, that three-fourths of those who meet the standards are professing Christians who are far more likely to maintain families under pressure than are their secularized counterparts.

In addition, each family is matched with a community church or some other Christian sponsoring group that pledges to stand behind the prospective homeowner with emotional and spiritual support for at least the first year of ownership. If a new homeowner is having problems, the sponsor agrees to cooperate or confront, as needed.

Several Biblical principles underlie this procedure, chief among them the Apostle Paul's rule for the able-bodied: "If a man will not work, he shall not eat."

"Reconciliation" is a second emphasis. The process of selecting owners and building homes is designed to let people be seen as human beings created after God's image, not as numbers in a bureaucracy or animals awaiting zoo improvements. SNI and Charis hope to see affiliation and bonding among people of different races and socioeconomic backgrounds.

Belief in the need for a "Christian influence" in community development is also evident. German Cruz, who works closely with Charis, says SNI is delighted to "have Charis screening people, not to create

a Christian ghetto, but so that Christians have a heavy influence there." Non-Christians involved in examining Summerhill's prospects also seem pleased that evangelicals are willing to get their hands dirty; as Cruz says, "when you call a medic, you are in desperate need, you want help of any kind."

The Essential Lesson

Racial and economic reconciliation dovetails with the SNI Master Plan's call for an economically mixed community of middle-class and low-priced homes. "If we just build low-income housing, we will quickly build a slum," says Cruz. A housing mix "creates a better economic base, and down the road provides an affordable gate to the community, but also the opportunity for residents who prosper to move up without moving out."

SNI's opportunities have increased with the news that the Olympics are coming to Atlanta in 1996. Asked how the world views Atlanta's slums, D. Raymond Riddle, chairman of the Atlanta Chamber of Commerce, said that "Summerhill is the front door to Atlanta. It's important that the community is not just attractive, but viable and happy."[14]

The Olympic impetus could help SNI slice through some government red tape. By the end of 1991, SNI owned 76 lots (purchased through donations at an average cost of $3,500 each) with a goal of buying 125 more. Obtaining clear titles to the vacant, usually tax-delinquent, lots has been a problem; Dean hopes the need to clean up by 1996 will awaken bureaucrats.

In the meantime, SNI is continuing to work on the small things that help turn houses into homes. Neighborhood residents, for example, are being taught how to make low-cost window coverings. SNI's detailed "how to" sheets for home improvements are the opposite of revolutionary manifestos, but their cumulative influence can be radical.

"Downstairs" philanthropy, one window covering at a time, is accomplishing more in Atlanta than "upstairs" philanthropy of the Council on Foundations and Model Cities variety. New homeowner Delaine Wardlew, with her "prettiest house on the street," remembers her old apartment: "Coming here at night was hard; there were always drug dealers in the hallway . . . so for me to own my own home is a dream come true."

Such success attracts attention, especially with the Olympics coming to town. The crisis (opportunity plus danger) for Summerhill's revitalization is fast approaching as Council on Foundations members see the success of the one-window-at-a-time approach and try to involve themselves while at the same time speeding up the process.

A recent *Washington Post* article on the "Atlanta Project," a large-scale urban revitalization effort launched by Jimmy Carter, includes many of the right words. Douglas Dean gave reporter William Booth a guided tour of "the archaeology of failed government programs": the Model Cities-created park now filled with dope dealers, the vandalized and vacant former offices of Equal Opportunity Atlanta, the public housing project that was the site of three killings before the year was half-done.[15]

Dan Sweat, coordinator of the Atlanta Project, criticized the War on Poverty and Model Cities programs, calling the upstairs approach "all top-down. 'Here we come with tons of money, we'll tell you how to solve your problems.' Well, it didn't work. You can see that. You can see the evidence of failure everywhere you look."[16] Sweat spoke of Atlanta Project officials preparing lists of needs for each community after consultation with neighborhood leaders.

The list of "needs" suggested by the *Washington Post*, however, was entirely material: housing, job training, health clinics. All are essential, but the key lesson of Summerhill for Council on Foundations funders and government planners is that material help avails little unless there is spiritual transformation. If the SNI and Charis emphasis on Biblical values is retained, the "Atlanta Project" can work; if it is jettisoned, private funds will work no better than government grants.

SECTION EIGHT

The Road Ahead

Perhaps the most striking feature of the Council on Foundations is that, despite the Council's image of itself as forward-looking, most of its key doctrines represent the last gasp of four ideas—materialism, reliance on government, universalism, and an emphasis on society (or "the masses") at the expense of the individual—that became intellectually popular during the first half of this century.

- *Materialism*: Nearly a century has gone by since *The Encyclopedia of Social Reform* declared that economic improvement would virtually eradicate evil.[1] One novelist in 1900 described the extent to which material comfort was believed to drive moral progress: "the world is constantly growing better and happier. . . . People are better housed, and for that reason, among others, their morality has improved."[2]

If utopia can be attained merely through mass redistribution, the role of foundations becomes obvious: sending a check or helping to pass redistributive legislation. Many people once believed this, but the often harsh experience of the century soon to end (and particularly the last thirty years) has given millions of Americans a far more realistic perspective.

- *Reliance on government*: The 19th century concern that state charity would supplant private efforts—the "crowding out" effect—was turned upside down in the 20th. Some academics began to call for less private charity, arguing that such activity allows government to shirk its obligations: "so long as private agencies, including charity organization societies, continued to care for those families eligible for a pension, it would be easy for the state to evade the responsibility."[3]

In 1922, one Philadelphia group received praise for deciding to cease helping widows; only when private groups went on strike would "public funds ever be wholly adequate for the legitimate demands made upon them."[4] What we have learned during the seven decades since 1922, however, is that demands deemed "legitimate" grow exponentially once government starts sending out checks by the billions.

- *Universalism*: The universalist view is based on the belief that everyone is deserving, regardless of attitude; but this ignores the insight expressed by Andrew Carnegie, who knew a century ago what the philanthropically correct of today seem to have forgotten:

> In bestowing charity, the main consideration should be to help those who will help themselves; to provide part of the means by which those who desire to improve may do so; to give those who desire to rise the aids by which they may rise; to assist, but rarely or never to do all. Neither the individual nor the [human] race is improved by almsgiving. . . for in almsgiving more injury is probably done by rewarding vice than by relieving virtue.[5]

- *Society vs. the individual*: In the 1920s and 1930s, it became common to argue that to emphasize individual responsibility was "trivial and reactionary" because it "imposes on the individual the cruel burden of adapting himself to a psychotic society, and, insofar as it succeeds, constitutes a brake on social action."[6]

The goal became adjustment of society rather than change within individuals; "social engineers" could create "a divine order on earth as it is in heaven, and in that way stop the intolerable belittling of the innate qualities in man."[7] In recent years, however, social engineering has failed so often that there is now a greater willingness to leave choices to individuals.

Commitment to Failure

The Council's key problem, then, is not a commitment to helping the poor ("welfare"), but an ideological commitment to a particular type of assistance that has proved a conspicuous failure. Analysts have not distinguished among three different kinds of welfare—let us call them classical, modern, and postmodern—that have prevailed in the United States during the 20th century.

During the first third of this century, welfare in America was largely in the hands of churches and private agencies, as it had been during previous centuries. Classical welfare often was effective because it emphasized personal involvement of giver and recipient and tried to meet the individual's spiritual as well as material needs.

By the 1930s, the growth of theological and political liberalism had led to the ascendancy of a modern welfare system which was governmental rather than church-based, although it largely retained the old view that aid should be restricted to those truly in need. The reasons for this restriction were pragmatic as well as philosophical: citizens who paid taxes and saw that their funds were well spent would be relatively cheerful forced givers.

Modern welfare, dominant until the early 1960s, was based on the principle (to play off Ludwig Mies van der Rohe's famous modern architecture dictum) that "less is more." Two gatekeepers—the welfare office and the applicant's own conscience—scrutinized each applicant.

As late as the mid-1960s, only about half of those eligible for welfare payments were receiving them, and many of the enrolled were taking only part of the maximum allowance.

Concepts of honor and shame that underlay such limitations were important among every ethnic group. In black communities, for example, according to the Reverend Buster Soaries, "when folks strayed, they were embarrassed. They were never glorified for wayward behavior." If someone "was walking down the street drunk and swearing, his whole family would be embarrassed. . . . The virtues that were preached were industry and thrift and patience."[8]

Community moral pressure and an official refusal to make dependency easy meant, as columnist Walter Williams recalls, that residents of North Philadelphia's Richard Allen housing project during the 1950s were "poor in the pocket book [but rich) in spirit and morality."

> My sister and I were "latchkey" kids, but no sweat, latchkey had not yet become an excuse. Mom's rules were, "Come in from school, get a snack, do your homework, and don't leave the house." None of us could remember an instance of a kid using foul language in addressing or within earshot of, a parent, teacher or any adult.[9]

Adults were expected to work and children were expected to read, for the 1950s were before "we stopped holding people accountable for their behavior and began assigning blame to society." Those who started to deviate received neighborly pressure to get back into line.

In the 1960s, however, attitudes changed as a postmodern welfare system emerged alongside postmodern art and architecture. Writers and politicians began to argue that it was better to accept welfare than to take in laundry, that shining shoes was demeaning, and that accepting government subsidy meant a person "could at least keep his dignity." Michael Harrington, for example, complained that some people "would take low-paying jobs" and "accept humiliation rather than go on the public dole" (even though until the 1960s, the public dole *was* humiliation).[10]

The "Ultimate Instrument"

Underlying this thinking was a social theology in which government welfare, not spiritual commitment, is the "ultimate instrument of social conscience in the modern world" and in which there is no valid reason to categorize individuals as deserving or undeserving of support: "Assistance has become less a 'right' to which certain groups have earned special entitlement than an obligation on society."[11] Regulations designed to involve relatives in providing support "force responsibility

beyond the current economic and cultural pattern . . . and undermine assistance standards"; what is needed is universal "economic and social security" as groups "encourage a continuing experimentation and expansion of new services. . . ."[12]

With such attitudes growing, the War on Poverty turned out to be a postmodernist work of art; "less is a bore," its partisans might have said. The masterwork of Great Society legislation was not a new benefits program, but the funding of a Ford Foundation idea: establishment of a thousand "neighborhood service centers" funded by the Office of Economic Opportunity and devoted to propagating the belief that welfare payments were tokens of freedom to be seized with a bulldog grip.

These centers were a mainstay of "a new philosophy of social welfare" that "seeks to establish the status of welfare benefits as rights."[13] As such, they immediately began to increase the number of welfare recipients by searching the highways and hedges for all those eligible to partake of the taxpayer-funded feast. The number of needy persons declined during the economic boom of the 1960s, but the welfare rolls doubled and tripled as the "take whatever you can get" idea left strugglers for independence with the sense that they were chumps, not heroes.

Heavily funded by foundations and liberal establishment churches, postmodernists also created "welfare rights" organizations that flew the omni-entitlement banner. War on Poverty leader R. Sargent Shriver proudly told a Yale Law School crowd that the Economic Opportunity Act established "a new grievance procedure between the poor and the rest of society"[14] (or, in simpler terms, "You demand, you get").

The postmodernists, however, forgot one thing the modernists had known: taxpayers will pay only if they think they are helping the truly needy. The result: a backlash against welfare postmodernism has grown consistently during recent years, even in liberal circles. The *New Republic* has complained about calls for "compassion for the unmotivated delinquent who would rather smoke PCP than work," and the *Los Angeles Times* has reported on politicians who "wander through the city's needy neighborhoods, usually in an election and year and usually trailing cameras to film their expressions of compassion."[15]

Even aid to the homeless, the pride of welfare postmodernism's bottom edge, received critical media scrutiny during the fall of 1991. *Newsweek* sympathetically quoted a soup kitchen volunteer's complaint that "In a society that has mastered dodging responsibility, these [hardcore] homeless prefer a life of no responsibility at all." The *New York Times* described the daily round of free food, free clothes, and recreational substances such as Thunderbird in a way that emphasized scam rather than sympathy.[16]

Welfare postmodernism clearly would become *passe* were it not propped up by Council on Foundations groups and politicians tied to them. So imbedded is postmodernism in Council dogma that chances of significant change seem slight unless competition within the foundation world forces the Council into an ideological reassessment.

Such competition finally has arisen.

An Effective Alternative

The Indianapolis-based Philanthropy Roundtable (known initially as the Philanthropic Roundtable) now sponsors meetings and events for grantmakers much as the Council on Foundations does, but on a less lavish scale. It also publishes a quarterly newsletter, *Philanthropy*, and provides grantmakers with technical and programmatic information.

Though it has become a fully staffed organization only recently, the Roundtable already has emerged as a forum for the free exchange of ideas, experiences, and strategies for effective giving.

- It is now the main forum available to grantmakers seeking pragmatic, "how to" advice from their peers on charitable activities that enhance individual liberty and responsibility.
- It emphasizes what the Council on Foundations used to emphasize: assistance in all aspects of foundation management, including program development and formulation of administrative procedures.
- It provides references to sound legal and tax advice and puts foundation neophytes in touch with grantmakers able and willing to share advice and experience.

The Roundtable's board of directors includes Michael S. Joyce, president, Lynde and Harry Bradley Foundation (chairman); James Piereson, executive director, John M. Olin Foundation (president); Cheryl A. Keller, program manager, General Electric Foundation (secretary-treasurer); Joanne B. Beyer, vice president, Scaife Family Foundation; Mary Caslin Ross, executive director, Bodman and Achelis foundations; F. Charles Froelicher, executive director, Gates Foundation; Chris K. Olander, executive director, J.M. Foundation; and Louise V. Oliver, trustee, George E. Coleman, Jr. Foundation.[17]

Although they have many different priorities, none of these grantmakers has embraced philanthropic correctness. They share the confidence that with proper values and incentives, all people can find their way to success within the American mainstream. They believe that individual enterprise and initiative lead to success and that charity should not subsidize habits of dependence.

This understanding of philanthropy has consequences for programs and their management. Executive director Kimberly O. Dennis notes that

> The model endeavors—those the Roundtable champions—are the ones that actually lose their "clients" to success. When a former welfare mother starts her own day care center; when public housing tenants buy their own homes; or when a small business opens in the inner city because regulatory and financial barriers have been reduced; patrons lose the object of their patronage, but they have helped individuals gain the means to independence and prosperity instead.
>
> Put another way, the goal of the Roundtable's associates is not to build more homeless shelters or create more work programs or develop more child care facilities; it is to make it possible for more people to own their own homes, start their own businesses, and successfully raise their children on their own.[18]

The Roundtable also has broken away from the Council's emphasis on government. An article in *Philanthropy* by Heather S. Richardson, director of the Randolph Foundation, notes that "One strength of American culture, and a cornerstone of democratic capitalism, has always been the twin values of individual initiative and personal responsibility." The alternative to state control is clear: "Historically, the mediating institution probably best equipped to instill the virtue of personal responsibility has been the church with its moral authority, its emphasis on the person, and its guidelines for daily life."[19]

Just as *Foundation News* spotlights certain programs, so does *Philanthropy*—but the favored programs are very different. For example, a *Philanthropy* article on the National Foundation for Teaching Entrepreneurship to Handicapped and Disadvantaged Youth (NFTE) emphasizes "the empowering of at-risk inner-city minority youth through business skills and entrepreneurial literacy." When disadvantaged youth

> get interested in the challenge of starting their own businesses, a number of benefits soon become apparent: self-esteem increases and a positive attitude takes over; there is an increase in math, reading, writing and verbal skills; the mental toughness, gift for salesmanship, and necessity of risk-taking—natural strengths of inner-city youth—are given a legitimate outlet; teen pregnancy rates for young women are drastically reduced (by 50 to 60 percent); and the psychological barriers to entering mainstream society are lowered.[20]

Another article spotlights Chicago's St. Martin de Porres House of Hope, a shelter for homeless women, children, and pregnant teenagers:

> Sister Connie Driscoll, a founder and spokeswoman for St. Martin de Porres House of Hope, has been quite vocal about identifying the roots of homelessness. She is somewhat of a controversial figure within Chicago's advocacy community because of her independent and open-minded approach

> to finding a solution . . . saying, "People wouldn't talk about the fact that in all of the homeless population there was such a serious problem with drugs and alcohol and lack of personal responsibility and accountability. They just kept screaming that it was housing, and as soon as we build houses for everybody in the United States, everybody's going to live happily ever after. Well, we all know that isn't true."[21]

Sister Connie adds, "I think the entire public welfare system has to be revamped. I think the public welfare system does everyone a disservice—the people who are paying for it and the people who are using it—because it really does lock people into poverty."[22]

Counterpoint

Philanthropy provides counterpoint to *Foundation News* in its responses to other problems as well. For example, instead of calling for national medical insurance, it explains how health clinics such as the Bradley Free Clinic in Roanoke, Virginia, can help 30,000,000 uninsured Americans. Some object that "free clinics represent a two-tiered health care system," but "There is no system that is not two-tiered. Under nationalized health care systems, the wealthier have access to fee-for-service care. Differences in the form of health care are not the problem; more important is the question of quality and appropriateness of care." The conclusion: "To make a significant impact on the enormous national problem of the uninsured, a dramatic expansion of free clinics is necessary and, fortunately, quite possible."[23]

The Roundtable's deviation from philanthropic correctness is also remarkable when it comes to environmental issues. One evocative article includes a reminiscence about the authors' conversations with famed conservationist Aldo Leopold:

> Problems of soil erosion, water contamination, wildlife depletion, and deforestation were discussed with great concern, but not in abstract, global terms. Rather we heard about them, took notes on them, and took action, when and where we could, to heal them. If asked whether or not we were "fixing the Planet Earth," we would probably have said that we were "fixing to have Christmas trees next winter." We worked to improve the environmental quality of the land because it was ours, and because we cared for it the way one cares for anything they've invested in—financially, emotionally, or otherwise.[24]

The authors emphasize private initiative and attack "the command-and-control approach environmentalists advocate today" because "collective concern is a poor replacement for individual responsibility." Costly and often counterproductive rules and regulations are ecologically inferior to the actions of private donors, who

> can purchase land and oversee it themselves, or appoint a non-profit to manage it in keeping with their environmental values and objectives. They can provide models for others on how to enhance ecological quality through responsible stewardship. Through creative use and management of private resources, they can help contribute to a better environment for all.[25]

Much Roundtable discussion focuses on educational problems. For example, Chicago businessman James K. Murphy, after examining "the results of . . . programs targeted toward school reform, particularly those launched by the business community," finds that "By far, the most popular amongst grantmakers were private/public partnerships, in which businesses or foundations 'adopted' a school, a class, or a particular subject area, such as math or science."[26]

Despite all the money sunk into these arrangements, however, "the same public school bureaucracy went on managing the situation, no more efficiently or creatively than before." The inevitable conclusion: "private/public partnerships are really only a 'feel good' panacea." The solution: "Any donor who is serious about helping children get a better education should put his or her money into institutions that work, as opposed to those that don't."[27]

Murphy puts the fundamental problem succinctly: "Why . . . would a business, a foundation, or an individual devote their resources and energies to a bloated public school system that doesn't educate kids, when in the same community there are private schools producing successful graduates at a much lower cost?" He also provides a practical solution: "scholarships that enable students to attend the best independent schools."[28] To this end, he has established the Daniel Murphy Scholarship Foundation, and his idea appears to be working; "for approximately $10,000 total ($2,500 per year), we have enabled a child to receive a superlative college preparatory education, as opposed to the approximately $25,000 in taxes it would have cost to secure a mediocre education in the public school system."[29]

Investment adviser John M. Templeton extends such concerns to higher education, insisting that colleges should promote "strong moral character as well as intellectual development" and "enhance understanding of the principles on which free and responsible societies are founded." Though many today "argue that these kinds of teachings lie outside the province of the university," he believes "it is impossible to teach without imparting values. The only question is what values will be conveyed."[30]

The "North Star" of Philanthropy

By October 1992, the Roundtable was ready to hold its first annual meeting. Ninety corporate, foundation, and individual givers gathered

in Colorado Springs for a discussion of issues pertaining to donor intent, which, though historically the "North Star" of philanthropy, is now under attack by foundation managers who prefer to ignore the wishes of deceased donors who were not philanthropically correct.

At the conference, Judge Robert Bork applied his view of Constitutional interpretation to the analogous problem of interpreting donors' intentions, and Charles Sykes (author of *A Nation of Victims* and *Profscam*) spoke of the shifting cultural orthodoxies that accompany, or induce, the overturning of donors' wishes.[31]

There also were "how to" sessions on the difficulties entailed in constructing trusts that guarantee the integrity of donors' intentions, as well as panels on corporate responsibility in giving and the intergenerational dilemmas of family foundations. In addition, there was time for other spirited discussions without the presence of the Council on Foundations thought police.

Interviewed at the conference, Michael Joyce decried the "growing politicization of philanthropy" which the Council on Foundations embodies but also took pains to say that the difference between the Roundtable and the Council "isn't right and left; it's not that simple." The real question concerning philanthropy is whether "you think of it as some investment with a predictable return, or are you doing it to satisfy some ideological agenda or to satisfy some emotional high that you get? And to a very large degree, major foundations are doing that."[32]

Joyce points out that "there are some areas where major foundations are doing very practical things, like in the field of medicine, for example, and science and technology." At the same time, however, "Those foundations that are engaged in that sort of thing are by and large not part of the foundation orthodoxy. They're just not part of it. They're specialized, they're hated in a way because they are not using the money for new, emerging needs."

Joyce recognizes the philanthropic establishment's hatred for those who question its claims to be "so good, my are they good, and do they care, oh my they care."[33] Since he and others who have not bowed to the Council try to approach philanthropy in a businesslike manner—evaluating by results, not by emotions or intentions—he realizes that "basically it is not possible for me to have a discussion with someone who is on the board of the Council on Foundations. They would regard me as evil, as a morally corrupt person, and they do not wish to be in the same room with me."

Council bigotry "is why the Roundtable exists, as a place for those who still think that you can have a debate." Joyce made a particularly telling point in explaining why Robert Bork "could not be invited to speak at the Council on Foundations. Not because of what he might

say, but because he is a morally deficient person, by their standards." These people "are moral relativists—'How dare you say that you shouldn't kill fetuses or how dare could anyone oppose the idea that some behavior is preferable to others?'—when it comes to personal matters, and yet they are extremely judgmental, extremely intolerant at the level of ideas."

This intolerance distinguishes the Council on Foundations from the Philanthropy Roundtable more clearly than any ideological labeling ever could. As Joyce says, "our idea is to have anybody who has something to say on the subject who is interested to come, without any ideological tests. You don't have to be a subscriber to any mandate or any statement of belief." (Council members, as previously noted, have to sign the *Principles and Practices* statement.)

In Joyce's words, "To go to a meeting of the Council on Foundations is to expose yourself to the extremism of feminist ideology. You would have to watch what was said; they are very unhappy places."

Interviews with other Roundtable board members indicate a similar commitment to wide-ranging discussion. Louise Oliver of the George E. Coleman, Jr. Foundation observes that "Most organizations, the Council included, tend to approach philanthropy by having grant seekers, or executive directors of organizations come and make presentations to tell people about what they should be doing." The Roundtable's approach, however, is

> peers talking to peers, grantmakers talking to fellow grantmakers, sharing their experiences, without having to worry that the guy next to them is writing down their name and address, because they are going to ask them for a pile of money. And that way you foster an honesty and discussion in terms of values, in terms of direction, in terms of the kind of thing we're looking for, the philosophy we stand for.[34]

Chris Olander of the J.M. Foundation adds that the Roundtable emphasizes

> strategies that work, and we can defend that. We can defend privatization and empowerment and private initiative over government programs. . . . The normal organizational meetings invariably gear up toward an activist agenda for more government programs. In rejecting that, that doesn't necessarily make us conservative.[35]

Noting conservative support for voucher advocate Polly Williams and for giving inner-city children vouchers so they can attend schools of their own choosing, Olander comments:

> I don't know if that is a conservative idea or a radical idea. To me, that is like the definition of progressivism at its greatest. That is the kind of thing

> that I believe in, and I identify myself as a conservative, but Polly Williams was Jesse Jackson's state coordinator. We will go with anyone who believes in these ideas and values and ideals. There is no litmus test here, like you'll find at other meetings.

Diversity or Uniformity?

For foundations that need to network but do not want to be strangled, membership in the Philanthropy Roundtable has two additional advantages over membership in the Council on Foundations.

- First, the Roundtable is more diverse. As Olander says,

> We, the JM foundation, are not members of the Council on Foundations, because we found that on the issue of diversity, their definition of diversity is counting how many women and black faces or gay people you have. To me, unless you have a diversity of opinion, you can have all sorts of different people espousing the same exact radical agenda, and, that's not diversity. That's total uniformity.[36]

- Second, because it does not carry the heavy baggage of philanthropic correctness, the Roundtable is able to emphasize realistic pragmatism, not ideological abstraction. In Louise Oliver's words,

> we can now look back on the results of major government programs, major government funding, Great Society-type approaches. We now have the luxury of looking to see what really worked, what were the results. And if you just look at the data, if you look at the results, you realize that [the Great Society] approach was counter-productive; it simply did not work.[37]

The history of philanthropic successes and failures now stands against the hysteria common among the philanthropically correct. The common-sense approach recognizes that two cultures of American anti-poverty philanthropy live side-by-side—as described in Section Seven, "upstairs" and "downstairs."

We hear much about heavily funded attempts to fight poverty through professional intervention and political organization designed to induce the discontented and their genteel allies to support "compassionate" spending programs with healthy salaries for those who direct them. We hear little about the culture that relies upon individuals who—without recompense—provide spare rooms to abandoned young women undergoing crisis pregnancies, adopt hard-to-place children, or volunteer at a minimally funded mission that offers spiritual challenge.

Programs that blame societal oppression and emphasize material redistribution may have the upper hand today, but it is initiatives like the Summerhill revival that show the progress possible when down-

stairs philanthropy gets a chance to offer challenge as well as material goods. The best opportunities for effective philanthropy may arise as Roundtable organizations that prefer effectiveness to ideology are networked with downstairs organizations that know their purpose in life and lack only enough resources to realize that purpose.

In 1992, I have been privileged to witness the promise of downstairs philanthropy in cities across the United States.

- In San Diego's St. Stephen's Church of God in Christ and in Chicago's Lawndale Community Church, hope is alive as children sing Bible songs and receive tutoring, husbands and wives learn about family in a way that transcends sullen male aggression and radical feminist hatred, and ex-addicts speak of how Jesus transformed their lives.
- In Detroit, where decades of government programs and upstairs philanthropic initiatives have left behind $1,000,000,000 worth of destruction, the community organization "Joy of Jesus" has helped create 35 block clubs in its Ravendale neighborhood. Each block has its own president and is organized to fight crime, develop youth activities, eliminate crack houses and prostitution, and renovate buildings. Almost every one displays signs such as "Welcome to the United for Peace on Wade Block Club" and, one block later, "You are leaving the United for Peace on Wade Block Club;" ten are linked with ten suburban churches through an adopt-a-block program.
- In West Dallas, three massive housing projects with a total of 3,500 units testify to the failure of the top-down approach. Two-thirds of the units are vacant and often boarded-up, and tens of millions in proposed new investment seems likely to make the devastated acres merely a better feasting ground for drug dealers and pimps; but just half a mile away, the grassroots group "Voice of Hope" is reclaiming nine streets, house by house, through youth programs and the rehabilitation of houses with owner/residents willing to work for the good of their families and the improvement of their own property.

The leaders of the Council on Foundations dismiss such programs in Atlanta, Chicago, San Diego, Detroit, Dallas, and other cities as "romantic." They see upstairs philanthropy, with its centralized planning and large-scale check-writing solutions, as "realism" for a large-scale society.

As T. S. Eliot wrote in *The Rock*, "They constantly try to escape/From the darkness outside and within/By dreaming of systems so perfect that no one will need to be good." True philanthropy, however, rests on the realistic love of mankind, despite—perhaps even because of—the darkness outside and within.

Early American philanthropists who understood the nature of man developed pragmatic programs that pushed people to become better

family members and better citizens. The Council on Foundations' utopian search for perfect systems derives from hatred of man as he is.

And this is not philanthropy at all.

Notes

Introduction

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2. Portions of this study have been adapted from the following previously published works by Dr. Marvin Olasky: *The Council on Foundations*, Studies in Philanthropy #1 (Washington: Capital Research Center, 1985); *Patterns of Corporate Philanthropy: Public Affairs Giving and the Forbes 100*, Studies in Philanthropy #3 (Washington: Capital Research Center, 1987); *Patterns of Corporate Philanthropy: Funding False Compassion*, Studies in Philanthropy #9 (Washington: Capital Research Center, 1991, co-authored with Daniel T. Oliver and Robert V. Pambianco); *Patterns of Corporate Philanthropy: The Progressive Deception*, Studies in Philanthropy #12 (Washington: Capital Research Center, 1992, co-authored with Daniel T. Oliver and Stuart Nolan); "Standards or Standardization?," *Alternatives in Philanthropy*, July 1988; " 'Professionalism' in Philanthropy: Uses and Abuses," *Alternatives in Philanthropy*, November 1988; "The Return of Mr. Fantom: James Joseph's *The Charitable Impulse*," *Alternatives in Philanthropy*, January 1990; "The Lessons of History: Robert Bremner's *American Philanthropy*," *Alternatives in Philanthropy*, July 1990; "The Rise of the 'Shadow State,' " *Alternatives in Philanthropy*, January 1991; "Ecumenics = Economics: *Faith and Philanthropy in America*," *Alternatives in Philanthropy*, November 1991; "A Sharp Taskmaster: Gertrude Himmelfarb's *Poverty and Compassion*," *Alternatives in Philanthropy*, March 1992; "Beyond Hobocracy: Richard W. White, Jr.'s *Rude Awakenings*," *Alternatives in Philanthropy*, October 1992; "Cultures of Philanthropy: Annual Conference of the Council on Foundations," *Philanthropy, Culture & Society*, July 1991; "Unsung Heroes of Philanthropy," *Philanthropy, Culture & Society*, December 1991; "Downstairs Philanthropy in Atlanta," *Philanthropy, Culture & Society*, February 1992; "American Compassion, Past and Present: Part I," *Philanthropy, Culture & Society*, April 1992; "American Compassion, Past and Present: Part II," *Philanthropy, Culture & Society*, June 1992; and *The Tragedy of American Compassion* (Washington: Regnery Gateway, 1992).

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3. Brian O'Connell, ed., *America's Voluntary Spirit: A Book of Readings* (New York: Foundation Center, 1983), p. 107.

4. Joseph C. Goulden, *The Money Givers* (New York: Random House, 1971), pp. 45–47.

5. These foundations are exempt from federal income tax but do operate under certain restrictions; independent foundations pay a yearly excise tax of one or two percent on their net investment income, and must make charitable expenditures of approximately 5 percent of the market value of their assets each year.

6. *A. P. Smith Manufacturing Co. v. Barlow* (1953).

7. Quoted in Wilmer Rich, *Community Foundations in the United States and Canada, 1914–1961* (New York: National Council on Community Foundations, 1961), p. 8.

8. *Ibid.*

9. *Community Foundations: What They Are, Why They Are, Where They Have Been, Where They Stand, and Where They Are Going* (New York: Council on Foundations, n.d.), pp. 1–3.

10. Rich, *Community Foundations in the United States and Canada*, p. 78.

11. *Community Foundations: What They Are, op. cit.*

12. Dwight MacDonald, *The Ford Foundation* (New York: Reynal, 1956), p. 25.

13. Richard Magat, "Wilmer Shields Rich: First Lady of Organized Foundations," *Foundation News*, November/December 1982, pp. 47, 48.

14. *Ibid.*, pp. 49, 53.

15. *Community Foundations: What They Are*, pp. 1–11.

16. Proceedings, Council on Foundations 1968 annual conference, p. 184.

17. Magat, "Wilmer Shields Rich," p. 48.

18. *Community Foundations: What They Are*, pp. 1–11, and Magat, "Wilmer Shields Rich," p. 48.

19. Magat, "Wilmer Shields Rich," p. 48.

20. MacDonald, *The Ford Foundation*, p. 124.

21. Magat, "Wilmer Shields Rich," p. 48.

22. MacDonald, *The Ford Foundation*, p. 125.

23. Magat, "Wilmer Shields Rich," p. 48.

24. *Ibid.*

25. See Daniel P. Moynihan, *Maximum Feasible Misunderstanding* (New York: Free Press, 1969), pp. 35, 40–41. Ylvisaker headed the Ford Foundation's Public Affairs Program.

26. James N. Morgan, Martin H. David, Wilbur J. Cohen, and Harvey J. Brazer, *Income and Welfare in the United States* (New York, 1962), pp. 3, 7.

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29. Quoted in James T. Patterson, *America's Struggle Against Poverty, 1900–1985* (Cambridge: Harvard University Press, 1986), p. 79.

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31. Howard E. Kershner, "The Church and Social Problems," *Christianity Today*, March 4, 1966, p. 35.

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33. *Public Papers of the Presidents of the United States*, Lyndon B. Johnson, 1963–64, no. 431, p. 819.

34. *Ibid.*, pp. 295–296.

35. Proceedings, Council on Foundations 1968 annual conference, pp. 21, 26, 27.

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2. *Who's Who in America*, 42nd ed., 1982–83 (Chicago: Marquis Who's Who, Inc., 1982), p. 1111.

3. Council on Foundations annual report, 1977/78, pp. 7–8.

4. Telephone interview with David Freeman, July 2, 1984.

5. *Who's Who*, p. 1233.

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7. Goheen speech, in *The Future of Philanthropic Foundations*, Ciba Foundation Symposium 30 (Amsterdam: Associated Scientific Publishers, 1975), p. 201.

8. *San Antonio News*, May 8, 1974; clipping in Hogg Foundation Library, Austin, Texas.

9. *San Antonio Express-News*, May 11, 1974, p. 19-A.

10. *Ibid.*

11. Archibald Gillies, "Real Politics," *Foundation News*, January/February 1975, p. 22.

12. Article by James G. Crowley, *Boston Globe*, March 16, 1975, p. 7.

13. *Foundation News*, September/October 1974, p. 5.

14. "The Family Planning Field: Its Needs Are Far From Met," *Foundation News*, September/October 1974, pp. 15, 16, 25.

15. *Foundation News*, September/October 1974, p. 64.

16. *Foundation News*, January/February 1974, p. 21.
17. Rosemary H. Cass, "New Social Demands on the Private Sector," *Foundation News*, May/June 1974, pp. 42, 43.
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21. *Foundation News*, May/June 1975, p. 32.
22. Mary Jean Tully (president of the NOW Legal Defense and Education Fund), "Funding the Feminists," *Foundation News*, March/April 1975, pp. 24–25.
23. *Foundation News*, March/April 1976, p. 40.
24. Janet Oliver, "Women in Foundations Are Challenging the Status Quo," *Foundation News*, July/August 1976, p. 28.
25. Freeman interview, *op. cit.*
26. *Who's Who in America*, p. 1719.
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28. *Ibid.*
29. Compare with C. S. Lewis, *The Screwtape Letters* (West Chicago: Lord and King, 1976), VI, p. 43.
30. "Corporate Philanthropy and Community Development: The Cummins Approach," *Journal of Contemporary Business*, Spring 1974, pp. 80, 86.
31. "Corporate Philanthropy and the Recession," *Foundation News*, May/June 1975, pp. 33–34.
32. *Ibid.*, p. 36.
33. *Foundation News*, July/August 1975, p. 64.
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35. *Foundation News*, July/August 1976, pp. 21, 22, 27.
36. *Ibid.*
37. "Quality and Equality in the Marketplace," speech delivered March 28, 1984, p. 8; text of these and other Joseph speeches provided by Council on Foundations.
38. Biographical sheet at Hogg Foundation Library, Austin, Texas.
39. Council on Foundations annual report, 1977/78, p. 5.
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41. Council on Foundations annual report, 1980, p. 3.
42. Guida West, *The National Welfare Rights Movement* (New York: Praeger, 1981), pp. 88–89. Some women maintained a desire to conform to middle-class goals and were happy to have real needs met.
43. Arthur Bonner, *Jerry McAuley and His Mission* (Neptune, N.J.: Loizeaux Brothers, 1967), p. 110.

44. *Ibid.*, p. 112.
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46. See Marvin Olasky, *The Tragedy of American Compassion* (Washington: Regnery Gateway, 1992), chapters 10–13.
47. *Council on Foundations Newsletter*, June 1980, p. 16.
48. *Ibid.*

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2. *Ibid.*
3. *Council on Foundations Newsletter*, April 12, 1982, p. 2.
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13. "Quality and Equality in the Marketplace," speech delivered March 28, 1984, pp. 1, 3.
14. "The Meaning of 1983 for the Mission of 1984," speech delivered April 26, 1984, p. 6.
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34. *Ibid.*
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39. Letter from Joseph to John M. Olin Foundation, June 28, 1984.

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10. *Ibid.*, p. 21.
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In recent decades, a veritable universe of not-for-profit organizations, the "third" or "independent" sector, has emerged. The proliferation of these often little-known groups and their strategic role in shaping public policy put a premium on accurate and verifiable information about their purposes, personnel, and funding sources. Capital Research Center specializes in analyzing organizations that, with tax-exempt, tax-deductible—and sometimes taxpayers'—dollars, mix advocacy and direct action to pursue their own vision of the public interest.

Our research, aided by computerized data on key groups and their supporters, forms the documented basis for a variety of publications:

- *Organization Trends*, a monthly newsletter that reports on and analyzes the activities and aims of advocacy and grant-making organizations.
- *Alternatives in Philanthropy*, a monthly newsletter with fresh perspectives on current trends and issues in philanthropy.
- *Philanthropy, Culture & Society*, a bimonthly newsletter that examines the impact of philanthropy on American cultural institutions and traditions.
- *Capital Report*, a quarterly newsletter that informs donors about Capital Research Center's programs, accomplishments, and personnel.
- *Studies in Philanthropy*, a series of monographs devoted to critical issues in philanthropy.
- *Studies in Organization Trends*, a series of monographs on the role of interest groups; their activities, leadership, and funding sources; and their influence on the policy process.
- *Profiles*, a series of reports containing organizational data, commentary, and analysis on the goals, leadership, programs, and finances of specific funding and advocacy organizations.

Capital Research Center serves donors, public officials, and other individuals by providing them with the documentation and reliable analysis they need in making informed decisions on these new and influential organizations.

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The Playboy Foundation: A Mirror of the Culture?, by Cliff Kincaid, Studies in Philanthropy #13, 1992

"It is widely recognized today that American culture is in crisis. It should be equally obvious that the outcome of the war for control of that culture being waged with such ferocity in the last decade of this century will determine the character of the United States for generations to come.

"*Playboy*, says Hugh M. Hefner, 'has changed America.' Fair enough; but if one grants that this claim represents more than editorial hyperbole, one also must recognize that it cries out for examination. Because *Playboy*, by its own account, has made no small contribution to one side in the war for American culture, in other words, concerned Americans must understand the nature of the magazine, its founder, and those groups that have accepted—and continue to accept—its financial and other support.

"That is the purpose of this book."

From introduction by Cliff Kincaid

Price: $30.00 ($33.00 by mail, including postage, *prepaid*)

Patterns of Corporate Philanthropy: The Progressive Deception, by Marvin Olasky, Daniel T. Oliver, and Stuart Nolan, Studies in Philanthropy #12, 1992

"The great irony is that the simplest measure of progress is the achievement of positive results, and the policies pursued by so many of those receiving most of the money fail even this test. Instead of encouraging individual creativity and opportunity, they encourage government programs that perpetuate a corrosive psychology of dependency.

"As Marvin Olasky points out, corporate leaders have abdicated far too much day-to-day operational control of their giving to a philanthropic managerial class which sets their giving priorities for them.

"The lesson is the same today as when I wrote the preface for the 1988 version of this report: Capitalism has no reason is this world to underwrite its enemies, but it does have a reason—in fact, a duty—to support individuals and institutions dedicated to preserving Western civilization and the economic and political institutions that have given America the highest standard of living, the greatest prosperity, and the greatest individual freedom ever known to man."

From preface by
Hon. William E. Simon

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